Do The CSR activities help to attain Sustainability in SMEs within the Swedish Pharmaceutical Industry?

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Abstract

**Aim and method:** This study aims to investigate the implementation of CSR activities to attain sustainability in SMEs by focusing on the pharmaceutical industry in Sweden. To achieve the aim of this study, qualitative method has been used to conduct multiple case study of 10 SMEs in the pharmaceutical industry in Sweden.

**Result and conclusion:** This study has shown that the CSR activities in the studied pharmaceutical SMEs are at the primary stage as most of them currently go through research and development. There is no balance between three aspects of the CSR (social, environmental and economic), and CSR activities could not be fully implemented to maintain holistic sustainability. Ethics seems to have a high impact on CSR activities in the pharmaceutical sector, especially due to its involvement in the betterment of lives all over the world. Thus, in a way, this industry is ethically responsible for providing affordable treatments.

**Contribution:** The present study contributes to the literature by investigating the CSR activities in the Swedish pharmaceutical SMEs and their ability to attain sustainability in terms of employment, society, revenues and supporting the economy. A new framework, which consists of three pillars namely ethical, environmental and social, could be used to assess the CSR activities in order to achieve sustainability in SMEs. In this framework, ethics would be a pillar of the CSR instead of the economic one.

**Keywords:** SME, CSR, CSR activities, Sustainability, Social performance, Environmental performance, Economic performance.
Acknowledgment

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Abbreviations

[CSR] Corporate Social Responsibility
[CS] Corporate Sustainability
[SME] Small to Medium-sized Enterprises
[MNE] Multinational Enterprises
[RQ] Research Question
[ROI] Return On Investments
[ROA] Return On Assets
[NGO] Non-Governmental Organization
[MNC] Multinational Corporation
[TBL] Triple Bottom Line
[DJSI] Dow Jones Sustainability Index
[T2DM] Type 2 Diabetes Mellitus
[WBCSD] World Business Council for Sustainable Development
[API] Active pharmaceutical ingredient
1. Introduction

This chapter provides a general overview of the study, including the background, motivation, problem statement, aim and research questions.

1.1 Background

Keeble (1988) defines sustainable development as fulfilling the needs of the current time without affecting the demands required by others in the future. The concepts of development and caring for the environment (the future of the planet) have gained lots of global attention (He & Zhang, 2011). Many were betting in the 1980s that the popularity of the “sustainable development” will fade away with time but it turned out that there was an increase on the impact of this concept on the policies of the organizations (Mebratu, 1998; Benn, Dunphy & Griffiths, 2014). The attempts of tackling the environmental challenges increased on all levels namely: local, national and global (Benn et al., 2014).

Herciu, Ogrean & Belaşcu (2011) state that organizations should be more attentive to their surrounding environment while performing their operations. They believe that there is a tight link between Corporate Social Responsibility (CSR) and sustainable development since both share the same orientation, which calls towards an efficient use of resources. At the corporate context, the aim of social responsibility is to minimize the adverse effects and increase the coactions that are a result of the company’s interaction with its surroundings (Hediger, 2010; Benn et al., 2014). The interest in social responsibility and sustainability is witnessing a significant increase (Carroll, 2015).

According to Bansal (2003), the rapid increase in the different definitions of CSR and sustainability has added up to the confusion of organizational managers thus made it harder for researchers. According to Montiel (2008), companies try to differentiate and assign specific CSR and sustainability objectives. He believes that at the beginning CSR was always linked to social issues whereas environmental issues were mainly related to environmental management but when sustainability has evolved, it was also linked to both social and environmental aspects which also added up to the confusion. According to Van Marrewijk (2003) sustainability nowadays is seen as the ultimate goal where CSR is the essential intermediate in this passage while companies try to maintain a balance between the three components economic, environmental and social aspects of
the Triple Bottom Line that leads to sustainability. The Further believes that, CSR is a contribution to the sustainability. Keeping a small differentiation between CSR and sustainability concepts is essential in which CSR should be linked to transparency, stakeholders and conducting sustainability reports whereas sustainability should focus on innovativeness, environmentally friendly vision in the production process and human management (Van Marrewijk, 2003).

1.2 Corporate Social Responsibility (CSR)

CSR is a concept that developed in the 1950s, and it was mainly linked to the responsibility towards the society. CSR was explained by Milton Friedman in 1970 as a mean used by businesses to increase profits; this explanation has created a debate. Throughout the time CSR has undergone different phases and the very early one is known as ‘‘philanthropic’’, under this period CSR was mainly seen in forms of donations to charitable organizations and then it was followed by the ‘‘awareness’’ period, where organizations became more aware of the external environment, and the third phase is known as ‘‘issue’’ in which organizations focused on certain issues in the external environment, the last phase is ‘‘responsiveness’’, here companies started to take action regarding CSR issues and ethics (Murphy,1978; Van Marrewijk, 2003).

World Business Council for Sustainable Development (WBCSD) defines CSR as “The commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life” (WBCSD, 2017). Several definitions about CSR have evolved, and interesting one is by Dahlsrud (2008) who examined different definitions of CSR ended up defining CSR as organizations being socially responsible and accountable for the impact caused by their performance based on the following aspects: economic, social and environmental. Friedman (2007) states that it is not the requirement of business managers to be socially responsible; on the contrary, it is an individual liability. According to him, managers of businesses should be focused on making decisions that lead to a profit increase for the shareholders who are part of the organization also any focus that is deviated from the shareholders’ interests would be wrong. Denning (2017) states that Milton Friedman theory about maximizing the profits of shareholders was adopted and encouraged by businesses through offering different incentives schemes to managers in order to expand the economic growth, there was an increase in incentives
scheme, but a collapse in the corporate performance was witnessed (Denning, 2017). Hagel, Seely Brown, Samoylova & Lui (2013) state that, organizational performance should not be measured by the Return On Investments (ROI), it should be assessed based on the Return On Assets (ROA). Guerrera (2009) believes that the focus of an organization should not be limited to the shareholders instead it should be in all its components which are clients, staff, and products. Inyang (2013); Sloan, Klingenberg & Rider (2013) state that, CSR has been less researched in SMEs compared to large firms. Nevertheless, SMEs companies are higher in number, and they have a broader ambition in social and economic issues than large corporations (Holmström, 2017; Johnson, 2015).

1.3 CSR and SMEs
An enterprise is classified as SME if it has the following criteria: a maximum of 250 employees, and a maximum turnover of 50 million (Muller, Devnani, Julius, Gagliardi & Marzocchi, 2016). The further believe that SMEs contribute to the employment of 2,041,790 persons in Sweden and for 59% of the added value. According to Jenkins (2009), SMEs are often managed by the owners, which creates an independent atmosphere different from the management style usually run by larger businesses. These companies become more focused on planning the business rather than having future strategic plans. Coppa & Sriramesh (2013); Mousiolis, Zaridis, Karamanis & Rontogianni (2015) mention that there are differences that characterize and differentiate SMEs from larger companies which could resemble in the finances, strategies, drivers, resources, and code of conduct. It is claimed that Multinational Enterprises (MNEs) have made significant progress in the implementation of CSR; this development is a result of the stakeholders and public pressure.

Though SMEs engage in CSR activities and have CSR strategies, it is not often declared in the Sustainability section as in MNEs and other big companies (Mehta & Sharma, 2016; Von Weltzien Hoivik & Melé, 2009). CSR strategies and progress can be tracked easily in MNEs through their sustainability report. In addition to that, there is a difference between internal and external CSR (Mehta & Sharma, 2016). Internal CSR is linked to employee’s benefits and environmental concerns whereas the external CSR is more linked to the shareholder's interests, suppliers, clients and philanthropic activities such as charity donations (Mehta & Sharma, 2016). There are two different sides of an
evolving discourse on SMEs and CSR in the world: One highlights the definite affinity or spontaneous engagement of SMEs in CSR in developing countries whereas the other tends to portray SMEs as socially and environmentally risk-prone enterprises. Context seems to matter in this debate, and context is where institutional accounts that link CSR to context and prevailing institutional structures may be particularly useful (Mehta & Sharma, 2016).

Even though the social and environmental performances of organizations are becoming critical factors in their operations, maintenance, and long-term survival, such practices have not been adopted at a similar pace in large corporations and SMEs. Inyang (2013); Sloan et al. (2013) state that, CSR has been less researched in SMEs compared to large firms. Nevertheless, SMEs companies are higher in number, and they have a broad ambition in social and economic issues than large corporations (Holmström, 2017; Johnson, 2015). Due to their nature and limited scope, SMEs move in a highly competitive business climate and the current global financial crisis which plays a significant role in having a negative impact on the performance of their firms. Various authors state that CSR strategies can contribute to the creation of competitive advantage and superior performance. However; nowadays, there is still an open discussion about whether a firm’s investment in CSR pays off in the long term (Martínez-Martínez, Herrera Madueño, Larrán Jorge & Lechuga Sancho, 2017).

According to the Jamali, Lund-Thomsen & Jeppesen (2017), SMEs play a significant role in markets in decreasing poverty through job creation; also SMEs are the principal cause of growth in employment rates. Jamali, Zanhour & Keshishian (2009) believe that SMEs are important in the creation of a healthy economy as they assist in building up systemic productive capacities and innovation. By considering this importance, there is a need to understand the activities of CSR that leads to sustainability in SMEs.

1.4 CSR and pharmaceutical industry

Due to the ability of the pharmaceutical industry in improving the lives of many people around the world, this sector becomes in a way committed and ethically responsible for providing affordable treatments for humankind (Nussbaum, 2009). A joint report on CSR in the pharmaceutical industry by the British NGOs Oxfam, Save the Children and VSO have shown that CSR was mainly focused on public relations protecting the
reputation of companies whereas, in reality, CSR has to overcome the philanthropy limits by supporting less fortunate ones in getting access to treatments (Nussbaum, 2009). The authors of this study believe that investigating CSR in the pharmaceutical industry is highly important and there is not enough research regarding this issue; therefore, they have decided to conduct this study in the pharmaceutical industry.

1.5 Sustainability
Shortly after World War II, there was an extensive research on the role of the businesses in the societies (Marens, 2008). In both studies conducted by Carroll (1991,1998), there was an emphasis on the role of organizations in being socially responsible without solely focusing on profit making. When it comes to the environmental context, there is a debate about human capital and its ability to substitute the natural capital. This leads to an even more significant debate about weak versus strong sustainability. Weak sustainability is based on the fact that human capital and natural capital are interchangeable whereas strong sustainability is based on the idea that any depletion in the natural capital cannot be compensated by the human capital (Ang & Passel, 2012). Though the society, consumers, employees and other stakeholders are exerting pressure on companies to implement CSR activities into their strategies, companies are looking at this implementation from a different angle. It is believed that implementing CSR in a way to attain sustainability creates a competitive advantage for the businesses (Bielak, Bonini & Oppenheim, 2007). The sustainability strategies are strengthened when all the levels of the hierarchy in the organization are engaged in sustainability (Bansal, 2003).

1.6 Problem statement
Several researches regarding CSR have been conducted (Griffin & Mahon, 1997; Salzmann et al., 2005; Weber, 2008; McWilliams & Siegel, 2011) mainly in large corporations and multinational enterprises (Moura-Leite & Padgett, 2011; Martínez-Martínez, Herrera Madueño, Larrán Jorge, & Lechuga Sancho, 2017), there is less research about sustainability in the small and medium-sized enterprises (SMEs). On the other hand recent studies recommend that further studies about how specific activities, tools, and communication processes are used in CSR implementation (Engert, Rauter & Baumgartner, 2016). There has not been enough research about the implementation of CSR as an issue of sustainability (Carpenter & White, 2004; Etzion, 2007; Aguinis & Glavas, 2012) and there is a need for further research on CSR in SME context (Jenkins,
2006; Moore & Spence, 2006; Johnson, 2015; Sloan et al., 2013). Strand & Freeman (2015) recommend further studies about CSR and Sustainability in the Scandinavian region. Thus, the gap in the literature is to further explore the CSR activities in Swedish SMEs and their CSR implementation to attain Sustainability in the SMEs.

1.7 Aim and Research Questions
This study aims to investigate the implementation of CSR activities to attain sustainability in SMEs by focusing on the pharmaceutical industry in Sweden. The aim of the study is addressed by two research questions which are:

1. What CSR activities, SMEs in the pharmaceutical industry are engaged in?
2. How does the implementation of CSR activities assist pharmaceutical SMEs in attaining sustainability?

1.8 Scope and delimitation
To achieve valuable and valid results regarding the purpose of the present research is focused solely on CSR and Sustainability in the SMEs precisely in the pharmaceutical and biotech sector. This is emphasized by combining the theoretical framework of the triple bottom line with Sustainability and CSR in the SMEs. Although there are some delimitations regarding geography, time and language in this study but the authors attempted to manage all of the issues properly to achieve a reliable analysis and results.

1.9 Disposition
This part aims to provide a general idea and overview of each chapter. The following table describes the general structure of this study.

Table 1: Overview of the study

<table>
<thead>
<tr>
<th>Chapter 1: Introduction</th>
<th>This chapter presents the introduction and the motivation of the thesis. The interest in CSR and sustainability has increased, however little research has been undertaken about the CSR and Sustainability in the SMEs context.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 2: Literature Review</td>
<td>This chapter states the theory related to the main topics named CSR, sustainability, and SMEs. In the end, based on the literature review, a theoretical framework developed by the authors and acts as the base for the research.</td>
</tr>
<tr>
<td>Chapter 3: Methodology</td>
<td>This chapter describes the methods used to collect data for the following thesis. A motivation of the approaches used is provided to facilitate the reader’s understanding of the next chapters.</td>
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<tr>
<td>Chapter 4: Empirical Findings</td>
<td>This chapter aims to present the results obtained for the implementation of CSR activities to attain sustainability seeking to answer the research questions. The section is divided into seven parts to provide a better understanding of the outcomes.</td>
</tr>
<tr>
<td>Chapter 5: Analysis</td>
<td>The empirical data is linked with the theoretical model discussed in Chapter this chapter is divided into eight parts. The analysis is developed by the literature review presented in chapter 2 with the empirical data.</td>
</tr>
<tr>
<td>Chapter 6: Conclusion</td>
<td>The aim of this chapter is to address research questions, to provide the final thoughts and the concluding thoughts and theoretical implications for the SMEs in the pharmaceutical sectors. In addition to that, this chapter also presents the practical contribution.</td>
</tr>
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</table>

Source: Own construction
2. Literature review

This chapter theorizes the main topics named SMEs, CSR, CSR activities, Sustainability, implementation of CSR activities to achieve sustainability and at the end; a theoretical framework developed by the authors would serve as a base for this study.

2.1 Small and Medium-sized Enterprises (SMEs)

Even though SMEs do not have the same resources as MNCs, they are expected to incorporate CSR strategies into their operations and policies (Jørgensen & Knudsen, 2006). The increased interest in CSR gained attention both academically and practically in organizations. Also, it drew the attention to SMEs (Carroll & Shabana, 2010; Dettori & Giudici, 2016). Jenkins (2009) states that it is surprising how little attention SMEs get in the literature when a majority of the world’s companies are SMEs and argue that specific characteristics define SMEs. They are often owner-managed which make them more independent than larger companies. Despite the fact that the companies of the world are mostly SMEs, they still do not get much attention in the literature (Jenkins, 2009). Many scholars believe that there is a difference in the organizational behavior between SMEs and large companies, such variations are also resembled in the characteristics of social responsibility.

1. Small businesses do not necessarily sign up social agreements or have a code of conduct (Jenkins, 2004). It is unlikely to have ethics committees; the focus is more on the operational aspect of the business. Moore & Spence (2006) state that there is a difficulty in measuring social responsibility in small business based on the criteria used in larger firms.

2. The owners usually manage small businesses. Social Responsibility is the result of personal motivation and not of a marketing strategy (Spence, Jeurissen & Rutherfoord, 2000; Jenkins 2004; Spence, 2007).

3. In SMEs when the owners are also the managers, the shareholders might be either business partners or family members (Jenkins, 2004; Spence, 2007). They believe that even though this does not imply that the owner-manager will be just focused on ethics, the primary task won’t be solely maximizing the shareholder's profits (Jenkins, 2004; Spence, 2007).
4. Small businesses are more involved in their surrounding environment, which makes them and their actions more vulnerable, so they end up being socially responsible (Jenkins, 2004).

5. The reputation of small businesses is vital in the community especially that they can’t compete regarding price with larger organizations. So there is a focus on informal personal relationships, and emphasis on the importance of honesty (Spence, 2007).

6. Spence (2000) describes social responsibility actions in small businesses in terms of charity and support in addition to a focus on the well-being of the employees.

7. Small businesses have to focus on social responsibility in its community, as many of the community members are either their employees or customers and contacts. Larger organizations could be less concerned about CSR due to their virtual environment created by digital marketing. (Spence, 2007)

There are some challenges for SMEs to engage in CSR and most of the time they are facing dilemmas (Morsing & Perrini, 2009). SMEs participate in CSR because they believe that it is the right decision not because of any governmental pressure or obligations (Morsing & Perrini, 2009). Researchers show that Nordic SMEs consider CSR as competitive advantages and they attempt to create innovations regarding their engagement in CSR (Hockerts & Morsing, 2008).

2.2 Corporate Social Responsibility (CSR)

Corporate Social Responsibility is defined as a positive contribution to society instead of being merely focused on profit maximization. The contribution could be in different forms such as being green oriented, engaging in activities that assist in the improvement of the community (Schrempf-Stirling, Palazzo & Phillips, 2016; Mallen, 2017; Kolk & van Tulder, 2010). Mallen (2017) states that there is an increased pressure from NGOs, active individuals and the governments of companies to engage in social issues in the communities where the business operations are conducted. Multinational corporations are adopting social responsibility into their policies (Kolk & van Tulder, 2010). According to Jamali et al. (2017), CSR is the term used to describe the relationship
between business and society while being responsible for the economy, society, and environment. Business operations are applying CSR which is an essential concept that consolidates the social and environmental aspects not only in their practices and but also in their contact with their stakeholders on the discretionary basis (Kleine & Von Hauff, 2009). CSR is considered as a strategy that helps business to become sustainable.

Figure 1 illustrates the relationship between corporate sustainability, CSR, and the three main aspects, which are known as the 3 Ps: profit, people, and the planet. This figure shows that sustainability is the ultimate goal in the corporate and CSR by that the 3Ps help to achieve sustainability. Profit refers to how companies should not only focus on financial benefits, people should be taken into consideration by companies whether they are their immediate surrounding at work or the community, and the planet is related to the environment. Those 3 Ps are also considered as a crucial part of CSR.

![Figure 1: Relationship 3Ps, sustainability and CSR](image)


### 2.3 CSR Drivers

Jenkins (2006) believes that the CSR concept initiated and developed in MNEs. Unlike MNEs, the focus on CSR is not based on the reputation or the brand image, but instead, it is a result of the owner’s - manager's motivation and the role they want to have in the society. According to a study conducted by Worthington, Ram & Jones (2006), the
involvement in the community and their engagement and commitment in environmental issues is of high importance. In a similar study conducted by Jenkins (2009), on an award-winning SMEs in their CSR strategies, it was found out that CSR was comprehended as a boost and support source for the local economy which contributes to the employment of people.

Laudal (2011) state that incentives in SMEs for CSR are different from those in MNEs; for example, SMEs contribute to the charity events and have stronger links to their local environment more than MNEs. Furthermore, a study by Studer, Briel, Leimenstoll, Glass & Bucher (2005) shows that though there is less external pressure in SMEs compared to MNEs, SMEs are affected by their customer’s environmental dimensions. According to Laudal (2011) the financial resources and mobility in SMEs are not the same as those in MNEs, so customers are considered the most critical driver in having a CSR prospect as they may end up losing their clients if they do not have CSR orientation. A study conducted by Chapple & Moon (2005) found that when companies operate abroad, they become more involved in CSR approaches. In addition to that international competition exposes a company to different work conditions and environmental practices (Chapple & Moon, 2005)). If companies try to have multiple approaches in the working conditions and the environmental factors, they become more exposed to external pressure from NGOs and the public sector (Laudal, 2011).

There are external and internal motivations for corporations to engage in CSR. The internal drivers are resembled in ethics, resources and cost savings, profits and growth, employees’ shared values and leadership and quality. According to Fukukawa & Moon (2004) motivations are not any more internal as they are taking an external and global form. External drivers are related to corporate brand and reputation; market expectations, state, pressure, trust, access to markets and customers, permission to operate, competition and customer satisfaction (Fukukawa & Moon, 2004).

2.4 CSR Activities
According to Schwartz & Carroll (2003), CSR activities are mainly divided into three dimensions, which are social, environmental and economic. In the following paragraph, these three concepts are described in detail.
2.4.1 Social performance as CSR Activities
Elkington (2002) states that the social line of the TBL framework refers to addressing the well-being of the human and social capital. At the workplace social responsibility is linked to the working conditions and well being of the staff at the company and that of the subcontractors (Carroll & Shabana, 2010). Social sustainability is about creating a positive impact on people (Hitchcock & Willard, 2011). Thus to achieve the social sustainability, companies can contribute to the community in which they operate, this could be by contributing to employment opportunities; moreover, businesses can enroll in social activities that secure the participation and approval of the stakeholders (Dyllick & Hockerts, 2002).

2.4.2 Environmental performance as CSR Activities
According to Elkington (2002), the environmental dimension refers to conducting business practices in an efficient way, which prohibits any compromise in the environmental resources for future generations. Regardless of the size of the company, enterprises should be more concerned when it comes to the environment, and they should be socially responsible (Tai & Chuang, 2014). Dyllick & Hockerts, (2002) and McWilliams et al. (2014) describe companies that are ecologically sustainable as being able to use natural resources that do not cause dangerous emissions, which can’t be absorbed by the natural system. Many businesses go for green processes due to the rising prices of oil and electricity, and at the same time, they help in the reduction of carbon emissions (Tai & Chuang, 2014). They believe that with companies choosing to be green, there is an increased interest in the customers to buy products that are manufactured in an eco-friendly way and there is a reciprocal relationship between companies that choose to be green and customers. Consumer’s decision-making is being based on the social and environmental practices performed by the company; furthermore, corporations use CSR strategies as a marketing tool that assists in the customer satisfaction (Tai & Chuang, 2014).

2.4.3 Economic performance as CSR Activities
The economic sustainability is not a new concept. Economic sustainability in companies is defined as companies being able to have an adequate cash flow while securing a perpetual return to the shareholders (Dyllick & Hockerts, 2002), companies can achieve this sustainability by applying economic CSR activities. According to Elkington (2002),
the financial dimension is related to the influence of the business operations on the economic aspect. The main focus in the economic value is that the organization would be able to provide its surroundings with profits while focusing on the ability to meet the future generation's needs (McWilliams, Parhankangas, Coupet, Welch, & Barnum, 2014).

Another economic responsibility is verifying that the products and services offered by the companies do not have any adverse effect on the wellbeing of the customers (Carroll & Shabana, 2010). Though it may seem odd but the economic responsibility is classified as a social responsibility (Singh & Singh, 2013). An example on this is how the American social system requests from businesses to be economic institutions; the institution should be able to meet the society’s needs regarding goods and services, where these good and services should also be reasonably priced. In addition to that, these goods and services should supply the organization with enough profit to ensure its growth and cover the return on investments (Singh & Singh, 2013). O Sullivan (2006) states that many business managers are interested in finding a link between profits and CSR so they do not end up choosing CSR or benefit alone, they are keen to have a mix of both.

2.5 CSR and Sustainability Performance of Sweden

Based on the Dow Jones Sustainability Index (DJSI) and the Global 100 Index Scandinavian countries and Scandinavian companies have good performance in the CSR and sustainability measurements, and Sweden got the second position in the global sustainable competitiveness index (Strand, Freeman & Hockerts, 2015). Sweden is known for its reputation as being an advanced country especially in terms of Sustainability and CSR. The state has played a significant role in its initiatives for creating a model for CSR. Environmental issues, gender equality, and human rights are among the top priorities in the state organizations (Europe, C. S. R., 2010; Fairbrass, 2008). Furthermore, the Swedish media acts as the main player in the creation and development of the awareness level regarding CSR. Big Swedish companies such as Volvo, Scania, and H&M always gain interest and coverage of the press about their CSR performance. The vital elements of CSR in Sweden are the ability to provide sustainable products and services such as environmentally friendly cars, eco cotton, clean drinking water.
2.6 Sustainability

Dyllick & Hockerts (2002) define sustainability as fulfilling the requirements of the shareholders, employees, society and other groups that exert pressure on the companies while taking into consideration the requirements of potential stakeholders too. Recent definitions are: "development that meets the needs of the present without compromising the ability for future generations to meet their own needs" (Sharma & Henriques, 2005).

"Sustainability can be perceived as an ability to sustain, or a state that can be continued for long at the same level" (Waseem & Kota, 2017). A model created by Carroll (1991, 1998), known as the sustainability, managers, corporations and employers model, acknowledges four different pillars of responsibility: capital, legal, ethical and philanthropic. In a study conducted by Mintzberg, Simons & Basu (2002) there was an understanding that many organizations are still focusing merely on maximizing their profits. In the recent years, sustainability has become the focus of managerial studies and practices (Dao, Langella & Carbo, 2011).

As mentioned before, Sustainability has been practiced or applied mostly by large companies and organizations with a little effort in SMEs (Farmer & Hogue, 1973; C.E.C, 2002; Lozano, 2015). According to Lozano (2015), there are different drivers that impact sustainability; such factors can be related to the climate, demographic changes, and economy. The drivers can be classified into external factors, which usually do not result in significant orientation towards sustainability. An example of the external drivers is the state policies; for example, France imposes all corporations that are listed in the French stock market to report its sustainability issues (MacLeod & Lewis, 2004; Lozano, 2015). The pressure exerted from stakeholders and NGOs are also considered external drivers. This implies that external drivers are based on three aspects or pillars: society, government, and organization (Lozan, 2015). DeSimone & Popoff (2000) state that internal factors which are more efficient. Though ethics in the leadership is a vital driver in the internal factors (Lozan, 2015), other factors can affect sustainability which are the improvement of the organizational image, company’s reputation and the economic values (MacLeod & Lewis, 2004; Lozano, 2015).
2.7 Implementation of CSR activities to achieve sustainability

CSR is considered as a solid ground for sustainable development. Once there is a strategic approach for CSR, it can contribute to overcoming social and environmental challenges (Kleine & Von Hauff, 2009). Sustainable development not only enriches CSR concepts but also goes beyond that in creating a fair world characterized by a human attitude (Kleine & Von Hauff, 2009). Sustainable development has a guiding nature (Van Marrewijk, 2003).

Though many may consider that sustainability and CSR as synonyms, it’s essential to keep a distinction between them. Keijzers (2002) states that CSR used to be more focused on social aspect issues such as human rights, and sustainability purely linked to the environment. Whereas nowadays CSR should be perceived as an entity influenced by economic, social and environmental aspects. On the other hand, sustainability should focus on the value creation, ecological production system and human capital management (Van Marrewijk, 2003). The following steps show how CSR activities assist companies to have holistic sustainability:

1. Compliance-driven Sustainability (Blue): At this level, the focus is on the wellbeing of the society within the measurements imposed by the authorities. Charity contribution is witnessed at this level. Thus it’s worth noting that the motive behind sustainability is that it’s perceived as an obligation and doing the right thing. (Van Marrewijk, 2003)

2. Profit-driven Sustainability (Orange): At this level, Sustainability is associated with the social, ethical and environmental aspects of the business process while making sure that it adds to the financial performance of the company. The motive behind Sustainability is profit and Sustainability is performed if it improves the reputation in the market and among the stakeholders and employees. (Van Marrewijk, 2003)

3. Caring Sustainability (Green): Sustainability is a balance of the social, economic and ecological aspects. Sustainability is neither perceived as a duty or obligation nor as profit; rather it’s performed due to the social responsibility and the importance of being environmentally friendly (Van Marrewijk, 2003).

4. Synergistic Sustainability (Yellow): At this level, the importance is to find the balance between the social, economic and ecological aspects of the organizational
performance to create value within all the stakeholders. The reason is that sustainability is unavoidable for the progress of the company. (Van Marrewijk, 2003)

5. Holistic Sustainability (Turquoise): Sustainability is engaged in all the aspects of the organization as it contributes to the quality and current and future progress. At this level, Sustainability performed due to its importance since all are held accountable towards the others. (Van Marrewijk, 2003)

The principles mentioned above give each and everyone the ability to address the external challenges depending on its level of awareness and resources (Van Marrewijk, 2003). Organizations have the option to choose any position from 1 to 5, but these options may not be enough to address different environmental challenges (Van Marrewijk, 2003). CSR in the SMEs context is considered as a unique characteristic and sustainable practices are challenging for SMEs (Torkkeli, Saarenketo, Salojärvi & Sainio, 2017).

Figure 2 illustrates the five stages of sustainability journey. As mentioned before those five levels resemble the steps that are required to attain holistic sustainability.
2.8 Theoretical Framework

The TBL is an accounting framework, which suggests the incorporation of social and environmental measures rather than focusing solely on the profit measures (Elkington, 1994; Dyllick & Hockerts, 2002; Elkington, 2004; Dao et al., 2011). The TBL main point is that the success of an organization should not be measured by the financial profit or performance alone, but instead, it should also consider the social, ethical and environmental performance (Norman & MacDonald, 2004). Figure 3 illustrates the original TBL framework that the authors adopted for the current framework in this study (see figure 4). The authors applied these three factors that have a significant impact on CSR activities which in turn is an essential passage for attaining sustainability in SMEs.

Figure 3: Triple bottom line
source: Elkington, 1994

The three main pillars of CSR in this framework represents the implementation of economic, ecological and social aspects of the corporate’s strategies (Elkington, 1994 & 2004). Corporates cannot focus merely on economic sustainability as its success would not have a prospect (Dyllick & Hockerts, 2002; Wang & Lin, 2007). Omimi (2013) states that the TBL applied in the organizations not only because of the exerted pressure but rather due to its long-term profitability. The three dimensions of CSR are essential for the overall sustainability and due to the interrelation between the three aspects of the TBL; they can impact each other in several ways (Dyllick & Hockerts, 2002; Dao et al., 2011).
Figure 4 illustrates SMEs environment regarding CSR and Sustainability. There are three aspects of CSR, which are the environmental performance, economic performance, and social performance. As it is evident in the model these aspects have a direct impact on CSR, which is shown by the one-side arrow, and there is a relation between CSR and sustainability, which leads to sustainability, and it is indicated by the one side arrow. Since the framework is adopted from the TBL, it can give a good ground for investigating the implementation of CSR activities by having the environmental, social and economic pillars as three significant influential aspects on CSR which is, in turn, an essential passage or part of sustainability.
3. Methodology

This chapter describes which methods were used to present the research and why such methods were chosen. The selection of the methods was based on the aim and the research questions of the study.

3.1 Method outline

Figure 5 represents the outline of the method used in this study.

![Method overview diagram]

Figure 5: method overview
Source: own construction

3.2 Ontology and Epistemology

The two main philosophical pillars that should be taken into consideration in the methodology chapter are ontology and epistemology. Ontology is a philosophical aspect that questions the nature of reality (Easterby-Smith, Thorpe & Jackson, 2015) and topics can be viewed differently depending on the roles, values, and backgrounds of people (Dilts & DeLozier, 2000). According to Bryman & Bell (2015) ontology is related to the topics of social nature and the main two aspects of ontology are objectivism and subjectivism.
This study aims at examining the implementation of Corporate Social Responsibility activities and how they assist in attaining Sustainability in the Swedish SMEs in the pharmaceutical industry. Those SMEs are the object of the current research where they are viewed as the social entities that have constant interaction with both society and environment. Subjectivism in this study is perceived through the various definitions and interpretations of both CSR and Sustainability and referring to them as being social entities. Among the literature of this study, there is a stress on the unique characteristic of SMEs, which is represented by having the owner in many cases as being the manager (Jenkins, 2009); this affects how those companies address CSR to attain sustainability. Thus CSR and sustainability are not independent entities as they are affected by the social entities, which mean that they should be examined with the subjectivist approach.

Epistemology is the other philosophical pillar, which reviews the nature of knowledge, its justification in addition to its development in addition to the differentiation between opinions and beliefs. Constructivism considers reality as being created by people where it is influenced by different points of view which gives it a subjectivist nature (Easterby-Smith et al., 2015). Constructivism is considered as another concept in epistemology. Constructivism in this research would be perceived in the different understanding and explanations of the interviewees. The data is gathered based on the perceptions of the interviewees. After explaining the ontology and epistemology, the research method including the design and approach would be based on those two pillars.

3.3 Research Strategy
A qualitative method is an approach that focuses on the characteristics of the topic that produces non-numeric data. Though the start of this technique could be more facilitated, the analysis of its data can be challenging. On the other hand, quantitative data focuses on collecting numerical data through surveys or questionnaires and is analyzed in graphs or percentages (Neville, 2007). Based on the research questions, the qualitative method has been adopted in this study to reach the aim of the study and answering the research questions. According to the Bryman & Bell (2015) testing the existing theories by various hypothesis is the deductive approach, on the other hand, developing and generating the current theories consider as an inductive approach. This study is inductive 1) since the qualitative method is used to collect qualitative information 2) the other method is by applying the TBL framework and developing it to achieve the aim of the study.
Research could be classified into three types of descriptive, exploratory, and explanatory studies based on the purpose. The descriptive research assists in understanding a social concept and this method are essential to understanding and defining the sustainability and corporate social responsibility activities of SMEs in the pharmaceutical industry in Sweden. This study also aims at investigating the implementation of corporate social responsibility and attaining sustainability in SMEs in Sweden. The exploratory study is performed to comprehend the topic from different prospects. (Saunders et al., 2009)

3.4 Multiple Case Study
There are two types of case study, which are: multiple case study and single case study. Single case study investigates just one case to achieve the goal; in contrast, multiple case study examines more than one case to answer the research questions; furthermore, it is suggested to apply multiple case study to explain the how and why research questions (Yin, 2015). In this study, multiple case study has been applied among Swedish SMEs in the pharmaceutical industry to achieve the aim. There are some reasons behind this selection: 1) to gather more powerful data and information from different cases in the same industry to have a better analysis. 2) To answer the how research question, authors of this study believe that for answering how research questions, there is a need to collect information from more than three cases.

3.5 Data Collection
According to Hox & Boeije (2005), the primary data addresses the specific aim by choosing the method that best fits the research problem. Secondary data are easier to access, and they could be retrieved from different databases (Hox & Boeije, 2005). In this study, the authors applied both primary and secondary data, which would be well described in the following paragraphs.

3.5.1 Primary Data
In this study the authors applied face-to-face interviews, Skype interviews and phone call interviews. Semi-structured qualitative interviews have been conducted, based on Bryman & Bell (2015) recommendations regarding having semi-structured interviews when specific areas should be investigated. After choosing SMEs in the pharmaceutical industry as the main focus of the research the process of gathering data started. A search for the companies that fit the criteria for the definition used for SMEs throughout the study was initiated. The search was conducted via the Internet database, and then a
productive contact at 8th of November was established with Ms. Nicole from Vinnova resulted in providing us with an extensive list of almost all the SMEs in the chosen industry. The contact started by calling the SMEs, explaining the background and the nature of the study, and the contact was furtherly continued by exchanging emails and contact details, supply them with information about the study and send request letter (see Appendix A).

Ten SMEs approved to participate in the interviews of the study. The interviews questions were developed with the supervision of our supervisor DR. Ehsanul Huda Chowdhury. The interviews consisted of 21 questions (see appendix B) where all of the questions were open-ended. Table 2 is divided into four main aspects, which helps the reader comprehend the sequence of the interviews such as the name of the company, date, duration, and mode of the interview and the position of the interviewee. In total ten interviewees from ten different companies were interviewed. Seven of the interviewees were the CEOs (Chief Executive Officer) of the companies, and three of them held the following positions: Sustainability manager, CIO (Chief Information Officer) and CFO (Chief Financial Officer). All of the interviewees are closely involved in every stage of the CSR and sustainability.

Table 2: Overview of the interviews

<table>
<thead>
<tr>
<th>Name of the company</th>
<th>Position of the interviewee</th>
<th>Interview date</th>
<th>Model of interview</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company A: Modevir</td>
<td>Respondent 1 CEO</td>
<td>16th November</td>
<td>Skype</td>
<td>50 minutes</td>
</tr>
<tr>
<td>Company B: Inorit Therapeutics AB</td>
<td>Respondent 2 CEO</td>
<td>17th November</td>
<td>Call</td>
<td>37 minutes</td>
</tr>
<tr>
<td>Company C: Idogen</td>
<td>Respondent 3 CEO</td>
<td>15th November</td>
<td>Skype</td>
<td>35 minutes</td>
</tr>
<tr>
<td>Company D: AddBIO</td>
<td>Respondent 4 CEO</td>
<td>21st November</td>
<td>Call</td>
<td>36 minutes</td>
</tr>
<tr>
<td>Company E: Spago Nano medical</td>
<td>Respondent 5 CEO</td>
<td>16th November</td>
<td>Call</td>
<td>35 minutes</td>
</tr>
<tr>
<td>Company F: Orexo</td>
<td>Respondent 6 Sustainability manager</td>
<td>24th November</td>
<td>Call</td>
<td>37 minutes</td>
</tr>
<tr>
<td>Company G: Empros Pharma</td>
<td>Respondent 7 CEO</td>
<td>23rd November</td>
<td>Call</td>
<td>33 minutes</td>
</tr>
<tr>
<td>Company H: Klaria</td>
<td>Respondent 8 CEO</td>
<td>28th November</td>
<td>Face to face</td>
<td>54 minutes</td>
</tr>
<tr>
<td>Company I: Merozyne Therapeutics</td>
<td>Respondent 9 CEO</td>
<td>28th November</td>
<td>Skype</td>
<td>34 minutes</td>
</tr>
<tr>
<td>Company J</td>
<td>Respondent 10 CFO</td>
<td>30th November</td>
<td>Face to face</td>
<td>40 minutes</td>
</tr>
</tbody>
</table>

Source: own construction
3.5.2 Secondary Data

Secondary data has a significant role in enabling researchers to access the qualitative data, which improves the prospect of the researched subject (Bryman & Bell, 2015). The sources of secondary data can be achieved from reliable websites, libraries, universities, Internet and other databases. To have a better analysis and to spare time and gather more reliable information the authors of the study have applied secondary data that was accessed via search engines such as Google Scholar, Web of Science and Elsevier, various articles, websites of the case studies and international statistics.

3.6 Operationalization of the interview questions

The main concepts in this study are CSR, sustainability, and SME. Based on those three concepts, the questions of the interview are conducted. There are two research questions in this study about CSR activities and its implementation to attain sustainability in SMEs, in order to answer these questions, 21 questions were applied in the interview in English. As seen in table 3, the questions are categorized into general questions, questions about CSR and its drivers as well as sustainability. This table shows the questions, theories related to them, the purpose of the questions and their relation to research questions.

Table 3: Operationalization of the interview questions

<table>
<thead>
<tr>
<th>Section</th>
<th>Question</th>
<th>Theory</th>
<th>Purpose</th>
<th>RQs</th>
</tr>
</thead>
<tbody>
<tr>
<td>General questions</td>
<td>1. What is your position at the company?</td>
<td>---------</td>
<td>To collect information about background of the company, size of the company and interviewees perspective about CSR.</td>
<td>----------</td>
</tr>
<tr>
<td></td>
<td>2. When did you start working at this company?</td>
<td>---------</td>
<td></td>
<td>----------</td>
</tr>
<tr>
<td></td>
<td>3. What is CSR and sustainability to you?</td>
<td>Schrempp-Stirling, Palazzo &amp; Phillips (2016)</td>
<td>To investigate how SMEs engage CSR in Sweden and what kind of activities have been applied.</td>
<td>RQ1</td>
</tr>
<tr>
<td></td>
<td>5. What is so special about your company?</td>
<td>Kolk &amp; van Tulder, (2010)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Kleine &amp; Von Hauff (2009)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Laudal (2011)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR and its activities</td>
<td>7. Does your company engage in CSR activities?</td>
<td>-------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8. What drives your company to engage in CSR?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>9. Who started the CSR initiatives at the company?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10. What are the reasons behind your engagement in CSR?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>11. What form of activities does your CSR project take? Social or environmental? Criteria that you use in the evaluation of your activity?</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Environmental performance:
12. Are your business operations influenced by environmental factors? If so how?
13. Are there any specific activities that target the environment? Please provide us with an example.

<table>
<thead>
<tr>
<th>Source</th>
<th>To investigate how environment and environmental activities of the SMEs impact each other.</th>
</tr>
</thead>
</table>

## Social performance:
14. Are your activities aimed directly at enhancing the wellbeing of your immediate surrounding such as employees or you extend your attention to customers and the community? Can you please give us an example?
15. How are the society, environment and organization influenced by your CSR activities?

<table>
<thead>
<tr>
<th>Source</th>
<th>To investigate how is the social activities of the SMEs. And how society is influenced by SMEs’s CSR.</th>
</tr>
</thead>
</table>

## Economic performance:
16. Is your financial performance influenced by the CSR activities?

<table>
<thead>
<tr>
<th>Source</th>
<th>To investigate how SMEs are financially influenced by applying CSR activities.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carroll &amp; Shabana (2010) McWilliams et al. (2014)</td>
<td></td>
</tr>
</tbody>
</table>

## Sustainability
Sustainability:
17. Do you think your business is sustainable?
18. What changes is sustainability undergoing?
19. Do you see any difference in sustainability now compared to when you started? Do you feel comfortable with that?
20. Are your sustainability reports published? Do you believe that those reports can improve how sustainability is perceived?

<table>
<thead>
<tr>
<th>Source</th>
<th>To investigate how companies are sustainable.</th>
</tr>
</thead>
</table>

## Implementation of the CSR to attain Sustainability
21. How far did CSR activities assist you in attaining sustainability?

<table>
<thead>
<tr>
<th>Source</th>
<th>To investigate how CSR activities are implemented to attain sustainability in SMEs.</th>
</tr>
</thead>
</table>

Source: own construction

### 3.7 Data Analysis
A crucial part that faces researchers is the data analysis, and to have a proper analysis, the researcher has to start the process with the theoretical suggestion that has an impact on the research question and the data collection (Yin, 2015). Based on the literature review and the interview questions, the data has been coded into five categories: CSR, CSR drivers, CSR activities then included three aspects namely social performance,
environmental performance, and economic performance, sustainability and implementation of CSR activities to attain sustainability. The coding approach is used to filter the most relevant information from the collected data from the interviews to pinpoint the keywords related to the literature review. The coding approach aims to simplify and strengthen the data analysis process by comparing the consistency between the information observed in the interviews and the theories that acted as a base for this study (Babbie, 2013; Yin, 2015). Furthermore, data is analyzed based on the five categories used for the coding of the data. Hereby, the empirical findings are linked and compared with the theory presented in the literature review.

3.8 Validity and Reliability

According to Bryman & Bell (2015) consistency is an essential factor in testing the reliability. Yin (2015), states that researchers can improve the level of the reliability by attaching all details of the method. In this study tables and appendices help authors to improve the level of the reliability, besides, there is the recording of some call interviews. The interviewees in this study have high positions in the SMEs, and they all had information about the companies. The language of the interviews was in English and the authors attempted to be sure that all participants understood the questions.

According to Babbie (2013), construct validity refers to the correlation between the measurement tools and the variables in the theoretical framework. It is essential to identify the measurement tools for the adapted validity construct used in the study (Saunders et al., 2007; Yin, 2015). According to Yin (2015), this identification can be made by using several data sources, and by asking the key informants to review the draft of the study before finalizing it. It is of high importance to control the reliability of Internet data sources to achieve validity (Cooper & Schindler, 2003). As mentioned in table 2, seven interviewees are CEOs of the companies who manage the organizations. One interviewee was the manager of sustainability who had valuable information about the sustainability and CSR of the company, another was the CIO, and he is the one in the company that has all the information about CSR and sustainability in that SME. And the last one was the CFO of the company. Thus, the authors of this study collected data from valid sources that are reliable. Company J didn’t want to we mention the name of their company in the thesis and we keep it as anonymous. Concerning validity all the questions reflected the concepts, which were applied in the framework of the study, the
interview was designed to achieve the information regarding all the points of the model that is used in the study.

### 3.9 Limitation of the methodology

There were some limitations regarding the methodology of this study, and the first one is regarding the location. Unfortunately, some chosen SMEs are located in different cities and conducting face-to-face interviews with all of the SMEs was tough. The authors had face-to-face interviews with the companies that are located in Uppsala.

Another limitation that is highly important was the time from two aspects. The first one is related to the interviewees because managing time with the high positions of the companies representatives was not easy, for example, two of the companies gave us the same date and time to have an interview, and the authors had to go through those interviews separately. Also, there were a high number of companies that rejected our request because they didn’t have sufficient time to participate in our study. The second aspect about time is regarding the gathering data in addition to that the authors would have preferred to put more length of time to collect information from more companies.

The main focus of this study is SMEs, and these companies don’t have the same number of employees; for example, one of the companies in this study has 2 employees whereas another company has 80 employees, but all of them are considered as SMEs, also those companies could not be divided into 2 parts. This limitation may be reflected in conclusion because of the unequal number of the employees. The last limitation is about the number of interviewees in each company. As mentioned before the interviewees are mainly CEOs, manager of sustainability and CFO, thus they were the only persons that had valuable information about the CSR activities of the companies. For instance, the CIO of the company A was asked to refer the authors to other references in the company for more interviews, but the request was rejected because others do not have adequate information than him in the company.
4. Findings

This section presents an overview of the data collected during the research process of the study. To facilitate the understanding and overview of the gathered information, this section is divided into.

4.1. The Organizations

This section presents a description of each company, a glimpse of its history, number of employees in addition to their main vision and approach.

A: Medivir

This company was established in 1988, specialized in research and development of innovative pharmaceuticals in cancer treatments. The company consists of 80 employees, and their vision is to improve the life for cancer patients through transformative drugs. (Medivir, 2017)

B: Inorbit Therapeutics AB

This company is a privately owned drug discovery and development company registered in Sweden. The company was founded in 2015, and it consists of two employees. Their vision is to have a strong assurance of safety, efficacy and optimizing the chances for successful drug development and commercialization. Inorbit lead discovery projects are developing compounds essential for the treatment of Type 2 Diabetes Mellitus (T2DM), treatment of gout, fatty liver diseases (NAFLD / NASH), and for inflammation/pain. (Inorbittx, 2017)

C: Idogen

This company is a company that was developed in 2008 based on an immunological discovery at Lund University. Idogen develops tolerogenic vaccines which reprogram the immune system; the vaccines represent a new treatment method for autoimmune diseases, organ rejection after transplantation, and for patients having developed antibodies against standard treatment. Idogen’s first product will treat patients with severe hemophilia. Nine employees work on a full basis and five work as consultants. (Idogen, 2017)
D: AddBIO
This company was founded in 2008 and has developed a solution to solve the real
problem in the implant industry-weak bone. The company consists of four employees
and six consultants. AddBio has a unique surface technology for dental and orthopedic
implants. Their vision is to assist millions of patients through experiencing faster
recovery. (AddBio, 2017)

E: SpagoNanomedical
This company was established in 2007. The company focuses on the research and
development of nanomaterials for tumor diagnostics and treatment of cancer.
SpagoNanomedical consists of 16 employees. The vision of the company is to develop
products that improve the quality of life for cancer patients and increase their survival
chances, in addition to creating profit for the company and its owners.
(SpagoNanomedical, 2017)

F: Orexo
This company is a pharmaceutical company established in 1995. The company focuses
on the development of improved pharmaceuticals based on innovative drug delivery
technologies. Orexo believes that their competence and innovation can create value;
Orexo’s products are mainly targeting the American market. The aim is to increase the
growth and profits of the company by developing new pharmaceuticals, within several
therapeutic areas, based on Orexo’s innovative technologies. (Orexo, 2017)

G: EmprosPharma
EmprosPharma AB was established at the end of 2013 by a group of researchers and
entrepreneurs at Uppsala University along with an external investor. The main target of
EmprosPharma is to develop an obesity drug, all the investment and focus is put on this
development project. It consists of 15 employees and consultants the staff is limited to
the management circle to put all the investment resources on the project at the moment
it can be considered as a virtual drug development company. (Emprospharma, 2017)

H: Klaria
Klaria was established in 2014. It develops innovative drugs for severe pain mainly
migraine and cancer. Klaria’s vision is to contribute to the well-being of those who
suffer from severe pain. What specializes Klaria is that it uses an alginate-based
polymer film; this film can be attached to the oral membrane, which increases the speed
and effectiveness of the treatment as it speeds its way to the bloodstream. This innovation decreases the production costs, and risks associated with the drug and shorten its development time. (Klaria, 2017)

**I: Merozyne Therapeutics**

Merozyne Therapeutics was established in 2012. Merozyne Therapeutics aims to develop a pharmacological treatment for the genetic disease known as MDC1A which causes muscular dystrophy. People who suffer from this disease die before adolescence. Such treatment will improve the quality of the patients and prolong their lifespan. The company is considered as a virtual development company funded by investors. It has a limited number of full-time employees it deals more with consultants but has a good network of many contacts. (Merozyne, 2017)

**J: Company J**

Company J develops innovative drugs for cancer using a special proprietary, which is known as NanoZolid technology. This technology is effective regarding how the body absorbs the medicine thus affects the patient's; quality of life. (Company J, 2017)

4.2 CSR

The main understanding of CSR given by the respondents is about contributing to the society and creating a positive impact on the environment. Respondent 1, CIO of company A says “CSR is making sure that the company contributes to society, for me, it is about creating another chance for the core values of the company.” Respondent 2 CEO and co-founder of company B believes that “CSR is contributing to the society but it’s a long term goal” and respondent 3 CEO of company C mentions “CSR is that I do not think short-sighted of the society”. Respondent 4 CEO of company D states that CSR is the responsibility to act ethically and care for the environment and to be a good citizen. Respondent 6 from company F believes that CSR is an essential part for sustainable development. CSR is more related to the activities performed outside the company.” Respondent 7 from company G believes that CSR is in the core vision of the company. He adds “The Company is developing a medicine that treats obesity, obesity is a desperate problem worldwide so addressing it is a social responsibility.” According to respondent eight from company H, “CSR is about prioritizing important health questions by developing cost-effective medications for severe pain.” Respondent 9 from the company I believes that “CSR is not only about legally meeting the standards but also it's about the treatment and respect for employees having good
values and having appropriate ethical standards especially when it comes to the animal welfare.”

When it comes to the evaluation of CSR activities, there is not any use of specific criteria to measure or evaluate the performance. Some respondents mentioned that they have criteria for assessing their CSR activity. Company A uses ISO 26000 to evaluate their social activities; on the other hand, the wellbeing of others and developing of new treatments that show sign of success are used as a criteria for assessing the CSR performed by company C. Respondent 7 from company G believes that the success and the responsiveness of customers to the drug once it reaches production phase will be the appropriate criteria to evaluate the social activity of the company. Respondent 6 from company F believes that risk assessment is the criteria used to assess their activities. Respondent 8 from company H states that decreasing the health care costs by having successful treatment for severe pain is the criteria. On the other hand respondent, 9 from the company I says that there are no specific criteria to evaluate, “as Our development is ongoing and since it is a long a process it's always in the background that we have appropriate guidelines.” Respondent 10 from company J mentioned, “we count on our common sense if our products would succeed in assisting patients then we are doing good.” Respondent 4 from company D said, “As a small start-up company we carefully check if we can afford the activity.”

Table 4: Summary of respondents view regarding meaning of CSR

<table>
<thead>
<tr>
<th>Company A</th>
<th>CSR is making sure that the company contributes to society, for this company it is about creating another chance for the core values of the company. This company uses ISO 26000 to assess their social activities.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company B</td>
<td>This company does not have any obvious criteria for the evaluation of CSR activities, and it is more based on common sense.</td>
</tr>
<tr>
<td>Company C</td>
<td>CSR is that they do not think short-sighted of the society. This company believes that the well-being of others and succeeding in developing new treatments and cures is the most significant part of their CSR evaluation.</td>
</tr>
<tr>
<td>Company D</td>
<td>CSR is the responsibility to act ethically and care for the environment and to be a good citizen. The size of the company makes it harder to have specific criteria for the evaluation of CSR activities, and this company does not have any particular criteria to measure CSR activities.</td>
</tr>
</tbody>
</table>
Company E | CSR is able at any given opportunity to use resources within an organization to positively impact society and environment. This company mentioned that it is hard to say that there is any specific criterion to measure or evaluate the performance.

Company F | CSR is part of sustainability and CSR is more related to the activities performed outside the company. Company F believes that risk assessment is the criteria used to evaluate their activities.

Company G | The company is developing a medicine that treats obesity; obesity is a desperate problem worldwide so addressing it is a social responsibility. They believe that the success and the responsiveness of customers to the drug once it reaches production phase will be the appropriate criteria to evaluate the social activity of the company.

Company H | CSR is about prioritizing essential health questions by developing cost-effective medications for severe pain. Company H states that decreasing the health care costs by having successful treatment for severe pain is the criteria to evaluate the CSR of the company.

Company I | CSR is not only about legally meeting the standards but also it's about the treatment and respect for employees having good values and having appropriate ethical standards especially when it comes to the animal welfare. When it comes to the evaluation of CSR activities, it is hard to say that there are any specific criteria to measure or evaluate the performance.

Company J | CSR is about acting ethically and being responsible for the environment. CSR is a part of sustainability and having CSR would lead to sustainability. They do not have specific criteria for measuring CSR we count on our common sense if our products would succeed in assisting patients then we are doing good.

Source: own construction

4.3 Drivers of CSR

The main drivers behind applying CSR and sustainability in the selected organizations in this study are the following. Hereby, the respondents predominantly stress the importance of common sense and the fundamentalism of giving value to the shareholders, respondent 5 from company E mentioned, “Doing the right thing is the main driver behind our engagement in CSR and sustainability activities.” Respondent 2 from company B mentioned “it's common sense that drives us to engage in CSR activities” and respondent 3 from company C believes that “the drivers behind CSR and
sustainability engagement is to give back the shareholders value and because it is a basic fundamental.” Respondent 4 from Company D says that the drivers behind CSR engagement are that “We are good citizens and it creates opportunities for us.”

Respondent 6 from company F believes that the main driver behind CSR engagement is “risk reduction” from the economic perspective they have to reduce any risk involved when conducting business with others. He says “when our suppliers have bad practices, there is a high risk that they go out of the market which would affect our business; On the other hand, reputation is important, having a good reputation means that you have good values”. Respondent 9 from company I says: “in the extension of product development and matter between life and death demands, financial resources the industry is complex, it requires high knowledge in the business. He also mentions “we are using others people money either from investors or private sources and we have to use the money in the best way”. Respondent 10 from company J mentioned “CSR engagement is standard, the need to act responsibly and the fact that to attain sustainability one has to think of CSR”.

There are several external drivers to engage in CSR for example: To abide by the law and this is the case of company A. Respondent 7 from company G believes that CSR is in the core of company’s vision. He believes that human beings should be responsible for their actions. But when it comes to companies he adds “if you want to earn money you can't avoid thinking about things in the non sustainable way against society or environment you will fail in the long run.” Respondent 8 from company H believes that they ended up being socially responsible ‘by accident” and he mentions, “The main driver is to reduce the cost of the healthcare.” Developing medication for people who suffer from severe pain was the main driver behind starting the company thus it addresses a big issue, which is the wellbeing of humans worldwide. Respondent 9 from company I believes that its common sense which proposes the CSR. Companies are required to be an active part of the community “even though this means that you end up engaged in things that are not related to your field.”

Table 5: Summary of findings regarding drivers of CSR

| Company A | Abiding by the law and this is the main driver behind CSR engagement. |

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| Company B | It is common sense that drives us to engage in CSR activities. |
| Company C | The drivers behind CSR and sustainability engagement is to give back the shareholders value and because it is fundamental. |
| Company D | Drivers behind CSR engagement are that they are good citizens and it creates opportunities for them. |
| Company E | Doing the right thing is the main driver behind our engagement in CSR and sustainability activities. |
| Company F | The reason behind CSR engagement is “risk reduction.” |
| Company G | Respondents believe that because they are humans they want to make good internal force acting responsibly. They want to be responsible for our actions Whereas the second motive behind CSR engagement is linked to the financial growth. |
| Company H | This company is addressing a condition that has a direct effect on the health system. The healthcare system is also influenced when there are people who suffer from severe pain. When they address this issue, then the healthcare system is positively affected too. |
| Company I | There are two motives behind CSR engagement: The first one is the need to treat people in a good and respectful way whereas the second one is to have a good safe environment that promotes productivity. |
| Company J | CSR engagement is standard, the need to act responsibly and the fact that to attain sustainability one has to think of CSR. |

Source: own construction

4.4 CSR Activities

Though not all of the organizations in this study have formal CSR strategy and sustainability initiatives such as companies E and B, those who perform CSR and sustainability stress that their activities resemble mainly in social activities such as company A, company J and company C. The CSR activities of company D have both social and environmental form. Besides, not all the organizations have a formal policy regarding CSR and sustainability, but all of them engage in CSR activities in a way. Respondent 7 from company G and respondent 8 from company H believe that their CSR projects had a social form and aimed directly at enhancing the well-being of the
patients or potential customers and the community. Whereas, respondent 6 from company F believes that their CSR activities have social, environmental and economic forms. On the other hand, respondent 9 from company I believes that their CSR activities have an environmental form, having ethical practices when it comes to animal testing it is of high importance that they do not cause harm to animals.

According to respondent 2, company B does not have a formal CSR strategy, but CSR has been kept it in their daily activities. Another form of engagement into CSR activities is based on the ethical perspective for example respondent 1 from company A emphasizes how the company stresses on dealing with suppliers that are also ethically committed in addition to that they support cancer research as they believe that supporting patients should be a priority, this company also attempts to minimize the usage of electricity and papers in their facilities also sorts their garbage. Respondent 9 from the company I states that their CSR activities mainly target the employees and the community as up till now they are in the development stage, so they do not have customers. Respondent 9 from the company I describes how the CSR activities promote a safe workplace and positive vibes in the work environment. According to respondent 9 from company I the positive vibes are requested at the workplace so as the comfort of the employees.

Respondent 5 from company E mentioned: “We do not have a formal engagement in CSR activities, but we follow regulations and try to keep it in mind in our everyday activities.” CSR is embedded in company’s C vision, according to respondent 3, the vision of company C is to improve the well-being of sick people, the products that they are planning to develop should assist patients worldwide. Respondent 8 from company H describes how the company promotes awareness campaigns about the risks of drug abuse in addition that he emphasizes the importance of employees active development not only career-wise. Less drug abuse means less disposal and improper usage of medications positively affects the environment in addition to the health of the community members.

Table 6 illustrates how SMEs are engaged in different CSR activities and on which activities they mostly focus. All of the companies mentioned that they are engaged in the social activities and companies A, B, D, E, F, and H are involved in environmental activities. Only 2 companies B and F are engaged in economic activities.
Table 6: CSR activities

<table>
<thead>
<tr>
<th>Company</th>
<th>Social</th>
<th>Environmental</th>
<th>Economic</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>E</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>J</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: own construction

Table 7: Summary of findings regarding CSR activities

<table>
<thead>
<tr>
<th>Company</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company A</td>
<td>The company stresses on dealing with suppliers that are ethically committed in addition to that they support cancer research as they believe that supporting patients should be a priority, this company also attempts to minimize the usage of electricity and papers in their facilities also sorts their garbage.</td>
</tr>
<tr>
<td>Company B</td>
<td>Company B does not have a formal CSR strategy, but CSR has been kept it in their daily activities in all of the three aspects.</td>
</tr>
<tr>
<td>Company C</td>
<td>The vision of this company is to improve the well-being of sick people; the products that they are planning to develop should assist patients worldwide.</td>
</tr>
<tr>
<td>Company D</td>
<td>The interest is in both social and environmental activities; the company always tries to check the way their suppliers practice their businesses though it is hard due to the size of the company and suppliers and they also always serve ecological coffee and fruits onsite and on Christmas, their gifts are contributing to social and environmental organizations.</td>
</tr>
<tr>
<td>Company E</td>
<td>This company does not have a formal engagement in CSR activities, but they follow regulations and try to keep it in mind in our everyday activities especially from social and environmental perspective.</td>
</tr>
<tr>
<td>Company F</td>
<td>Because this company is in the UN global compact, they have all the environmental, social and economic issues, so it is the human right and labor issue area where this company tries to make sure that they don’t deal with unethical suppliers such as those who use forced labor.</td>
</tr>
<tr>
<td>Company G</td>
<td>This company believes that at the moment the focus of the company is developing a unique drug for those who suffer from obesity he believes</td>
</tr>
</tbody>
</table>
that the emphasis in itself and the vision as well mission is CSR.

| Company H | The company promotes awareness campaigns about the risks of drug abuse in addition that the importance of employees active development not only career-wise. Less drug abuse means less disposal and improper usage of medications positively affects the environment in addition to the health of the community members. |
| Company I | CSR activities mainly target the employees and the community, as up till now, they are in the development stage, so they do not have customers. The CSR activities promote safe work place and positive vibes in the work environment. According to this company, the positive vibes are requested at the workplace so as the comfort of the employees. |
| Company J | The mission of this company is developing the right cure for patients who have cancer, and their purpose is to improve the quality of life of cancer patients. |

Source: own construction

4.4.1 Social performances as CSR activity

All of the organizations stress the importance of well being of their immediate surroundings by listening to the employees, provide an excellent workplace and strive to have a mix of different genders, ethnicities, and ages. Respondents 5 from company E and 10 from company J emphasize on the wellbeing of their immediate surroundings in specific, respondent 5 from company E says “We are providing a good workplace for our employees with competitive benefits, including easy access to healthcare. We strive to maintain a mixed workforce by gender, age, and ethnicity’’.

Respondent 5 company E emphasizes the importance of having a mixed workplace in their organization as it can positively impact the society. At company C the CSR vision creates positive vibes in the workplace. Most of the respondents believe that their sustainability does not directly influence their surrounding. But respondent 1 from company A describes how the company encourages the public transport and the usage of electric cars by providing a charger spot in the parking at the company’s premises he believes that there is an influence though it may not be a significant one. He also mentions that there are a lot of companies that donate the X percent of their profit and added “but we won’t do it at all, we try to do our activity in a better way to be better for the society and environment’’. Respondent 7 from company G states that there CSR activities will only influence their customers (patients). Also, respondent 8 from
company H says ‘‘we offer 2500 SEK allowance to the staff to use on the promotion of their health’’. On the other hand, respondent 6 mentions that company F participates in the UN global compact and we support 10 principle human rights which are Addressing Poverty, Capacity Building, Education for All, Global Citizenship, Access to Higher Education and so on. He adds “Most of the intention is for the patient and customers, but for us, employees are also so important.”

Table 8: Summary of findings regarding social activities

<table>
<thead>
<tr>
<th>Company</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company A</td>
<td>This company won’t donate the X percent of their profit at all; we try to do the activity in a better way to be better for the society and environment.</td>
</tr>
<tr>
<td>Company B</td>
<td>CSR activities are not vivid and based on this company they are creating safer medicine is CSR.</td>
</tr>
<tr>
<td>Company C</td>
<td>Having positive vibes at the workplace and the critical development of medicines requires a positive environment in the workplace where employees feel comfortable.</td>
</tr>
<tr>
<td>Company D</td>
<td>The wellbeing of the employees is essential in the development process of medicine.</td>
</tr>
<tr>
<td>Company E</td>
<td>The importance of well being of their immediate surroundings by listening to the employees, providing an excellent workplace and strive to have a mix of different genders, ethnicities, and ages. This company is offering a good workplace for the employees with competitive benefits, including easy access to healthcare. We strive to maintain a mixed workforce by gender, age, and ethnicity. The importance of having a mixed workplace in their organization as it can positively impact the society.</td>
</tr>
<tr>
<td>Company F</td>
<td>This company participates in the UN global compact, and they support ten principle human rights which are addressing poverty, Capacity Building, Education for all, Global Citizenship, Access to Higher Education and so on, Most of the intention is for the patient and customers, but us employee is also so valuable.</td>
</tr>
<tr>
<td>Company G</td>
<td>Their social performance only targets their potential customers (patients).</td>
</tr>
<tr>
<td>Company H</td>
<td>Promotes awareness campaigns that inform about the increased risks involved in drug abuse on both society and environment. When it comes to the immediate surroundings, respondent 8 says they offer 2500 SEK</td>
</tr>
</tbody>
</table>
allowance to the staff to use on the promotion of their health.

<table>
<thead>
<tr>
<th>Company I</th>
<th>The company is limited and virtual it's essential when they deal with suppliers to have demands that they follow legal, ethical guidelines.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company J</td>
<td>The wellbeing of their immediate surroundings is where social activities can be immediately perceived.</td>
</tr>
</tbody>
</table>

Source: own construction

### 4.4.2 Environmental performances as CSR activity

When it comes to the environment, there are no specific activities performed by SMEs in the pharmaceutical sector except for the basic ones which are limited to recycling and garbage sorting. All of the respondents try to minimize the damage that could be caused by holding many meetings via Skype and limit the usage of paper such as company A and company E. Respondent 9 from company I says “we recycle the documents and papers we shred the documents then recycle them.” In addition to that respondent 5 from company E says “handling of waste is managed in a controlled way in order to make sure neither staff nor environment is exposed to the potentially harmful material.” Respondent 3 from company C adds “we are following legal requirements regarding waste to ensure the wellbeing of our staff and environment”. Most of the respondents believe that the environment is not influenced by their business performance except for companies B, F, J and H. According to respondent 6 from company F, pharmaceuticals products contain API (Active pharmaceutical ingredient) and when people use medicine, a lot of API goes to the water, and it is the highest risk in this industry. Respondent 2 from company B says “if we can make better / safer medicines, the patients will benefit. Thus the environment will benefit”. Respondent 8 from company H also mentioned that this company generates waste and according to the regulations, this waste requires disposal. Respondent 7 from company G mentioned “on the long run we have to look in details in the manufacturing process down the road several years ahead”. Also, most of the participants believe that environmental factors do not affect their business operations except companies E and F. Respondent 5 from company E says “quality of tap water could potentially have effects on laboratory results”. Respondent 6 from company F states that their business operations can be influenced by environmental factors especially that they have part of their operations in the USA he
“some environmental and natural catastrophe can happen and can have a huge impact on our business.”

Table 9: Summary of findings regarding environmental activities

<table>
<thead>
<tr>
<th>Company</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company A</td>
<td>This company tries to limit the usage of papers, hold a meeting on Skype to minimize the damages that are caused by traveling.</td>
</tr>
<tr>
<td>Company B</td>
<td>By creating better / safer medicines, patients will benefit, thus the environment will benefit.</td>
</tr>
<tr>
<td>Company C</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Company D</td>
<td>It is just resembled in sorting the garbage. Holding many meetings via Skype, sorting garbage and recycling papers. On the long run, we have to look in details in the manufacturing process down the road several years ahead.</td>
</tr>
<tr>
<td>Company E</td>
<td>Handling of waste is managed in a controlled way to make sure neither staff nor environment is exposed to the potentially harmful material. Quality of tap water could have effects on laboratory results.</td>
</tr>
<tr>
<td>Company F</td>
<td>Pharmaceuticals products contain API (Active pharmaceutical ingredient) and when people use medicine, a lot of API goes to the water, and it is the highest risk that this industry has. Respondent 6 from company F states that their business operations can be influenced by environmental factors especially that they have part of their operations in the USA and some natural and ecological catastrophe can happen and can have a massive impact on our business.</td>
</tr>
<tr>
<td>Company G</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Company H</td>
<td>The company generates waste, and according to the regulations, this waste requires proper disposal to avoid its impact on the Environment. The respondent also explains how drug abuse negatively affects the environment as it leads to more waste and in some cases wastes generated by patients are not correctly disposed.</td>
</tr>
<tr>
<td>Company I</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Company J</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

Source: own construction
4.4.3 Economic performances as CSR activity

The opinions varied regarding the impact of CSR on financial performance. In the cases of companies B, H, J, and I CSR did not influence the economic performance positively. Respondent 3 from company C says that since their vision in creating the better world for patients is itself the core of CSR, more investors are becoming more attracted towards investing in this company. Most of the respondents believe that sustainability did not affect the financial performance of their organizations whereas company A believes that sustainability has added to their financial costs but on the other hand it attracted more investors. Respondent 9 from company I mentioned ‘We need the money to recruit best professionals regardless of ethnicity age or religion that explains why our CSR activities are limited’.

Respondent 6 from company F said ‘It is an alternative cost that we are not aware of’ he also mentioned that ‘our financial performance is not influenced yet, if we weren't in compliance with the legislation in Sweden we would get a lot of funds that would have a financial influence, but at this time it is hard to see the alternative costs. I cannot say that we earn X percent more every year since we tried to be more sustainable’.

Respondent 7 from company G said, “since we are addressing obesity which is a social problem and if we end up being successful then yes our financial performance would be influenced.” Based on the website of the company E one of their vision is creating profit for the company and its owners, however, according to the respondent 5 from this company they couldn’t be engaged into this pillar of the CSR.

Table 10: Summary of findings regarding economic activities

<table>
<thead>
<tr>
<th>Company</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company A</td>
<td>CSR activities had added to their financial costs.</td>
</tr>
<tr>
<td>Company B</td>
<td>CSR attracted more investors.</td>
</tr>
<tr>
<td>Company C</td>
<td>Company C hopes that CSR activities will have a positive impact on their financial performance in the long run.</td>
</tr>
<tr>
<td>Company D</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Company E</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>
Company F

It is an alternative cost that we are not aware of and their financial performance is not influenced yet if we weren't in compliance with the legislation in Sweden we would get a lot of funds that would have an economic influence, but at this time it is hard to see the alternative costs. They cannot say that they earn X percent more every year since they tried to be more sustainable.

Company G

Not applicable

Company H

Not applicable

Company I

Not applicable

Company J

Not applicable

Source: own construction

4.5 Sustainability

Respondent 4 from company D says that sustainability is about long-term preservation of resources, employment. He adds “In the future, we hope that we will create a lot of new job opportunities.” Respondent 5 CEO of company E mentioned “Sustainability is at any given opportunity to use the ability and resources within an organization to positively impact the environment.” Their understanding of sustainability is the efficient and effective use of resources while considering the environment. Additionally, in the case of company A, the respondent believes that sustainability is avoiding the excessive usage of the resources and considering its consequences on the environment. Respondent 3 from company C believes that Sustainability is about being thoughtful of the environment and avoiding pollution. Respondent 9 from the company I mentions that sustainability from the environmental perspective is about the efficient use of resources. Respondent 3 CEO of company C says, “Sustainability is about thinking of the environment and avoiding pollution.” Respondent 10 from company J states that “Sustainability is a long process where CSR is an essential part of it.”

Most of the respondents believe that their businesses are sustainable for example respondent 3 from company C says “our business is sustainable because we are not using scarce resources in nature also we are not consuming energy or resources.” Sustainability reports seem to be unfamiliar in the SMEs of the pharmaceutical sector,
for example, none of the participant companies have published separate sustainability reports except company F as it provides a sustainability report for the UN Global Compact. Both Companies A and F have annual reports that include a part about sustainability which is mandatory to have and according to respondent 1 from company A “Those reports do not influence sustainability, but maybe they can improve how people perceive sustainability.” Respondent 6 mentions that such reports can affect improving sustainability, but he thinks that it is just one step.

Table 11: Summary of findings regarding sustainability

<table>
<thead>
<tr>
<th>Company</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company A</td>
<td>Sustainability is avoiding the excessive usage of the resources and considering its consequences on the environment.</td>
</tr>
<tr>
<td>Company B</td>
<td>Sustainability is a long-term goal.</td>
</tr>
<tr>
<td>Company C</td>
<td>Sustainability is about being thoughtful of the environment and avoiding pollution. Their business is sustainable because they are not using scarce resources in nature also they are not consuming energy or resources. This company does the annual reports that include a part of sustainability, which is mandatory to have.</td>
</tr>
<tr>
<td>Company D</td>
<td>Sustainability is about long-term preservation of resources, employment. In the future, they hope that they will create a lot of new job opportunities.</td>
</tr>
<tr>
<td>Company E</td>
<td>Sustainability is at any given opportunity to use the ability and resources within an organization to positively impact the environment.</td>
</tr>
<tr>
<td>Company F</td>
<td>CSR is a part of the sustainability then they are also looking in their supply chain. Within Sustainability, they use that as an umbrella even look internally in our company and how we perform whereas CSR is more or less external and it is how we separate them. This company provides a sustainability report for the UN Global Compact.</td>
</tr>
<tr>
<td>Company G</td>
<td>Company G believes that sustainability is about manufacturing the drug in a sustainable way. Company’s sustainability is how their small company can produce drug for global use, which is considered as a tight project. If the product development fails, the company disappears if it succeeds the company will be bought.</td>
</tr>
<tr>
<td>Company H</td>
<td>The goal is to make sure that patients only get to take the required dose that’s from the environmental aspect.</td>
</tr>
</tbody>
</table>
Company I | Sustainability from the environmental perspective is about efficient usage of resources.

Company J | Sustainability is a long process where CSR is an essential part of it.

Source: own construction

### 4.6 Implementation of CSR activities to attain sustainability

All of the companies see CSR as doing the right thing. Companies B, C, D, F, G, H, I, J, are still in development phase. Respondent 4 from company D says “it's too early for us to tell if economic activity influences sustainability.” Company A holds cyber meetings to reduce unnecessary traveling and eliminate effects of the environment. All of the companies sort the garbage and recycle papers at their premises, and company H promotes awareness campaigns to inform about the negative impact of drug abuse and improper drug disposal on the environment. Company’ E respondent says “Handling of waste is managed in a controlled way to make sure neither staff nor environment is exposed to the potentially harmful material is a priority.” Companies C and H state that they are following legal requirements when it comes to waste disposal in order ensure the wellbeing of their human resources and environment. Though they were not able to achieve a balance between the social, economic and environmental aspects, none of the companies was able to achieve a balance between the three pillars of CSR. All of the companies have a good understanding of holistic sustainability though they could not demonstrate it due to the lack of resources and size of the companies. Respondent 6 from company F also mentioned “As the small company with most of its activities outsourced that means by running CSR our program we are also able to reduce crisis in the part of the company that has the largest impact all of the sustainability aspects, so CSR is the crucial factor for us since a lot of activity are not run in our direct control of our supply chain”.

Table 12: Summary of findings regarding Implementation of CSR activities to attain sustainability

<table>
<thead>
<tr>
<th>Company A</th>
<th>Mostly apply social and environmental activists to achieve sustainability.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company B</td>
<td>Apply all three aspects, but they don’t have a balance to have holistic sustainability.</td>
</tr>
<tr>
<td>Company C</td>
<td>Only apply social activity to attain sustainability.</td>
</tr>
<tr>
<td>Company D</td>
<td>Implement both social and environmental to attain sustainability.</td>
</tr>
<tr>
<td>Company E</td>
<td>Implement social and environmental to attain sustainability.</td>
</tr>
<tr>
<td>Company F</td>
<td>Apply all three aspects but they don’t have a balance to have holistic sustainability.</td>
</tr>
<tr>
<td>Company G</td>
<td>Only apply social activity to attain sustainability.</td>
</tr>
<tr>
<td>Company H</td>
<td>Implement both social and environmental to attain sustainability.</td>
</tr>
<tr>
<td>Company I</td>
<td>Only apply social activity to attain sustainability.</td>
</tr>
<tr>
<td>Company J</td>
<td>Only apply social activity to attain sustainability.</td>
</tr>
</tbody>
</table>

Source: own construction

5. Analysis

In this chapter the results of the empirical findings are discussed in connection with the theoretical framework as presented in the second chapter of this study.

5.1 CSR

Dahlsrud (2008) who examined different definitions of CSR, ended up defining CSR as organizations being socially responsible and accountable for the impact caused by their performance based on the following aspects: economic, social and environmental. Most of the respondents have a good understanding of CSR and the way they conduct their business operations show that they are concerned about aspects that can influence the society and environment. According to Schrempf-Stirling et al. (2016); Mallen (2017); Kolk & van Tulder (2010), Corporate Social Responsibility is about contributing to the society instead of being merely focused on profit maximization. The contribution could be in different forms such as being green oriented, engaging in activities that assist in the improvement of the community (Kolk & van Tulder, 2010). As mentioned in the findings, 100 percent of the investigated companies participated in the social activities,
and 60 percent of them in the environmental activities and 20 percent of them involved in the economic activities. A form of CSR activities can be illustrated in how company H organizes an awareness campaign that promotes knowledge about the risks involved in drug abuse such risks can have an impact on the health and the environment.

Klingenberg & Rider (2013) state that, CSR has been less researched in SMEs compared to large firms. Nevertheless, SMEs companies are higher in number, and they have a wide ambition in social and economic issues than large corporations (Holmström, 2017; Johnson, 2015). For the SMEs investigated in this study, CSR is a long-term goal, and it is not only about legally meeting the standards. For these companies, CSR is to create another chance for the core values of the company and contribute to both society and environment. In addition; Respondents believe that ethics play a vital role in CSR and how they treat and respect employees.

5.2 CSR Drivers
According to Fukukawa & Moon (2004), there are some internal drivers for companies to engage in CSR such as ethics, cost saving, profits, growth and employees’ shared values. Although all of the SMEs investigated in this study are driven by ethics and employees’ shared values as internal drivers but the most influential one is the cost savings, profits and growth drivers. According to Laudal (2011), the financial resources and mobility in SMEs are not the same as those in MNEs. It is illustrated in the case of the company I; their financial resources are from the investors hence they are responsible for using it efficiently and effectively in a way that promotes cost saving and making the profit. Company C is driven by the profit and growth factor, respondent three from company C mentioned that their reasons to engage with CSR are to give back the shareholders value because it is a basic fundamental.

When it comes to ethical drivers companies A and F illustrate this in accordance with the theory of Fukukawa & Moon (2004), respondent 6 from company F mentioned that they would not work with suppliers that have bad practices which can be considered as an ethical driver but the main reason to avoid working with such suppliers as he mentioned is, because of the high risk that they go out of the market which would affect their business. Respondent 1 from company A emphasizes how the company stresses on dealing with suppliers that are also ethically committed in addition to that they support cancer research as they believe that supporting patients should be a priority.
If companies try to have multiple approaches in the working conditions, and the environmental factors they become more exposed to external pressure from NGOs and the public sector (Laudal, 2011). One of the external drivers for companies A and F is publishing the annual reports, which include the sustainability reports, which are mandatory. External pressure from NGO is illustrated in Company F which is a part of the UN Global Compact, which means that company F should provide a report for the UN thus such a report can be a first step in engaging in CSR. Laudal (2011) that states that the incentives in SMEs for engagement in CSR are different from those in MNEs; for example, SMEs contribute to the charity events and have stronger links to their local environment more than MNEs. However, among the 10 SMEs that were investigated in this study, none of them contributes to charities and respondent one from company A was very specific in mentioning that they never contributed to charity as a method of CSR engagement or activity they try to apply it in other ways. Social sustainability is about creating a positive impact on people (Hitchcock & Willard, 2011) and the main driver of this industry is to help people to be healthy which was the case in most of the companies. Respondent 8 from Company H mentioned that their main driver is to reduce the cost of the healthcare which can have a high positive impact on patients and governments and respondent 9 states that developing medication for people who suffer from severe pain was the main driver behind starting the company thus it addresses a big issue which is the wellbeing of humans worldwide.

5.3 Social performance as CSR activities

Social responsibility can have several forms; for example, at the workplace, social responsibility is linked to the working conditions and well being of the staff at the company and that of the subcontractors (Carroll & Shabana, 2010). In specific companies C, E, I and H accurately focus on the importance of well being of the employees which varies from promoting a safe place and environment for the employees, creating positive vibes at work, in addition to promoting wellbeing of employees by offering them specific allowances that can be used in services that contribute to their health and wellbeing. This is emphasized in the company I because positive vibes are requested at the workplace due to the sensitivity of the products developed it requires that employees should be feeling comfortable.

Social sustainability is about creating a positive impact on people (Hitchcock & Willard, 2011). Company D will soon be contributing by creating many job
opportunities in the community and company E emphasizes the importance of having a mixed workplace in their organization as it can positively impact the community; thus, these companies attempt to have a positive impact on society. Elkington (2002) states that the social line of the TBL framework refers to addressing the well-being of the human and many companies have a vision about improving the quality of life of many patients, in specific the vision of companies C, F, and H is to enhance the well-being of sick people, the products that they are planning to develop should assist patients worldwide.

5.4 Environmental performance as CSR activities

According to Elkington (2002), the environmental dimension refers to conducting business practices in an efficient way, which prohibits any compromise in the environmental resources for future generations. In addition, Tai & Chuang (2014) state that regardless of the size of the company, enterprises should be more concerned when it comes to the environment and they should be socially responsible (Tai & Chuang, 2014). All of the companies except companies A and F are in the development phase; thus, till this moment they are not depleting any resources yet, which means they are not affecting the resources for future generations. There are no specific activities performed by SMEs in the pharmaceutical sector, except for the basic ones which are limited to recycling, and garbage sorting. All of the respondents try to minimize any environmental damage by holding many meetings via Skype to decrease the damages that could be caused by traveling or driving; in addition, to that, all of the companies limit the usage of paper and tend to recycle them. In particular respondent seven from company G mentioned “in the long run we have to look in details in the manufacturing process down the road several years ahead”.

According to companies F, H and I, in the pharmaceutical industry the highest risk is usually from the production, consumption, and disposal of pharmaceuticals products as they contain API and when people use medicine, a lot of the API goes to the water however, company H is trying to tackle this problem by creating awareness about the environmental risks of drug abuse. This problem exists in the pharmaceutical industry worldwide regardless of the size of the company whether it is MNEs or SMEs, the environmental consequences are there but decreasing the negative impact could be achieved by promoting campaigns. There is a reciprocal relationship between companies that choose to be green, and consumer’s decision-making is being based on
the social and environmental practices performed by the company (Tai & Chuang, 2014). Respondent 2 mentioned from company B “if we can make better / safer medicines, patients will benefit. Thus the environment will benefit” in this way the relation between company, customers, and environment will be stronger.

5.5 Economic performance as CSR activities

O'Sullivan (2006) states that many business managers are interested in finding a link between profits and CSR, so they do not end up choosing CSR or profit, they are keen to have a mix of both. In many investigated companies there was not any positive impact from CSR on the financial performance. Company A had incurred an extra financial cost because of CSR, however, on the long run, CSR can be a cause for attracting investors such as companies C and J’s perception. Though CSR can be currently adding up to the costs, the companies are thinking of its financial benefits in the long run.

It may seem odd but economic responsibility is classified as a social responsibility and the institution should be able to meet the society’s needs regarding goods and services where these good and services should also be reasonably priced (Singh & Singh, 2013). Many interviewed organizations state that creating a better world for patients is itself the core of CSR for example company G is developing drugs for obesity problems, obesity in itself is considered as a social problem this company aims to sell its product at an affordable price within reach of all. Company H is developing medicine for severe pain such as cancer and migraine, according to this company, the success of their product will assist in reducing the cost of healthcare. Company H is developing products that aim to be affordable to be within the purchasing power of as many patients as possible, and in this way, the companies will meet the society’s need by engaging in CSR from an economic perspective.

5.6 Sustainability

The TBL is an original framework, which suggests the incorporation of social and environmental measures rather than focusing solely on the profit measures (Elkington, 1994; Dyllick & Hockerts, 2002; Elkington, 2004; Dao, et al., 2011) and as mentioned in theory sustainability has been practiced or applied mostly by large companies and organizations with a little effort in SMEs (Farmer & Hogue, 1973; C.E.C, 2002; Lozano, 2015). The main focus of the most SMEs in this study is the environment, their understanding of sustainability was from an environmental perspective for company C.
Sustainability is about thinking of the environment and avoiding pollution. However all of the companies assume that their businesses are sustainable because of several reasons, for example, some companies focus on innovation and having innovative employees; furthermore, others state that the products they are developing would be new in its field.

According to (Zaridis et al., 2015) sustainability reports assist in recognition of CSR activities, those reports are more familiar in MNEs whereas they are not common in SMEs. As it is obvious in this study all companies except for A and F, don’t have sustainability report. Company A and F are considered as medium-size companies, but others are small and don’t publish such reports as they don’t have a specific strategy about CSR activities and sustainability. Respondent 6 from company F believed that publishing sustainability report could be a first and essential step to be sustainable.

Social sustainability is about creating a positive impact on people (Hitchcock & Willard, 2011) and the main driver of this industry is to help people to be healthy which was the case in most of the companies. Respondent 8 from company H mentioned that their primary driver is to reduce the cost of the healthcare which can highly help people and respondent 9 from company I states that developing medication for people who suffer from severe pain was the main driver behind starting the company thus it addresses a big issue which is the wellbeing of humans worldwide.

5.7 Implementation of CSR activities to attain sustainability

According to Van Marrewijk (2003) sustainability nowadays is seen as the ultimate goal where CSR is the essential intermediate in this passage where companies try to maintain a balance between the three components economic, environmental and social aspects of the Triple Bottom Line that leads to sustainability. According to the EU (2017), CSR is a contribution to the sustainability. Based on Van Marrewij (2003) work, sustainability is associated with the social and environmental aspects which are two pillars of CSR. By theory, CSR was perceived by all the companies as doing the right thing but due to the nature of the corporations and since most of them are still in the development phase, economic activities didn’t affect sustainability; the reason is that it’s early to predict if economic activities would influence sustainability.

Though almost all of the companies were trying to perform CSR activities by being environmentally friendly through recycling papers, sorting garbage at their facilities
they were not able to achieve a balance between the social, economic and environmental aspects. The green level is caring sustainability, which is a balance of the social, economic and environmental aspects of CSR activities (Van Marrewijk, 2003). Thus, none of the companies were able to be at the green level. In this study, none of the companies was able to achieve a balance between the three pillars of CSR thus they were not able to reach this level of sustainability, so CSR activities were not fully implemented to fully attain sustainability. In a holistic level, sustainability is engaged in all the elements of the organization as it contributes to the quality and current and future progress (Van Marrewijk, 2003). This study shows that investigated companies have difficulties to demonstrate holistic sustainability due to the lack of resources and size of companies. The following table reflects the summary of the analysis which makes it easy for readers to comprehend it.

Table 13: Summary of the analysis

<table>
<thead>
<tr>
<th>Section</th>
<th>Theory</th>
<th>Empirical findings</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR and Sustainability</td>
<td>Elkington (1994)</td>
<td><strong>Sustainability:</strong> is about thinking of environment and efficient usage of the resources. In few companies it is about thinking of future generations.</td>
<td>-Main focus of the most SMEs in this industry is the environment, and their understanding of sustainability was from an environmental perspective.</td>
</tr>
<tr>
<td></td>
<td>Dyllick &amp; Hockerts (2002)</td>
<td></td>
<td>-All of the companies assume that their business are sustainable.</td>
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<tr>
<td></td>
<td>Elkington (2004)</td>
<td></td>
<td>-Some companies are focusing on innovation. Others are developing new products.</td>
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<tr>
<td></td>
<td>Dao et al. (2011)</td>
<td></td>
<td>-There is a good understanding about CSR among all of the companies.</td>
</tr>
<tr>
<td></td>
<td>Farmer &amp; Hogue (1973)</td>
<td></td>
<td>- CSR activities: awareness campaign that explains drug abuse risks</td>
</tr>
<tr>
<td></td>
<td>C.E.C (2002)</td>
<td></td>
<td>-Although, all of the SMEs investigated in this study are driven by ethics and employees’ shared, most influential one is the cost savings, profits and growth drivers.</td>
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<tr>
<td></td>
<td>Lozano (2015)</td>
<td></td>
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<td></td>
<td>Zaridis et al. (2015)</td>
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<td></td>
<td>Hitchcock &amp; Willard (2011)</td>
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<td></td>
<td>Schrempf-Stirling et al. (2016)</td>
<td></td>
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<td></td>
<td>Mallen (2017)</td>
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<td></td>
<td>Kolk &amp; van Tulder (2010)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drivers of CSR</td>
<td>Fukukawa &amp; Moon (2004)</td>
<td>-Ethics, employee’s shared values, cost saving, profits, growth and avoiding work with unethical suppliers.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Laudal (2011)</td>
<td>-Government community and society.</td>
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<td></td>
<td>Hitchcock &amp; Willard (2011)</td>
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</tr>
<tr>
<td>Social performances as an aspects of CSR</td>
<td>Tai &amp; Chuang (2014)</td>
<td>Elkingtom (2002)</td>
<td>-Most companies are in the development phase which means no depletion of resources yet. -Paper recycling and garbage sorting. -API which is the result of medicine production usage and disposal it goes to the water which causes pollution.</td>
</tr>
<tr>
<td>Environmental performances as an aspects of CSR</td>
<td>O’Sullivan (2006)</td>
<td>Singh &amp; Singh (2013)</td>
<td>-Work on affordable products within the research of many CSR activities can attract more investors. -Not enough resources to engage in more economic activities.</td>
</tr>
<tr>
<td>Economic performances as an aspects of CSR</td>
<td>Van Marrewijk (2003)</td>
<td>SMEs were not able to achieve a balance between the social, economic and environmental aspects; none of the companies was able to make a balance between the three pillars, which leads to having holistic sustainability.</td>
<td>-CSR is currently adding up to the costs the companies and thinking of its financial benefits in the long run. -Meet the society’s need by engaging to the CSR from an economic perspective.</td>
</tr>
</tbody>
</table>

Source: own construction
5.8 Recommended framework

After analysis of the findings, the authors believe that the following framework best describes the sustainability situation in the SMEs of the pharmaceutical sector. Figure 6 illustrates the SMEs environment regarding CSR and sustainability. The three aspects of CSR are the environmental performance, ethical performance and social performance and the ethical performance is the new pillar that would be considered. As seen in this study the economic performance had a minimal significance on CSR and Sustainability whereas the ethical performance had a high significance. Therefore the authors believe that this adjustment in the framework would be a good model for investigating the implementation of CSR activities in SMEs.

Figure 6: Relationship between new CSR aspects, CSR and sustainability

Source: own construction

Explanation:

: Direct impact on the right side component
6. Conclusion

This study investigates the implementation of CSR activities to attain sustainability in SMEs by focusing on the pharmaceutical industry and the kind of activities that SMEs employed to attain sustainability.

6.1 Answers to the research questions

To achieve the goal of this study following research questions have been asked which were presented in the first chapter.

RQ 1. What CSR activities, SMEs in the pharmaceutical industry are engaged in?

Most of the companies think of their vision and mission as CSR, they believe that creating a positive impact on people's lives is the most significant goal, improving the quality of life for patients and developing the right drugs or cures for diseases from obesity to cancer is CSR. Social activities were resembled by promoting awareness campaigns that explain the risk of abusing medicine and the disadvantages of medicine’s disposal. Other activities included promoting health cards and vouchers for the employees. When it comes to environmental activities, there were different practices for example one of the companies has an electric vehicle charging station in its parking premises. Other companies are highly concerned about animal testing and are also conducting background checks on the importers that they deal with especially those in China and India. All of the companies were recycling papers and sorting the garbage. In addition to that many companies were holding meetings via Skype in order to reduce the impact caused by traveling.

RQ2. How does the implementation of CSR activities assist pharmaceutical SMEs in attaining sustainability?

The pharmaceutical SMEs in this study were not able to fully implement CSR activities to attain sustainability. For them, CSR activities from the environmental aspect were practiced in basic procedures such as recycling papers and sorting garbage and the social activities were resembled by awareness campaign also creating a safe work environment for the employees and plans to promote more job opportunities in their operation areas. The investigated companies in this study were not able to achieve a balance between the social, economic and environmental aspects. Thus, none of the companies were able to be at the green level, and they have difficulties to demonstrate
holistic sustainability due to the lack of resources and size of companies. In general the CSR activities that these companies applied couldn’t completely assist pharmaceutical SMEs in attaining sustainability and they are in the first level of the sustainability which is *Compliance-driven Sustainability* and at this level, the focus is on the wellbeing of the society.

Being at the research phase means that there is not an extensive usage of resources or big consumption of energy yet but this image is not fixed on the long run. Though most of the companies have good practices and hopes about contributing to the employment opportunities in the areas where they are operating, and others are not causing harm to the environment, this might change once they are in the production phase as the success of the product will also have an impact on the sustainability of the companies; in addition, the production phase would even have an environmental implication especially that chemicals would be involved in the production process of those SMEs and all chemicals have a negative impact on the environment. The success of the products will determine if the product and business will be sustainable, if the product fails, then the company will be forced to shut down its activities thus this would lead to layoff of employees which means that the whole image of sustainability will be influenced.

### 6.2 Theoretical Implication

It has been shown that all of the pharmaceutical SMEs believe in the importance of CSR and the essence of their field is a form of CSR. The presented topics implementation of CSR activities to attain sustainability in SMEs is an endeavor in covering the gap in the literature that was motive behind this study through investigation ten pharmaceutical SMEs in Sweden. Most of the investigated companies are still in the research and development stage which mean they do not generate enough revenues, they are financed by private investors a factor which also puts constraints on their activities. On the other hand, ethics seems to have a high impact on CSR activities in SMEs that is why we suggest a different framework for the SMEs where ethics would be a pillar of the CSR instead of the economic one.

### 6.3 Managerial Implication

The present study discloses implications for the SMEs. It is demonstrated that SMEs are keen on the implementation of CSR activities as a method to attain sustainability but being in the research and development phase tightens the budget thus limit their activities. There is an understanding among those companies that the engagement in
CSR could be an incentive for the attraction of other investors. Companies need to apply more and advanced CSR activities and create a balance between environmental, economic and social aspects to achieve sustainability, as mentioned before because of the large number of the SMEs, this sector is highly important to make the world and originations sustainable. The result of this study shows that SMEs need to exert more effort regarding the implementation of CSR activities to achieve sustainability; thus the managers of SMEs should reconsider and assess the CSR activities and strategies. It is suggested that companies try to prepare sustainability report and be more severe regarding CSR activities because these types of reports can be an important step to be sustainable.

6.4 Contribution
There have been many studies about CSR and sustainability, but the focus was mainly on large companies. There was also a lack of such studies in SMEs especially in Scandinavia. The present study contributes to the literature by investigating the CSR activities in the Swedish SMEs in the pharmaceutical sectors and their ability to attain sustainability. As a result, this study illustrates the valuable picture of the CSR activities and the sustainability level of pharmaceutical SMEs (the new suggested framework), which is considered as an important industry for both humankind and environment. A new framework, which consists of three pillars namely ethical, environmental and social, could be used to assess the CSR activities to achieve sustainability in SMEs.

6.5 Reflections and suggestions to Further Research
Although we believe that the present study makes a theoretical contribution to the existing literature and has managerial implications, we acknowledge that several limitations need to be pointed out. Though this study contributes to the existing literature and we believe that few limitations should be mentioned. Only two of the pharmaceutical SMEs publish sustainability reports, this had a significant impact on the study. Another limitation was due to the language one of us is an international student which means that all the contact with the companies was done in English which is neither our native language nor the interviewees’. This might have affected the accuracy of the study or acted as a barrier for some potential respondents or participants.

The main focus of this study is SMEs, and these companies don’t have the same number of employees, for example, one of the companies in this study has 2 employees whereas
another company has 80 employees, but all of them are considered as SMEs, and we could not divide them into 2 parts. This limitation may be reflected in the conclusion because of the unequal number of the employees. Most of the companies are in the research and development phase, which means that they are almost virtual companies and they do not have products or customers yet. If those companies had products in the market, then their impact on the environment would have been big especially that medical products contain AIP. AIP is a chemical substance that is caused by the production consumption and disposal of medicine and has a negative impact on the environment. This study has focused only on the pharmaceutical sector, studying CSR as the way to attain sustainability in two different industries and comparing them could have lead to a different implication. Future research can be conducted where the interviews could be done in the Swedish language that reduces the risks of any misinterpretation.
7. References


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Appendix A: Request letter

Greetings
Thank you for showing interest and taking your time to read more about our thesis and aim. This document will contain a summary of our thesis, the aim. If there are any questions, please do not hesitate to contact us via e-mail.

About us
We are a group of two Master students currently enrolled in the MBA at Gävle University, and now we are writing our thesis.

The Thesis
As mentioned above, we will give a brief description of our thesis and the goals we hope to achieve. Corporate Social Responsibility (CSR) is a concept that developed in the 1950s, and it was linked to the responsibility towards the society. Corporate Social Responsibility was explained by Milton Friedman in 1970 as a mean used by businesses to increase profits; this explanation has created a debate. Throughout the time CSR has undergone different phases. The very early one is known as “philanthropic”, under this period CSR was mainly seen in forms of donations to charitable organizations. Then it was followed by the “awareness” period; organizations became more aware of the external environment. The third phase is known as “issue” in which organizations focused on specific issues in the external environment.

Though the origin of CSR and Sustainability is different, there is a common vision between those two concepts, which is creating a balance between economic aspect from one side and the social and environmental one from the other side. Small and Medium Enterprises (SME) plays a significant role in markets through decreasing poverty and job creation; also it is the principal cause of growth in employment rates. SMEs are important in the creation of a healthy economy as it assists in building up systemic productive capacities and innovation. By considering this importance, there is a need to understand attention the engagement of SMEs on CSR. This study aims to investigate the implementation of CSR activities to attain sustainability in SMEs by focusing on the pharmaceutical industry in Sweden.
Appendix B: The questions of the interview

General questions
• What is your position at the company?
• When did you start working at this company?
• What is CSR and sustainability to you?
• How many persons work at the company?
• What is so special about your company? What distinguishes you from other competitors?

CSR questions
• Does your company engage in CSR activities? We will ensure that
• What drives your company to engage in CSR?
• Who started the CSR/ sustainability initiatives at the company?
• What are the reasons behind your engagement in CSR/ sustainability?
• What form of activities does your CSR projects take? Social or environmental?
• What are the criteria that you use in the evaluation of your activity?

Environmental
• Are your business operations influenced by environmental factors? If so how?
• Are there any specific activities that target the environment? Please provide us with an example.

Economic and social
• Is your financial performance influenced by the CSR activities? No How are the society, environment and organization influenced by your CSR activities?
• Are your activities aimed directly at enhancing the wellbeing of your immediate surrounding such as employees or you extend your attention to customers and the community? Can you please give us an example?

Sustainability questions
• Do you think your business is sustainable?
• What changes is sustainability undergoing?
• Do you see any difference in sustainability now compared to when you started? Do you feel comfortable with the change?
• Are your sustainability reports published? Do you believe that those reports can improve how sustainability is perceived?

**Implementation of the CSR to attain Sustainability**

• How far did CSR activities assist you in attaining sustainability?