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**Implementation of CSR- A strategic and sustainable imperative at
VIPEX AS**

Master's thesis

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I hereby declare that I have compiled the thesis independently and all works, important standpoints and data by other authors have been properly referenced and the same paper has not been previously presented for grading. The document length is 10490 words from the introduction to the end of conclusion.

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ABSTRACT

Corporate Social Responsibility (CSR) refers to the strategies that the business houses and corporate entities undertake in order to conduct their business in a way that they remain ethical, society & environmentally friendly and beneficial to community at large in terms of overall economic development. This Article attempts & analyses the meaning of CSR based upon the theories mentioned in this thesis. The thesis studies the current understanding and awareness about CSR amongst the employees, how willing are the employees to adopt CSR in the work culture and eventually how to successfully implement CRS at Vipex AS? Select list of employees of the company were interviewed in order to analyse the level of understanding and the willingness of the organization (Vipex AS) to adopt CSR. The questionnaire for the interview would be based upon the key points highlighted in the article published by Carroll in 1991. This study would also give us an insight into the perception that the employees carry towards the concept of CSR. Based on the analysis of the interviews, certain derivations would be made in order to see how CSR can be incorporated into the working of the company in a way that is even more efficient; promoting growth; profitability; abiding by the legal frame work and regulations, binding to the ethical values and philanthropy.

Further the thesis looks into the future aspects of the implementation of CSR, not just from the perspective of various stages of the functioning of the company but also, how it can be promoted in the industry, and hopefully in the market as well as within an overall objective of attaining inclusive growth & sustainable development.

LIST OF ABBREVIATIONS

1. CSR: Corporate Social Responsibility
2. SD: Sustainable Development
3. TBL: Triple Bottom Line
4. SME: Small to Medium Enterprise
5. MNC: Multinational Company
6. WEEE: Waste electrical and electronic equipment
7. PR: Public relations
8. CSP: Corporate social performance
9. CD: Community Development
10. GDP: Gross Domestic Product
11. SAAR: Social accountability, auditing and reporting
12. UN: United Nations
13. EU: European Union
14. WCED: Western Cape Education Department
15. AS: Aktsiaselts
16. B2B: Business to business
17. B2C: Business to customer
18. OECD: Organisation for Economic Co-operation and Development
19. UNEP: United Nations Environment Programme
20. SDG: Sustainable Development Goals

INTRODUCTION

Corporate social responsibility (CSR) refers to how companies contribute to an overall positive impact on the society. CSR initiatives help to reiterate the organizational commitment to conduct business ethically and eventually integrate the corporate ideology towards a sustainable development of the society. CSR initiatives must keep an eye on social, technological, economic, political and environmental risks so that a CSR policy is designed and implemented in a way that it helps in overall sustainability of society, economy and development. Organizations are obliged to comply with the associated legislations and encouraged to take initiatives. This happens voluntarily to improve the standard of living of the company's employees, their families, the existing local communities and society at large.

As pointed out by Hency Thacker in an article "What is the importance of CSR?" published in 2019, Corporate Social Responsibility has become an increasingly important phenomenon today because a few identifiable factors such as brand value, increased sales through customer satisfaction, employee retention and engagement, cost saving, poverty alleviation and risk management. Looking at the top brands in the world today, it would suggest that corporate social responsibility is at the core of their operations. A well-managed CSR program can help increase brand equity, awareness and resonate with strong values. Usually, people appreciate any company that engages in activities undertaken for the greater good of the people and not merely for its profit generation. Companies that lead with a purpose are perceived positively by their customers. People tend to make an effort to buy products from a socially responsible company. There was a time when people only thought of their jobs from the bread-and-butter perspective. Today, employees look for a higher purpose rather than just focusing on their annual package. Employees prefer and enjoy working for companies that have a positive public image. CSR initiatives often incorporate volunteering programs for employees who foster values such as empathy and loyalty. This results in better teamwork and team spirit among employees. Also, it is a well-known fact that happy employees lead to low attrition. Earlier, operating sustainably came across as excessive cost to the company. But now, companies have found new technologies that have reduced the cost of operations and have inspired other companies to promote social responsibility. CSR programs bring out change at the grassroots level by harnessing operational efficiency. CSR has a positive and considerable impact on quality and development of society, organizations as well as countries. CSR can help a country develop in a number of ways such as employment creation, hospital and

school construction, contribution to GDP growth, refusal of child labour, minimum wage, quality and providing safe products and services etc., and eventually helping in achieving an increased standard of living. It is also no longer a debate that social and environmental risks affect businesses in a big way. In the long run, most of these factors affect the growth strategies and are completely out of the company's control. Many times, environmental and social factors damage the infrastructure or lead to the loss of business hours due to absenteeism. (Thacker – 2019, Asemah, Ezekiel S – 2013)

The importance of CSR, its benefits are further highlighted by the SDG as set by the UN. SDG are UN's blueprint to achieve a better and more sustainable future for all. They address the global challenges our world faces, including poverty, inequality, climate change, environmental degradation, peace and justice. These goals were set at the UN Conference on Sustainable Development in Rio de Janeiro in 2012. SDG's aim is to improve the life of our future generations. The SDGs are unique as they cover issues that affect us all. They reaffirm UN's international commitment to end poverty globally. These goals encourage everyone to build a more sustainable, safer, more prosperous planet for all humanity. (United Nations Development Group - 2016).

There being no clear information or record regarding the information that how, what CSR policies and to what extent were the CSR policies adopted and implemented at Vipex.

The aim of the thesis is to work out policies that would improve the implementation of CSR at Vipex AS.

To achieve the aim following research question have set up:

1. What is the attitude of the employees of Vipex AS and the management of the company towards activities related to CSR?
2. Why have they not been successful in the implementation of CSR? How can CSR be made more efficient at Vipex AS?

Depending upon the conclusion and the result, a strategy would be made in order to determine, how could that strategy be useful for not just VIPEX AS but for other similar SMEs.

For this purpose, a select group of employees would be interviewed, and the results of the interviews would be analysed. Based on these findings, it would be possible to derive the extent to which CSR has been implemented in Vipex AS and how it can be strengthened. It would also help us in understanding how the concept can be made clearer to the employees, the clients, partners and eventually the society at large.

The author chose the qualitative method because there are no harmonious tools that can be used in order to measure the implementation and understanding of the concept of CSR. How it has the potential to promote growth and development, and also how it can pave the path to sustainable development. The semi-structured written interview would be based upon the key points highlighted in the article published by Carroll in 1991. The theory given by Carroll in 1991, which I would be using as the basis for the study in this dissertation highlights four issues such as profitability, law abiding, ethics and philanthropy. These results would give an insight into the clarity of the knowledge that the employees have regarding the concept and the implementation of CSR. The answers received from the interviewees would also be analysed using Carroll's 1991 theory as the base. (Carroll 1991)

1.THEORY

1.1 General study regarding the concept of CSR

Bernard used the term Corporate Social Responsibility (CSR), for the first time in 1938. After a period of 22 years, it became popular during 1960's. People started using it indiscriminately to describe legal and moral responsibility in their narrow sense. Bernard model of CSR describes three key elements: accountability, transparency and sustainability. These three, he said, served as a major to determine whether a company has imbibed them or not. (Bernard 1938)

According to the EU, CSR is defined as the coming together of a companies' social and ecological aspects with the business activities and its relation with the various stakeholders. Expecting companies to be socially responsible, is not limited to fully satisfying legal obligations but also going beyond and investing towards the environment, human capital and other stake holder relations. A Company can carry out its CSR in several ways such as sincerely trying to find the safe measure to dispose of the waste, by following management processes efficiently by contributing in a positive manner for educational and social service programs; and also, by earning sufficient returns on the resources employed. A company that stands firm on these three pillars and follows their tenets consciously succeeds in promoting a healthy business environment. Moreover, the company makes a positive impact on the market.

The academicians of the business management have been debating that the concept of CSR is practically useful for only those companies that function in the B2C Sector. Companies belonging to the B2B Sector do not have to be really sincere about their social responsibilities as they hardly interact with the end users of their products. Researchers and academicians like Carroll (1991), Elkington (1993), Mele and Garriga (2004) and Mattens and Moon (2004) have studied and documented their views on CSR. However, analysis of their theories and concepts are nothing more than the mutations of the theory propounded by Bernard way back in 1938. After studying the trend of the current market, they concluded that the three key majors can be segregated into more prominent angles. (Carroll 1991, Elkington 1993, Mele and Garriga 2004, Mattens and Moon 2004)

John Elkington elaborated his theory of Triple Bottom Line (TBL). This theory focuses on three main points i.e., profit, environment and society. According to John Elkington a business should be conducted in such a manner that it can be sustainable. The sustainability of any business operations calls for a healthy economic, social and environmental development, market values, transparency, life cycle of technology, partnerships and corporate governance – these are the seven drivers he emphasizes upon. A model for the “3 Pressure Wave” was evolved from the TBL theory. “3 Pressure Wave” is a graphical representative of the relation between of the economy and time factors. It shows that when a business adjusts to the changes in the market, sustainability is achieved eventually leading to globalization. (Elkington 1993)

Carroll in 1991 put forward a theory that for CSR to be accepted by a diligent and industrious business should be devised in a way that the complete range of business and corporate responsibilities are considered. He further suggested that there is a total of four social responsibilities that can pave way towards total CSR, namely economic responsibilities, legal responsibilities, ethical responsibilities and philanthropic responsibilities (Figure 1).



Figure 1. Carroll’s pyramid showing the four main social responsibilities

Source: Carroll (1991)

The economic responsibilities or profitability of any business is the very foundation upon which all other activities and involvements depend. It is utmost importance for any business to be focused towards maximising profits, thus being able to hold a strong position in the market. For any business or company to be considered successful, it is of extreme importance that a high level of operating efficiency is achieved along with being able to simultaneously generate profits at a consistent pace. The legal responsibilities or obeying law puts emphasis that a company should function within the regulations as formulated by the government. To adhere to the local, national, international laws is crucial, for the business or the company to not be considered illegal. For any company or business to grow, within the legal framework as set by the governing institute, it is a must that all legal obligations are met. The ethical responsibilities point out the moral obligations of a company or business. It highlights the importance of doing what is right, just and fair. It is expected for all companies to function in a way that is in accordance with the current social, moral and ethical norms, but also to adopt with the new norms with time. It stresses upon the fact that corporate integrity and ethical behaviour go far and beyond just the concurrence with laws and regulations. The fourth and final responsibility is philanthropic. Philanthropy covers the prospect of companies and businesses being good corporate entities. It is paramount that companies and business conduct their operations in a way that is homogeneous with the philanthropic and charitable expectations of the society. Companies and businesses can volunteer and assist for projects that better the overall quality of life in the society. Philanthropy creates opportunities, provides assistance to ventures that may not be very popular or perhaps even debatable in order to attain support of the society. (Carroll 1991)

Mele and Garriga published their third most remarkable theory in 2004. This theory asserts that there are four angles according to which we can measure the level of implementation of CSR in a business. They are: profit, political performance, ethical values and social demand. Profit can be termed as an instrumental theory, for it, becomes an instrument to measure the profits earned and the wealth created. Political performance can be explained as a measure to assess the status and political patronage a company enjoys in the society. Ethical theories imply the ethical responsibilities, a company owes to the society, and particularly to its customers. Social demand refers to the requirements and expectations of the customers. The business should focus on satisfying the demands of its customers or public. (Mele and Garriga 2004)

The pyramid theory of CSR as visualised using the Carroll's 1991 theory (Figure 1) can be correlated to the theory published by Mele and Garriga in 2004. Profit under Mele and Garriga is directly related to the economic responsibilities accomplished by a business legally and ethically as mentioned by Carroll in 1991. Similarly, the highlights – social demand, ethical values and political performance as theorized by Mele and Garriga can be put under the umbrella of ethical responsibilities according to the Carroll's theory. Additionally, philanthropy can be a vital tool in order for a company to meet the social demand or the expectations of the society and the customers in particular. The relation between the pyramid theory by Carroll and the theory focusing upon profit, political performance, ethical values and social demand as theorized by Mele and Garriga in 2004 can be visualized on the Figure 2.

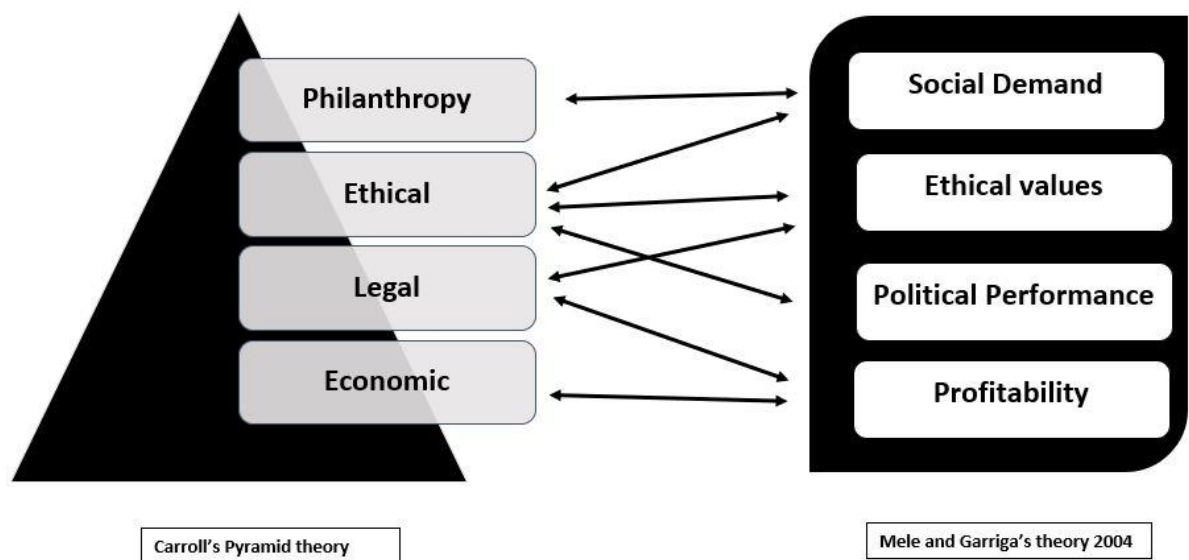


Figure 2. Visualization of Carroll's (1991) Pyramid of CSR theory and the theory published by Mele and Garriga (2004)

Source: Author's interpretation

Further studies by Secchi (2007) and Lee (2008) revealed that the definition of CSR and the concept thereof has been changing over the period of time both in terms of its meaning and practice. The historical perspective of CSR was limited to philanthropy which gradually shifted to the business vis-à-vis society relations particularly with reference to the contributions made by the business entities in addressing issues related to social concerns. Social responsibilities during the early 20th century were linked to market performance. Oliver Sheldon (1923, cited in Bichta,

2003) put forth this view, thereby encouraging corporations to take the initiative in raising the business ethics and justice through the ethic of economization i.e., to ensure effective resource mobilization and the usage of such resources. By undertaking such actions, the organizations would create wealth in the society and improve the standard of living while ensuring that the resources are not wasted and are judiciously utilized. Today CSR is also referred as corporate responsibility/ Corporate citizenship, which has now emerged as a concept wherein the business enterprises take into consideration the interests of the society by undertaking responsibilities with regard to the impact that the enterprises have on customers, vendors, employees, shareholders, eco system, stake holders as well as the impact on the environment. CSR will involve a range of actions such as need assessment, baseline survey, working closely with institutions, local communities, ensure customer satisfaction, and make socially sensitive investments and also participating in activities leading to environmental conservation and overall Sustainability. (Secchi 2007, Lee 2008)

In 2007, Secchi propounded a theory based on the criterion enquiring the role of theories conferred on society and corporations. He touches upon the utilitarian, managerial and rational theories to prove his point of view. (Secchi 2007)

Managerial Theory

According to the managerial theory published by Secchi (2007), CSR is an organization's internal matter and it should be left for the management of the company to decide upon. In this manner managerial theory differs from the utilitarian theory which suggests that everything external to the organization is to be taken into account in the personal decision making. Managerial theory has been further categorised into three pillars namely Corporate Social Performance (CSP), Social Accountability, Auditing and Reporting (SAAR) and Social Responsibility of multinationals. (Secchi 2007)

In order to understand the contribution made by the social variables towards the economic performance, CSP can play a vital role. Though it is tedious task to measure the firm's economic performance keeping in mind the social and economic factors together. The theory focuses upon the fact that for any business to grow and flourish, it is dependent upon the society. Hence, for its growth and sustainability, social responsibility together with financial gains has to be practiced.

CSP of an organization is further categorized into five attributes. The first attribute being Centrality which measures CSRs compatibility with the ultimate mission of achieving core goals. The second attribute i.e., Specificity highlights the advantages CSR attracts towards a business. The next attribute being Pro-activity, which is responsible for measuring the effects of external demands. Voluntarism being the fourth attribute, emphasises upon the organization's discretion towards the implementation of CSR. The fifth and final attribute is Visibility, it helps to understand the view of the community of stakeholders with respect to responsible behaviour.

To conclude, the managerial theory finds importance as it generates interest. The theory suggests how socio-economic variables are used in CSR to measure a company's performance and business strategy. Secchi (2005) further explain the relation between SAAR and social performance contributors such as accounting, auditing and reporting. According to Secchi, SAAR implies that a business is socially responsible for its operations. While the activities of accounting, auditing and reporting are separate managerial activities, they are interrelated to one another. All three together decide how responsible a business has been towards a society.

This eventually helps to measure that impact a business has on the society. It also helps to streamline a company's communication among the various stakeholders and to showcase the company's efforts towards being responsible to the society. The MNC are expected to display better corporate social responsibilities as they have to face global challenges and have a competitive edge. The managers adopt the tenets of the managerial theory to define their strategies through SAAR to survive on foreign soil. Donaldson (1989, cited in Secchi, 2007: 359) calls the MNCs the moral agents when he analysed the managers working their going beyond profit-making objective in the business decisions. In foreign countries MNCs often face unfavourable cultural clashes such as strikes, boycotts, demonstrations and protests. This makes adhering to CSR practices even more relevant as a mechanism for defence. To prove that the company is operating in a socially responsible way and that it is not just present in a foreign country to generate maximum profits, they must formulate a code of conduct and carry out their activities accordingly. The client's expectation, level of trust, acceptance, cooperation among the stakeholders and the corporate reputation determine the successful implementation and adherence of these strategies. Garriga and Mele in 2004, Wood and Lodgeson in 2002 and as well as Detomasi in 2008 based upon the studies had suggested that political theories are correlated to the managerial theories. As

per the political theories, the social responsibility of a business is directly proportional to the weightage of the social influence the business wields. In addition, they emphasise the fact that just like all citizens of a nation, the MNCs are also a part of the society. This furthers their responsibility towards the community they flourish in. Davis in 1960 published a theory according to which a business is a social institution, and it is responsible to utilize that power for the wellbeing and upliftment of the society. He further pointed out that the social power emerges from the both internal as well as external factors of any business.

In 2008 Detomasi elaborated upon the fact that the strategies formulated by a business, in order to implement CSR initiatives are constituent parts to the local domestic political institutions that shape, govern and monitor the market. Political theories also ponder upon the relations between the global economic pressure faced by a business and the structure of the country's national political framework in which the business as well as the CSR policies are based upon. The integrative theory published by Mele and Garriga in 2004 is in correlation with the managerial theories that put attention towards the relation amid the business's public and social responsibility and its social performance. The laws and the public policies determine the importance of public and social responsibilities of a company and are a measure of the company's social performance. The corporate social responsibilities also keep in check social legitimacy that is pertinent to the social causes. (Detomasi 2008, Mele and Garriga 2004)

To conclude, we arrive at the understanding that all CSR activities discussed above are concerned with the welfare and betterment of the society. The managerial theories can be assessed and are organization oriented. The Relation theory is more inclined towards the perception of the corporate entity, value and societies as individual units. All theories mentioned above can be grouped into political, integrative, instrumental and value oriented. The instrumental theories primarily focus on the objective of economic achievements through social activities whereas the political theories assert the need to responsibly use the economic power in the political arena. Social responsibilities, CSP, management of shareholders and other management issues are highlighted by the integrative theory. Ethical theories largely focus upon the moral and humane ways to conduct business activities.

Mattens and Moon propounded another theory that lays emphasis upon environmental responsibility, sustainable development, ethical conduct and philanthropy. They further wrote that sustainable development encompasses the concept of setting the principles to achieving human goals; simultaneously preserving and conserving the natural resources and the eco-system upon which the society as well as the economy depend in order to prosper. Operating in an ecologically healthy manner, all businesses must be well aware of their responsibilities towards safeguarding the environment.

1.2. Potential Business Benefits of CSR

The nature of benefits that are derived from CSR for any organization varies according to the services or products it is offering/ producing for the people. The benefits to the company from the outcome of CSR rest on either one or more of the following arguments.

1. **Human Resources:** The employees are aware today; they do take serious note of companies CSR policies before joining it and effective CSR policies helps in recruitment and retention of human resource in a highly competitive market of today.
2. **Risk Management:** Managing risk is an important business strategy of an organization. The reputation of a company that takes years to build can be ruined by one act of corruption, scandal or environmental accident. These can draw unwarranted attention of regulators, courts, government and media. There is a need to build a general culture of doing the right things for the good of society at large. This can offset such risks.
3. **Brand Differentiations:** Corporation generally tries to avoid a part of taxation. By taking substantive voluntary steps by dealing with issues like health, safety, diversity and environment, the corporations can have a positive effect on governmental policies as well as on consumers.

The above-mentioned benefits namely human resources, risk management and brand differentiation are collectively impacted with the use of CSR practices. Whether its employees favouring to work for brands that are socially responsible or CSR helping companies retain their goodwill at the time of a crisis or even standing out in the eyes of the society by engaging in voluntary activities for the benefit of the society at large. (Asemah, Ezekiel S 2013, Thacker 2019)

1.3. Community Development: CSR and role of CSR managers

An organization functioning with CSR, emits a strong message towards the community that it acknowledges its position to help the society, and will act upon it. Through this process of do-good work, companies not only help their community – they also reap a few benefits. The three major benefits of practicing CSR are loyal customers, engaged employees and positive public attention. All these three points are interrelated and each in its own way promotes the other two.

The success of CSR is contingent upon internal as well as external reasons. Internal reasons range from financial consideration, ethical impact to an organizations culture. At the same time, external factors include rigorously meeting the standard legal demands and effects of the technology and culture of a country.

Implementing CSR and ensuring that the CSR activities bear fruitful results, the skills of the managers are crucial, particularly when it is about being able to provide support to the society. CSR management is a new and upcoming field, contributing towards the internal factors determining the implementation of CSR policies. Thus, it becomes vital to share expertise and knowledge about attributes such as business ethics, efficient environmental management, community development as well as human resources. (McLennan, Banks 2018)

An ability to communicate effectively, take decisive decisions, building understanding, leadership abilities, awareness of the business, innovation, ability to solve problems comprise business skills. Flexibility, ability to empathize, helping others to grow in the community, having a soft influence on others, honesty, participating voluntarily, compassion is some of the skills that come under people skills. These skills open up various career avenues for CSR managers as they can utilize their skills in multiple sectors such as human resource, environmental management, health and safety, public relations and marketing etc. (Bichta 2003)

1.4. Sustainable Development and CSR

Numerous factors such as the ever-evolving phenomenon of globalization and society's consciousness along with the view towards the society have drastically affected the working mechanism of the corporate world, it has now turned more friendly towards playing a leading role in sustainable development. The shift in this attitude of the business model have given rise to the standing that business own up to their responsibilities and constructive contributions towards the development of the society.

Grow Harlem Brundtland, the Norwegian Prime Minister, was one who introduced the idea of sustainable development at the United Nations World Commission on Environment and development, in his 1987 report entitled "Our Common Future". She defined sustainable development as a practice or a model of development which allows us to fulfil the needs of the existing population without endangering the prospects of our posterity to meet their own needs.

The businesses can develop a rapport between themselves, the government and the public by operating in accordance with to the social responsibilities. The potentially favourable relation formulated, ensures a mutually beneficial environment that promoted sustainable development. It can be concluded by saying that CSR is crucial in order to safeguard corporate social development. (Ans Kolk 2016, Dongyong, Morse, Stephen & Kambhampati 2017)

1.5. Social Contracts, Corporate Governance & CSR

Institutional economics proposes that the institution is a restriction mechanism to define people's relationship. All institutional arrangements are mixtures of explicit and implicit contracts. As an effective supplement of the explicit contracts, implicit contracts should be taken into account. Corporation arrangements of institutions are integral parts of the social system and the carriers of stakeholders explicit and implicit contracts.

Donaldson and Dunfee called all reforms of contracts between the corporation and its stakeholders' integrative social contract. This theory proposes that the corporation gains

legitimacy by establishing a social contract with the society. Such a contract is not entirely a formal written contract, but an informal agreement on codes of conduct coming from common objectives, concepts, and attitudes of the community. Specifically, it includes three levels, namely; Super standard level, Diversity level and Operational level. As an individual of the community, the corporation has an implicit contract, and the core content is CSR based on corporate ethics. Ignoring or undermining these implicit contracts of CSR will lead to the wrong concept of CSR.

It is a general belief that corporate governance brings about an equilibrium in the relationship between responsibilities, rights and obligation of the corporate owners and their employees via organizational pacts. It aims at maximizing the interest of shareholders without compromises, notwithstanding the challenges involved to bring it in practice.

Corporations generally finance their growth through internal accruals and for this they usually issue bonds and use equity finance. Today economy is driven by knowledge and corporations adopt strategies which is a mix of human resource, finance, market and social capital. More so as the stakeholder's theory unfold it is noted that there are a number of stakeholders in a corporation who tend to have diverse interests, while some stakeholders take business risks which may be in contradiction to the other stakeholder's interests. A corporation has to ensure that it does not allow violation of economic interest without any limit. All stakeholders have to limit their interests within such levels as no damage is caused to the interest of other stakeholders because the same will violate the contract. In case the same is not ensured, the contracts will become irrelevant. This will lead to restructuring of the corporation, putting new contracts in place and possible emergence of new stakeholders. (Donaldson 1989)

Corporate governance as a tool ensures maximization of shareholders values. While ensuring economic growth and fulfilling responsibilities towards its shareholders, organizations also have to undertake social responsibility towards the eco system that it operates in which includes the employees, the customers, the society and the natural environment. This implies that corporate governance has to be based upon the social responsibilities of an organization. For implementation of an effective CSR model the organizations need to modify the corporate governance also and the organizations should include their stakeholders into corporate governance.

Some eminent empirical researchers have inferred that relationship exists between corporate governance and the method of implementing CSR. The system of corporate governance is subdivided into two parts that is external corporate governance and internal corporate governance. Researchers have established that high degree of social responsibility lies with internal governance since it involves participation of employees. On the other hand, on account of excess market control, mergers and acquisitions and the lack of employee participation results in a low degree of social responsibilities in the external corporate governance.

In modern organizations corporate governance and their social responsibilities go hand in hand. Corporate governance has emerged as an vital tool for CSR to be effective. Thus, it becomes incumbent upon the organizations to take social responsibilities which is possible only when effective corporate governance is in place. (Jamali, Safieddine, Rabbath 2008)

1.6. Corporate Culture and CSR

Corporate culture can be stated as the values being shared and developed in an ongoing business over time. As the corporate culture evolves, it plays an important role in promoting team work among the employees to accomplish corporate goals. Corporate culture helps in creating a feeling of belonging a bond, between an employee and the company. Different companies adopt and implement different strategies in order to motivate, generate enthusiasm, creativity and a sense of being amongst its employees. To promote the morale of the employees, tends to increase their dedication towards the company, therefore creating a positive atmosphere.

Organizations need to bring the entire hierarchy to an agreement on CSR activity so that CSR and corporate culture can be integrated effectively. This may call for social responsibilities to be made part of organizational value systems. Integration of social responsibilities with values into corporate culture is a long-drawn process which will require long term planning. The following core aspects need to be taken into consideration for such systematic planning:

1. Participative social responsibility management should form the core issue in the process of integration;

2. For ensuring awareness towards management of social responsibility for creating awareness would call for training programmes on social responsibility, strategic CSR planning and CSR vision; to all the employees.
3. Participative management needs to be made part of system where employee participates in management decisions. This will help employee to bring in line their individual goals with the organizational objectives. This is a major step towards management of social responsibility recognition.
4. Organizations have to ensure consistency towards social responsibility behaviour. This would entail organizations to have a reasonable structure where job responsibilities are identified, individual social responsibility practices are in place, communication within and outside the system are open, audit and system to verify the communication flow is in place.

Once the CSR and organizational strategies are integrated, corporate values need to be oriented towards CSR. This would call for re-enforcing CSR culture as core agenda in the organizational hierarchy, notwithstanding the challenges involved in bringing about this change. (Galbreath 2010, Hur and Kim 2017)

1.7. Green Suppliers

“Green Suppliers” lay stress on attaining high degree of development in all aspects. In an OECD-UNEP Conference on Resource Efficiency, Kristin Pierre, Programme Manager for US EPA (US Environmental Protection Agency) in an Article has highlighted that Green Supplier Networks works innovatively towards reducing energy consumption and achieving high productivity to bring down carbon foot prints. The customized, a hand on guide for sustainable manufacturing processes provides huge benefits to all their clients.

Green Suppliers Network is a joint effort on partnership between the US Environmental Protection Agency and US Department of Commerce. Green Suppliers was set up to provide assistance to SMEs in manufacturing products by adopting processes which are environment friendly in the long run, at the same time manufacturer should be able to generate profits and stay competitive

while ensuring sustainability. They are given advise to adopt energy efficient processes and bring down wastage. In nutshell it provides a framework for manufacturing sustainability.

The depletion of natural resources is a challenge globally accepted. Therefore, manufacturer should aim for sustainable future restricts products. This would call for sensitization, education on continuous life cycle and chain management of products. This goal can be achieved only when stakeholder is informed about it and standards are set, taking sustainability as one of the important criteria. The Green Suppliers network is working towards facilitating and providing help to various industries by developing tools and providing a framework for spreading information and networking.

The Green Supplier Network has brought economic as well as environmental benefits for its members, because of its impressive eco-impressive innovation working methods, which has led to cost savings and considerable waste reduction. Large number of companies have joined in as partners to the network of companies so formed.

As a member of Green Suppliers networks enjoins upon one, that is active and vigorous effort should be made to advance the cause to sustainable products specifically in America. The concept has achieved a level 7 on generic maturity scale (GML). Membership fee paid by the members helps in supporting the networks activities like preparation of training material for developing eco innovation manufacturing processes with the objective of bringing down the carbon foot prints. These models have helped the members to conduct the business in a profitable and environmentally friendly manner. (Genovese, Koh, Bruno & Esposito 2013, Taylor, Vithayathil and Yim 2018)

2. METHODOLOGY

2.1 STUDY DESIGN

In order to analyse the value and potential that CSR may hold, the author conducted personal interviews with the managers at Vipex AS. Vipex AS is an international trading and whole sale company based in Tallinn, Estonia. Established in 1990 Vipex has been operating successfully ever since. The company offers a wide assortment of products groups ranging from sanitary ware to electronic appliances, finishing products to fishing boats. They facilitate the trade between vendors and manufacturers from Greece, Turkey, India, China, Lithuania, Italy, Spain, Czech Republic, Germany, Netherlands to name a few to its clients and partners mostly based in Finland, Estonia, Latvia and Lithuania. The company is primarily divided into four main branches – Vipex International, Vipex Home, Vipex Marine and Vipex Toys. Vipex also has three brands registered in the EU; HOTE, HARMA and GILS. Each branch and brand have its unique set of product lines with a different target client.

The interviews were held at Vipex with the managers of the various departments such as Sales Department, Purchase department, Design, Account management and Administration. The interviews were conducted individually. Based on the interviews of the managers from different departments would give us a unique view towards their understanding of CSR. Questions for the interviews are in appendix 1. The interviews were conducted with the General Manager (founder of the company here after referred to as interviewee 1), Purchase Manager (having worked for Vipex for over 20 years here after referred to as interviewee 2), Client Manager (Worked at Vipex for over 9 years here after referred to as interviewee 3), Key Account (worked at Vipex for over 9 years here after referred to as interviewee 4), Manager of IT and Quality Management Department (worked for Vipex for approximately 20 years here after referred to as interviewee 5) and Director of Sales and Client Relations (worked for Vipex for a better part of 2 decades here after referred to as interviewee 6). The transcripts of the interview are available with the author, and can be made available upon request.

The prime reason for the qualitative analysis is that it is a far more flexible approach, simultaneously not being restricted by time as in the case with the quantitative methods. In addition, there being no quantifiable or quantitative approach to analyse the implementation of CSR, the most reliable way to achieve the result was to interview the select group of employees. Qualitative approach can also capture the changing the attitude of the interviewees by being asked “why” and “how”. (Seijts, Latham & Woodwark 2013)

Social Responsibility	Question Number in Questionnaire (Appendix 1)	Questions
Economic responsibilities (or Profitability)	1	What is your personal opinion regarding CSR?
	4	How willing are you to implement CSR?
	5	What is the possible value for CSR for their branch; what kind of response do you anticipate from your customers?
	6	How do you value CSR (or any other form of CSR) from your vendors?
	10	Reflecting upon the budget, investment and profit of your department; I would like to know if the budget allocated for CSR was sufficient? Was the correlation between the profit and the investment positive? What is your personal view regarding these numbers? Would you like to change the method of operation?
Legal responsibilities (or Obeying Law)	8	Resolution of legal issues? What is your stance upon abiding law, meaning in case there is a conflict; would you rather resolve the issue with mutual understanding and negotiations or would you follow up the case in the court of law?
Ethical responsibilities (or Ethics)	9	In case there is a conflict of values or ethics; what approach would you consider to be optimum? a. Suffer loss; save the name/ brand value in the market? b. Lose some name/ brand value in the market, but keep the profitability high?
	11	How do you relate Environment with CSR?
	12	Taking the vision and mission statements of the company into context; how do you hold the overall functioning of the branch according to the ethical approach?
	14	How do you see partnerships with “GREEN SUPPLIERS”? The services or the products offered are generally more expensive, which would be not the best scenario considering the profit margin. But as in today’s world they are being considered as an indicator for the measure of how the company values sustainable development?
Philanthropy	13	What are your views upon philanthropy? Do you consider that it can have a positive influence, by creating a name in the market? Considering that the company is in B2B.

Table 1 Questionnaire aligned as per the four social responsibilities according to Carroll’s 1991 theory Source.

To formulate the questions for the personal interviews, Carroll's (1991) theory was used as a base. The questions were structured around the four highlights (Table 1); profitability, obeying laws, ethics and philanthropy. The questionnaire further progresses to the concept of sustainable development and green suppliers. The primary aim of the questionnaire was to see what is the employees stand on the implementation of CSR, how the concept of CSR can be better implemented at not just Vipex, but other similar SMEs.

The interview also looks into how they personally affiliate with CSR and sustainable development. It asks the employees how aware are they about the CSR policies adopted by the company or what activities can be implemented. What value can CSR hold for their department, as well as how they value CSR (or any particular form of CSR) from the client's side? An effort was also made so as to find out the reason why CSR implementation in the SME's in Estonia have not really been successful. The questionnaire further looks into issues such as conflict resolution, philanthropy, correlation of sustainable development and environment.

2.2. DATA ANALYSIS

In order to analyse the responses given by the interviewees using Carroll's 1991 theory, first the questions in the questionnaire (appendix 1) need to be aligned with the four main social responsibilities highlighted by Carroll in 1991 (Table 1). In addition to the questions mentioned and segregated in Table 1, there are also a few additional questions that helped in understanding the level of understanding, current strategies, willingness to incorporate better policies and awareness of the interviewees. Questions pertaining to green suppliers, sustainable development and environment were added to the questionnaire considering that Vipex is an international trading company dealing with a wide variety of manufacturers and vendors across the globe and to be aware of the processes being undertaken at the vendor side, their effects on nature and also on the society or environment where the vendor is located.

Based on the analysis of the answers to these questions it would be possible to deduce the level of clarity in the employees regarding the concept of CSR, current implementation of CSR policies, reasons for CSR not being completely successful at Vipex and eventually derive a strategy so that CSR policies be further integrated efficiently at not just Vipex but also` other SMEs using the

knowledge gathered during the interviews conducted for this thesis. The qualitative analysis of the interviews was interpreted using the techniques researched in the book *Basics of Qualitative Research* (4th ed.) written by Juliet Corbin and Anselm Strauss in November 2014.

3. RESULT

3.1 Analysis according to Carroll's 1991 pyramid of CSR theory

Profitability

From the interview with interviewee 1 it can be inferred that CSR plays a major role and believes that the company has been operating accordingly. All processes and working of the company are in accordance with the international standards, norms and regulations. According to interviewee 2, "a company that does not deal with the society directly has hardly any part to play towards CSR". Interviewee 2 also believes that it is the responsibility of the top management to think and decide whether to partake in activities towards CSR. Interviewee 4 key account manager believes that the need to implement CSR is increasing every day. The interviewee 5 was of the opinion that for a company to be successful in all fields CSR is a must. It ensures healthy competition in the market, fair business opportunities to all customers and sellers alike and most importantly, company's profitability and growth. The interviewee 6 believes that a strong, healthy and an honest relation with clients/customers and eventually the society is the best form of CSR. Personally, interviewee 6 is of a view that the after sales services that are provided without wasting time, the quality of the products is good and the services or products are provided at a fair price ensuring that no actions are undertaken that may lead to or promote unethical methods of business; then as an individual as well as a company one has played a fair role towards CSR. The interviewee 3 believes that there is no obligation toward the implementation of CSR. Just because the company has imbibed CSR activities in its working, that does not mean that all activities are one hundred percent ethical. When asked about the willingness to implement CSR the interviewee 6 and interviewee 2 both were of the opinion that they are willing to implement CSR only if there is some consolidated return from it. The interviewee 6 further added, "if CSR is properly reciprocated towards the society, it would help in developing a healthy relation between the company, existing customers and the potential customers". The interviewee 3 welcomed CSR from the client's side and was even willing to incorporate it as long as these activities or policies do not affect profits. The interviewee 4 too held a high value for the implementation of CSR. Interviewee 4 believes that it would help develop a positive relation with the clients or customers. He would also like for the clients, vendors and partners to actively participate towards the implementation of CSR. It can be deduced from the above answers and their analysis that CSR activities can only be incorporated and successfully applied if the company has been making profits. But it also puts emphasis that

adopting CSR activities can help improve the economic results and eventually help in the overall growth of the company. The primary objective of any business or company is to generate profits, this must not be overlooked.

Law Abidance

When asked about the best way to resolve legal matters, the interviewee 1, interviewee 4, interviewee 2, interviewee 3 and interviewee 5 were of the opinion that in order to resolve legal matters, the first step ideally would be to negotiate and resolve the issue by mutual understanding. Taking the issue to the court of law would be the last resort. However, interviewee 6 on the other hand mentioned that “certain matters are best left for the professionals to deal with and in order to resolve any issue no matter how big or small, professional legal help is always beneficial”.

Ethics

When asked about conflict of interest, the interviewee 1 believes it is better to suffer losses and save the company’s image as in the long run the company can turn into a brand name. The interviewee 2 was of the opinion that the best ways for conflict resolution is to opt for an option in which there is no loss suffered and the brand name is also not tarnished. The interviewee 6 was of a firm belief that it is better to suffer losses now and save the company/brand name and focus on profit later because if the image of the company is harmed, to make profits would be very difficult. The interviewee 5 and interviewee 3 shared a similar opinion that it is better to save the brand name and the company standing in the market as these would become the tools that would help generate profits in the longer run. The interviewee 5 also pointed out the concept of “live today to fight tomorrow”. Interviewee 5 further added that “to establish a brand name it takes a lot of time, energy and investment. And if the image of the brand is positive, even though you might suffer some losses at the moment, you can still turn profits in the future”.

Talking about green suppliers, the interviewee 1 said that “it is a matter of personal opinion which can be mostly positive. It helps develop a better business relation between the clients and the company. It is also good to know that the vendor/partners with whom the company is working are acting in accordance with the next possible standards indirectly focusing towards sustainable development”. The interviewee 4 on the other hand believes that having green suppliers is not so important. Having to look for companies that are certified as green suppliers is not his primary

concern. The interviewee 2 pointed out that “dealing with the import of ceramic, glass and artificial stone products the vendors (manufacturers) are bound by some local laws and are expected to follow the guidelines and regulations to safeguard the environment. At the same time, there are certain tax systems in play on either end – export and import, to keep in check the quality of the products for example: for certain manufacturers in China the tax for export declaration is a lot less as compared to others due to the processes that they follow”. The interviewee 6 mentioned that “partnership with green suppliers has off late become very crucial especially when dealing with large scale projects; certifications for the products being used are kept in formal documentation of the project. Some projects also like to promote the products from the green suppliers even publicise it to show the eco-friendly nature of the raw materials being used”. The interviewee 3 pointed out that “all possible products and the substitutes that are offered to the customer or the client; clear and honest information regarding the products should be presented. It is for the client to decide whether or not they choose products from green suppliers”.

Philanthropy

In regards to the question pertaining to philanthropy, interviewee 2 and interviewee 3 both feel that philanthropy is not exactly a part or a feature of CSR. The interviewee 1 and interviewee 4 both believe that philanthropy can always help and can have a positive impact, there being no down side to it. The interviewee 6 is of the opinion that philanthropy can be used more as a tool to understand the different point of views primarily the competition. It is also healthy to discuss issues faced by people or companies, and how they resolve it. The interviewee 5 answered that “philanthropy can play a role though not a major one, it may or may not make a difference in the image of the company”.

3.2. Discussion and policies

When questioned about the environment and the concept of overall sustainable development, the interviewee 1 confirmed that certain small gestures and acts such as proper waste disposal, promoting car pool concept, using energy saving equipment and reducing paper consumption help in safeguarding the environment and eventually helping in sustainable development. The interviewee 2 highlighted that almost all companies across the world are promoting eco-friendly products. In order to promote the production of eco-friendly products the governments from different countries have released formal lists of companies that adhere to these regulations. The

governments have also increased taxes both import and export to promote eco-friendly products. Anti-dumping tax, WEEE etc have been introduced to regulate the types of products being traded, thus ensuring the safety of the environment. The interviewee 6 believes that in recent years there has been a substantial growth of knowledge and understanding amongst the end customers and companies alike regarding the environmental well-being. Interviewee 6 further added that “all possible details about the products should be provided to the customers who are then free to decide whether they go for the eco-friendly products or not. Though the prices make the argument a little one sided”. The interviewee 5 said that sustainable development is the only way for the society as well as the market to function in a healthy way. CSR certainly does have a role to play in the conservation of the environment, but every individual can make small efforts towards overall sustainable development. The interviewee 3 pointed out that the environment needs to be protected and conserved, but CSR is not just the only way. Sustainable development has a far greater role to play in the long run.

With regards to the current CSR policies that have been implemented at Vipex AS, the interviewee 1 mentioned that a direct approach is the best way to interact with the society. The company has sponsored public figures, supported projects for children and hospitals in particular. He has personally worked with the Rapla Lasterikaste Perede Uhendus as a donor. The interviewee 2 was of the opinion that no clear CSR policies have been implemented but there are certain methods that have been adopted. He mentioned that it depends on how the person views it. The interviewee 5 over the years has implemented certain work functions in the company that promote CSR. Activities such as proper waste disposal techniques, making all processes online thus reducing paper consumption, paying taxes and customs, promoting and encouraging the employees towards the motive of making profits but not compromising on ethical or moral values.

The interviewee 1 is of the opinion that SMEs and start-ups in Estonia are not particularly aware of the concept of CSR and feels that CSR should be implemented only by the big players in the market. The interviewee 4 and the interviewee 6 both had a similar opinion that the SMEs and start-ups were concentrating on big targets and profits. The interviewee 5 when asked about the SMEs not implementing CSR actively says that if they are operating legally and not cheating the customers, government and the employees then they are already playing their respective part towards CSR. The interviewee 2 pointed out that the concept of CSR needs to be introduced to the

SMEs and start-ups. Also, there is no such law or obligation for SMEs and start-ups or any other company for that matter to implement CSR.

Analysis of replies of the executives in Vipex AS reveal that, due to not being aware about the CSR strategy implemented up until now, in addition to, not knowing how their role can contribute to CSR activities was a major reason that CSR was not successfully implemented. While it can be said that the company does not have structured CSR policy, however they are sensitive towards social responsibility, sustainable development and environmental protection. We can summarise the above responses and feedbacks in accordance with the four points highlighted by Carroll in 1991, namely profitability, ethics, law and philanthropy. With regards to profitability, all interviewed employees were of the opinion and considered that profit generation is the prime objective of the company. Talking about ethics, all employees firmly believed that to follow ethical processes and to conduct business in ethical ways, sharing the correct information with all concerned parties is extremely important. With strong ethics being adhered to, the company can achieve higher success and trust of its partners, employees, clients and eventually customers. Interestingly, many employees suggested that in case of a PR crises, it is best to maintain the image of the company even if they have to bear losses as the goodwill of the company eventually helps in the long run. Speaking of obeying law, all employees agree that the laws and regulations set by the government, must be followed. In case of any legal issues arising, all employees were of the opinion that if the situation can be resolved by mutual understanding and negotiation then it should be pursued. Whereas, one of the interviewees was of the opinion that certain legal matters are best left to the professionals. Another interviewee had pointed out that even if the legal issue arising is being dealt with mutual understanding and negotiations, it is better to be prepared just in case the court of law needs to be approached. Finally, coming to philanthropy as a part of CSR, all employees had different opinions and visions so as to how philanthropy can promote CSR. Two of the employees believed that philanthropy is not exactly a part of CSR. Whereas, few believe that philanthropy as a practice can have a positive impact towards the goodwill of the company. One employee highlighted philanthropy can be used as a tool to better understand the society.

From the responses of the interviewees, it is clear that they are open towards the implementation of policies that promote CSR. As the interviewee 4 pointed out; the importance of CSR is growing with time. The main reason behind CSR not being successfully implemented till now can be

attributed to the thinking that economic results are the prime objective and since the company is B2B and does not deal with the customers directly in addition to the lack of information about the concept of CSR. Another reason identified for the unclear CSR policies was that a fraction of the employees believed that it is totally up to the management of the company to decide whether to implement CSR. The analysis of the interviews also pointed out that for CSR to be implemented and incorporated successfully at not just Vipex AS, but other similar SMEs and even start-ups the employees, owners and shareholders must be aware about CSR. Organising activities such as seminars, trainings or events can help immensely.

Based on the above analysis of the responses to the interviews, the author can further suggest policies based on the Carroll's 1991 Pyramid of CSR that promote CSR at not only Vipex, but other similar SMEs.

1. Companies' economic responsibilities should be aligned with the other three responsibilities namely legal practices, ethics and philanthropy. While Vipex AS currently engages in proper waste segregation and disposal, a policy that can be suggested to further promote economic responsibility is to use recycled products and lower material costs that can potentially lead to increased profitability and a reduction of ecological footprint.
2. For promoting legal responsibilities, a company should adhere to all the legal practices and standards set by the governing entity be it local, national or international. These might differ from industry to industry. The industry in which Vipex AS operates that is, international trade and wholesale primarily of sanitary ware products, the company ensures that all goods imported are declared correctly, WEEE charges are paid and all custom duties are cleared. Legal responsibilities are the bare minimum ethical responsibilities. A fair audit can also promote legal responsibility.
3. In order for a company to follow ethical practices they must engage in equal pay opportunities, being transparent about the product details with the customer and promote fair-trade certified products (Green suppliers). And Vipex AS follows the above-mentioned activities.
4. A company can undertake philanthropic initiatives that include donations in the form of time, money or resources to needy sections of the society. Activities such as establishing health care facilities, sport and educational institutes etc within the society are examples of philanthropic initiatives. Vipex AS has contributed towards philanthropic initiatives by sponsoring public

figures, supporting projects for children and hospitals in particular. The company has also been active in donating towards Rapla Lasterikaste Perede Uhendus.

3.3 Limitations of the research

The topic of the thesis is greatly inspired by the authors interest in understanding the implementation of CSR in SMEs. The result of the thesis highlights how the CSR policies can be better adopted at Vipex as well as other SMEs in order to successfully influence and impact sustainable community development. However, the research had its set of limitations as well, the first being the language barrier and the second and the more prominent one being the limited number of interviewees for this research. The first barrier that is the language barrier had a direct effect towards the second barrier since only a handful of employees were affluent in English language which resulted in the limited number of interviewees for this research.

CONCLUSION

The thesis was aimed to develop policies to better implement CSR at Vipex. In order to achieve this aim, research questions were set up in order to understand what the employees and the management at Vipex AS think about CSR activities, reasons why CSR policies were not successful at Vipex AS till now and how can CSR implementation be more efficient? And eventually to develop a CSR strategy for not just Vipex AS but other similar SMEs. In order to achieve these objectives, a select group of employees at Vipex AS were interviewed personally. This helped in understanding the current level of awareness within the organization about CSR, willingness of the employees to adopt CSR and different ways CSR can be implemented at Vipex AS. Analysis of the interviews was in accordance with four yardsticks namely profitability, obeying law, philanthropy, and ethics. In addition to the interview questions based upon the previously mentioned yardsticks, the thesis also throws light towards the interviewees' understanding and awareness on the concepts of green suppliers, environment, and sustainable development.

From the analysis of the results pertaining to the questions aligned according to the Carroll's 1991 theory it can be concluded that the interviewees were open and willing towards the implementation of the CSR policies. It was also found that the main reason for CSR not being successful till now can be attributed towards the improper knowledge regarding the implementation of CSR. And, for CSR activities to be implemented at not just Vipex AS, but other similar SMEs; all involved partners such as the employees, managers, owners and shareholders must be well informed about the concept of CSR, its implementation and also the benefits. This can be achieved by trainings, seminars, events and voluntary activities.

With regards to the first yardstick, it can be concluded that all interviewees considered profit generation as the prime objective of the company. Talking about ethics, all interviewees firmly believed in following ethical processes; conducting business operations in ethical ways, sharing the correct information with all concerned parties to be extremely important. There is no denying the fact with strong ethics being adhered to, the company can achieve higher success, trust of its partners, employees, clients and eventually customers. Interestingly, many interviewees suggested that in case of a PR crises, it is best to retain the goodwill of the company even if they have to bear

losses as the goodwill eventually helps a business in the long run. Speaking of obeying laws, all interviewees agreed that the laws and regulations set by the government must be followed. In case of any legal issues arising, majority of the interviewees were of the opinion that if the situation could be resolved by mutual understanding and negotiation then it should be pursued. Whereas, one of the interviewees was of the opinion that certain legal matters are best left to the professionals. Another employee pointed out that even if a legal issue arising is being dealt with mutual understanding and negotiations, it is better to be prepared, just in case the court of law needs to be approached. Finally, coming to philanthropy as a part of CSR, all interviewees had different opinions and visions so as to how philanthropy is a part of CSR. Two interviewees believed that philanthropy is not exactly a part of CSR. Whereas, few believed that philanthropy as a practice can have a positive impact towards the goodwill of the company. One employee highlighted that philanthropy could be used as a tool to understand the environment.

To sum up, it can be deduced that even though the employees were aware about the concept of CSR, they lacked the basic understanding of its functioning within the organisation and also their role in contributing to CSR. However, interestingly, they showed a positive response towards CSR being implemented in the day-to-day business activities of the organization. So, in order to further implement CSR successfully at Vipex AS, certain measures and activities such as reducing carbon footprints, utilizing renewable resources, establishing health care facilities within the society, having a proper waste management system, being transparent to the customers about the products that are offered to them etc. should be encouraged.

While these were the conclusions for Vipex AS, other SMEs can also take similar actions in order to adapt to CSR. Although, companies today are aware of the measures to be taken in order to be socially responsible; they should focus more on involving the employees towards the same. These can be possible with the help of traditional methods such as trainings, workshops, volunteering campaigns along with new-age ways to communicate which includes social media. These measures can help any SME be socially responsible where they will gain the trust and loyalty of the society as well as their employees because it is a well-known fact that employees enjoy working for organisations that are socially responsible.

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APPENDIX

Interview Questions

1. What is your personal opinion regarding CSR?
2. How do you personally relate with CSR? What is your view about sustainable development? How do you correlate the two?
3. What are the current CSR policies that have been implemented at VIPEX AS according to your view?
4. How willing are you to implement CSR?
5. What is the possible value for CSR for their branch; what kind of response do you anticipate from your customers?
6. How do you value CSR (or any other form of CSR) from your vendors?
7. What do believe is the reason that SME's, in Estonia have not really been successful in implementing CSR?
8. Resolution of legal issues? What is your stance upon abiding law, meaning in case there is a conflict; would you rather resolve the issue with mutual understanding and negotiations or would you follow up the case in the court of law?
9. In case there is a conflict of values or ethics; what approach would you consider to be optimum? a. Suffer loss; save the name/ brand value in the market? b. Lose some name/ brand value in the market, but keep the profitability high?
10. Reflecting upon the budget, investment and profit of your department; I would like to know if the budget allocated for CSR was sufficient. Was the correlation between the profit and the investment positive? What is your personal view regarding these numbers? Would you like to change the method of operation?
11. How do you relate Environment with CSR?
12. Taking the vision and mission statements of the company into context; how do you hold the overall functioning of the branch according to the ethical approach?
13. What are your views upon philanthropy? Do you consider that it can have a positive influence, by creating a name in the market? Considering that the company is in B2B.
14. How do you see partnerships with "GREEN SUPPLIERS"? The services or the products offered are generally more expensive, which would be not the best scenario considering the profit margin. But as in today's world they are being considered as an indicator for the measure of how the company values sustainable development?

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