

Lapland University of Applied Sciences

Analyzing the Role of Corporate Social Responsibility on
Reputation Building and Image Formation

Case Lapland University of Applied Sciences

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In Tornio, Finland on 9th of May 2014

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ABSTRACT

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<p>Today Corporate Social Responsibility (henceforth CSR) is gaining cumulative importance among individuals and corporations. CSR is an umbrella word which covers all responsibilities related to economic, environment, society and ethics. Concepts such as green marketing and sustainability have recently been added under the umbrella of CSR.</p> <p>Lapland University of Applied Sciences (hereinafter Lapland UAS) is interested in building reputation. Therefore, the main objective of the current research is expressed as utilization of CSR practices as a tool for building reputation and forming a positive image.</p> <p>The method used in this research is a qualitative research in the form of a single case study. The current research is a combination of both theoretical and practical work. The theoretical part derived from literature review and the practical part derived from interviews and pure observations in the current research. The transcripts of the interviews attached as appendices in the complete thesis work are excluded from the library version due to confidentiality reasons.</p> <p>The results of the practical part of this thesis research suggest the applicable approaches in the form of an action plan through which Lapland UAS is able to gain reputation and form a positive image for the newly established university. Further studies are needed to measure how successful the case company has been in applying the results and achieving the reputational objectives.</p> <p>Key words: Corporate Social Responsibility, Corporate Image, Formation of Image, Corporate Reputation, Reputation Building, Strategic Planning</p>	

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1 INTRODUCTION

Throughout the current chapter the research background and motivation of the writer to conduct this research are discussed. The research objectives are expressed; the limitations of the research are explained; and the scope and the structure of the thesis research are specified.

1.1 Research Background and Motivation

Today, the tight competition between enterprises in the business world highlights the significance of differentiation. In other words, in order to be successful in a competitive market, an enterprise needs to be aware of the ways to create competitive advantage and differentiate itself from other competitors (Brown 2013). Competitive advantage or differentiation is a tactic being applied by enterprises in their positioning strategies to place their brands detached from competitors to an increasingly noticeable position than what they possess (Rouse 2013). Competitive advantage can be created by fulfilling strategically significant activities at lower costs or in a better way than competitors do (Botten & McManus 1999, 165). Generally, how a company differentiates itself from other players in the market has a substantial impact on marketing management. Differentiation strategies influence different features of the business such as customer relationship, corporate image, corporate reputation and eventually revenue stream and profit making process of the company. One of the channels through which an enterprise may practice differentiation strategy and create competitive advantage is through creating a positive image of itself in the market. (Karadeniz 2009, 7.)

According to Karadeniz (2009, 7-8), one of the ways through which an image can be formed by the enterprise is through the way the corporate answers the questions it faces. If being considered deeply, each concern, either in the environment, in the economic field or in the society is a question which needs to be addressed. In a narrower sense, one of the channels through which this positive image could be created is through practicing CSR activities and communicating those practices actively with customers and key stakeholders. The way businesses communicate with their customers does not

follow traditional models any more (Lee 2012). The structure of corporate communication has changed from a one-way style to an active interaction with customers, which motivates companies to listen to and familiarize themselves with the needs and expectations of customers (Groysberg & Slind 2012).

On the other hand, customers' perceptions about the company have a comprehensive role in customers' purchase behavior (Mack 2014). The ways the company can positively form the customers' perceptions and create a positive image in customers' sight influence the customer preferences. An enterprise may find different ways to create that image. One of those ways is participation of the company in CSR activities which consist of economic, social and environmental responsibilities. Not only the enterprise creates value both for its stakeholders and the society by practicing these responsibilities, but also the business can be run in effective and efficient ways (Rangan & Chase & Karim 2012). This issue forms the main motivation for the author of the current research to study how social responsibility activities can be utilized to run the business effectively and efficiently. However, the interest of Lapland UAS in building reputation narrowed the motivation down to utilization of CSR activities in order to build reputation and form a positive image.

Throughout recent years the obligations of individuals and businesses toward improvement of society, environment and country have become increasingly significant. Businesses, enterprises, organizations, and corporations are believed to have responsibility towards the society, region, country and future generations. The pressures on companies are increasing and the new revolution of 'Green Wave' poses unprecedented challenge on enterprises (Esty & Winston 2006, 2-3).

The concept of CSR originates from the United States, being defined as philanthropic activities. The concept has been expanded to the responsibilities of business people for the groups who are under the influence of the operations and activities of business people. In other words, responsibility of business leaders and managers for stakeholders has been added to the coverage of CSR. Gradually, the concept has changed position from individual level to corporate level. (Siltaoja 2006, 19-23.)

While a light was lit on the role of ethics, other issues such as economic and education were being added under the umbrella of CSR. Though not with the same importance as today, environmental issues became an interesting issue of CSR in the same era during the 1960s. (Siltaoja 2006, 19-23.)

The 1970s was the growth era for all aspects of CSR. While ecological concerns were being added into the zone of CSR, economic concerns were being addressed with high importance. Later on during the 1980s, new concepts of sustainability and sustainable development were also added to the group of CSR terms. (Siltaoja 2006, 19-23.) Studying the history of CSR shows that new aspects have been added to the original concept of CSR since the birth of this concept, while nothing has been omitted from the concept over the years. This point reveals the growing significance of the concept of CSR and its implications, which motivates the commencement of the current thesis research.

Lapland UAS is a newly formed corporation as a result of a merger of two universities of Rovaniemi University of Applied Sciences and Kemi-Tornio University of Applied Sciences. Lapland UAS is interested in building reputation and forming a positive image in the market. With respect to the fact that Lapland UAS is a newly born enterprise through a merger, there is a space for development in the area of image and reputation for the university, i.e. a strategic planning for forming a positive image and building reputation is necessary from marketing perspective. This point formed the motivation for the writer of the current thesis to conduct this research to be able to suggest the aspects which need to be considered in the process of strategic planning. In a narrower sense, utilizing the CSR practices for image formation and reputation building in the process of strategic planning created the specific motivation of the writer of the current thesis research.

Showing the goodwill and the good intentions of the enterprise to its stakeholders is one of the channels through which reputation can be built and image can be shaped (Kinze 2012). The goodwill and the good intentions can be revealed by demonstrating that an

enterprise considers not only the interests of its shareholders and primary stakeholders, but also the interests of the whole society, nation and environment. Drawing the stakeholders' attention to this point leads to the formation of positive image and reputation for the company. In case of Lapland UAS, the ways in which Lapland UAS can strategically plan to practice CSR activities and utilize them to achieve the reputation-building and image-formation objectives configures the current thesis research.

The current thesis research does not aim to criticize the performance of Lapland UAS. Likewise, the aim is not to ordain some duties for Lapland UAS. On the contrary, the aim is to study how Lapland UAS can accumulate reputation and reputational benefits by practicing some roles in society and environment and by communicating them to its audience.

1.2 Objectives and Research Questions

The main objective of the current thesis research is to encourage Lapland UAS to strategically plan for utilization of CSR practices as a tool for building reputation and forming a positive image. Contributing to the issues related to the social and environmental concerns can address reputation-building purposes of Lapland UAS. In addition, the current research aims at highlighting the aspects which need to be considered in devising a strategic action plan for practicing social and environmental activities. By highlighting these aspects, the current thesis research is contributing to the strategic planning and strategic implementation of the image-formation and reputation-building objectives of Lapland UAS. This contribution is formed by providing suggestions and recommendations derived from the findings of the current research.

Another objective of this thesis research is to draw the attention of Lapland UAS to a method of building customer relationship, which is utilizing CSR practices as a tool of communication. In other words, how Lapland UAS can utilize CSR practices to develop or improve customer relationships are analyzed and discussed throughout the current

thesis research. Moreover, this research aims at highlighting the importance of customer perception of Lapland UAS.

For the purpose of achieving the objectives of the current thesis research and for the sake of delivering a structured work, this thesis research is divided into three main areas of focus. These main areas are considered as three main research questions. The research questions are formulated as follows:

1. What are the main social, economic and environmental concerns in the country where Lapland UAS is operating? What areas out of these concerns can be addressed by Lapland UAS?

The initial step for completing the current thesis research is to identify and recognize the main areas of social and environmental concerns of Finland and particularly the Lapland region which need more precise attention. In other words, the primary question in this thesis research is identifying the basic social, economic and environmental issues which need attention. Consequently, encouraging Lapland UAS to address them selectively either by highlighting them or providing a solution for them is the focus area of the first research question.

For the purpose of answering the first question, interviews are conducted and data were collected. On the basis of identifying the main areas of concern of Finland and Lapland, those which can be addressed by Lapland UAS are specified.

2. Which aspects need to be considered in the process of creating an image and building reputation? Which concern areas suit best the capabilities and the branding strategy of Lapland UAS?

Through the second research question, the findings of the first research question and the capabilities of Lapland UAS are considered in order to contribute to the strategic plan being devised for Lapland UAS. Not all the concern areas can be addressed by Lapland UAS since resources are limited. Therefore, it is necessary for Lapland UAS to be able

to wisely choose practicing on the areas which suit best the company and can accumulate reputation for Lapland UAS. Moreover, the aspects which need consideration in strategic planning phase regarding the image formation, reputation building and branding strategy are discussed.

3. How can Lapland UAS utilize and leverage CSR practices to form a positive image and accumulate reputation among stakeholders?

Finally, the answer to the third research question is the combination of the answers to the first two questions. The answer to the third question is concluded on the basis of identification of the areas of social, economic, and environmental concerns and consequently, identification of the suitable ways to address them in accordance with reputation-building objectives. The results and outcomes of the current thesis research rely on the answer of the third question, which is utilization of CSR practices to create a positive image and build reputation.

Suggestions and recommendations on how these practices can help Lapland UAS to accumulate reputation are included under the answer to the third research question. Moreover, how Lapland UAS can address the needs and interests of the society, the nation and the current and future stakeholders to form a positive corporate image are placed under this section. Finally all the process is finalized in the frame of an action plan suggested for consideration to Lapland UAS.

1.3 Assumptions and Limitations

Initially, the answers to the first two research questions might be helpful in understanding and considering the role of CSR and its implications and application for reputation-building purposes. However, the suggestions and recommendations made are bound to Lapland UAS and might be neither suitable nor applicable for other educational institutions or other organizations. Each organization needs to determine approaches based on the internal and external analysis associated with that organization. Likewise, since this research is carried out in Finland, the results might not be suitable

for generalizing to other organizations in other countries. Generalizing is not among the objectives of the current thesis research. Therefore, applying the suggestions and recommendations made for Lapland UAS might not necessarily accumulate reputation for other enterprises and help them in their strategic planning and strategic actions toward reputation-building and image-formation practices. Further research with location-specific orientations is needed for better understanding and application of CSR in other organizations.

Secondly, due to the ever-changing condition of the environment, the results might not be applicable for a long period of time. Therefore, reconsideration of the up-dated internal and external analysis prior to next strategic planning in Lapland UAS is needed and is highly recommended.

In addition, due to the extent of the Master's Thesis research, the current thesis research is narrowed down to cover the geographical area of Finnish Lapland. The Arctic Region and Barents Region are excluded from the analysis of the current thesis research. However, due to the significance of these areas for Lapland UAS in terms of both operations and reputation, further research is needed to be conducted in these two regions.

Another limitation of this thesis research is the measurement of the output and the results. It would be more fruitful if the reputation of Lapland UAS could be measured once prior to the current thesis and once when the suggestions and recommendations are applied. Such measurement could evaluate how successful Lapland UAS has been in building reputation as a result of utilizing the CSR practices. Nevertheless, it should be mentioned that such measurement is not precisely applicable due to the nature of the topic.

1.4 Scope of the Thesis

Today, the social responsibility of enterprises becomes increasingly important from customers' point of view. A survey conducted by Landor Associates shows that more

than 76% of customers are concerned about the social responsibilities of enterprises (Landor Associates cited in TIME 2012). Rather than restricted to meeting customers' needs, business today is broadening to meeting their needs and making them satisfied through more efficient ways. These ways are characterized by considering the interests of the enterprise, the interests of the society and environment and the interests of both current and future generations (Clarke 1998, 189-190). Through the current thesis research, the aspects and features that need to be considered in order to draw up a strategic planning with the aim of building reputation are discussed. However, the main focus is on building reputation through practicing CSR.

Included in the scope of the current research are suggestions and recommendations derived from current research for Lapland UAS. These suggestions and recommendations contribute to the strategic planning for practicing and utilizing CSR activities for reputation-building and image-formation purposes. Moreover, recommendations for specific types of corporate economic, social and environmental activities based on the findings of the current research are included.

The scope of this work is narrowed down to Finland with all the social and environmental concerns that the nation and country of Finland is facing currently. The main focus is to emphasize the areas which need attention in the national and regional level, despite the fact that international concerns are also attempted to be reflected upon implicitly in this thesis research. National and regional concerns are highlighted in this thesis research in order to encourage Lapland UAS to start addressing them with the aim of forming a positive image and building a local, regional and international reputation.

All the other features through which reputation can be built and image can be formed are out of the scope of the current thesis. Therefore, the main focus is on analyzing the main social, economic and environmental concerns. Moreover, the scope of the current research consists of making a link between these practices and reputation of Lapland UAS. Besides, analyzing the utilization of these practices by Lapland UAS for reputational purposes is within the scope of the current thesis research. Finally,

providing Lapland UAS with practical and applicable suggestions and recommendations is the expected outcome of the current thesis research.

1.5 Thesis Structure

As it is mentioned previously, this thesis has three areas of focus as follows: CSR, reputation and image, and utilizing CSR practices to build reputation. CSR is discussed in Chapter 3; reputation management and corporate image are discussed and analyzed in Chapter 4; and Chapter 5 explains the current situation of the Lapland UAS in terms of CSR and reputation. Finally utilization of CSR practices for reputational objectives from Lapland UAS perspective, in addition to suggestions and recommendations are presented in the conclusion chapter of this thesis research. Table 1 clarifies the structure of the thesis research to be finalized.

Table 1. Thesis Structure (adapted from Volotinen 2012, 12)

Research Questions		Research Work	Practical work Case Study
RQ1	What are the nation-based CSR concerns?	Definitions	Literature Review
	Which areas can be addressed by Lapland UAS?	Data Information	Interviews Observations
RQ2	Which aspects need consideration in image-formation and reputation-building?	Concepts Data	Literature Review Interviews
	Which concerns can be best addressed by the Lapland UAS?	Information	Observations
RQ3	How can Lapland UAS utilize the CSR activities for reputational purposes?	Data Information	The findings of the previous sections of RQ1 and RQ2

2 METHODOLOGY

Throughout the current chapter, the methods and techniques used in conducting the current research are discussed. Moreover, how data and information were gathered and which sources were used for collecting information are explained in this chapter.

2.1 Research Method

The research method used in this thesis research is a qualitative research executed in the form of a single case study. According to Yin (2009, 4), the case study method is used for studying social phenomenon which is the main topic of the current thesis. Moreover, the case study method was the most suitable choice since one of the main research questions in this research is how to utilize CSR practices. Case study method is the best approach for exploratory researches and when “how” research questions are formulated (Yin 2009, 8).

In addition, case study involves comprehensive contextual analysis of one or more events and the relations between them (Kohlbacher 2005; Soy 1997). Since the relationship between practicing CSR and reputation are investigated in the context of Lapland UAS, case study was selected as the most appropriate research strategy. Moreover, Soy (1997) associates case study as a qualitative research method with examination of contemporaneous situations in real-life contexts, which due to the examination of CSR practices in the context of Lapland UAS fits best the current thesis research.

Furthermore, Ghauri (2004, 109) associates the use of case study when a deep insight of an issue is expected. Besides, due to the context-based nature of it, case study is usually used in researches in the business field (Yin 2009, 4). In this research, the deep insight of the CSR issue is discussed in the context of a real business. Therefore, case study is selected as the research strategy in this research.

This real-life nature of the context makes the ground apt for application of ideas and improvements. Besides, using several sources for data collection purpose is among the characteristics of the case study. Multiple data are utilized for an in depth analysis to explain the main phenomenon or issue of the case. (Ghauri 2004, 109-110.) Considering all these aspects justified the selection of case study to be the most suitable strategy, and qualitative research to be the most appropriate research method in the process of the current research.

Using case study in this thesis research allows the researcher to focus on the CSR from Lapland UAS's perspective through the viewpoints of the top management members. Qualitative research enables the researcher not only to study the internal perception about the phenomenon, but also to study the status of the phenomenon in the organization over years.

2.2 Sources of Information

As the author of the current thesis research is a student of Lapland UAS, information is also collected through observation and experiment. Using qualitative research in addition to literature review and personal observations made the author able to study the phenomenon in a real-life context and be able to answer the research questions. Using various data collection sources gave the author an opportunity to analyze the phenomenon from different viewpoints.

The sources, through which data were collected, were a combination of primary and secondary sources. Theoretical orientation of the current thesis research derives from literature review and theoretical analysis of the information in association with the research work. Data were collected through semi-structured and in depth interviews.

Apart from interviews, structured pure observations formed the practical part of the thesis research. Observation involves observing, interpreting and analyzing of an event by the researcher. Observation as a research technique can be either pure observation or participatory observation. The researcher is participating in the event under research in

participatory observation. However, in pure observation, the researcher is not interfering in the event and is playing the role of a mere observer. (Blaxter & Hughes & Tight 2006, 178.) The data collected throughout the current research were gathered using pure observation technique. Likewise, observation as a research technique can be either structured or unstructured and open. In open observation, the observer records the event under research in an explanatory mode, while in structured observation the researcher records the answers to a predefined set of questions. (Blaxter & Hughes & Tight 2006, 178.) Both structured and unstructured observations are used in the data collection process of the current thesis. The outcome of these techniques leads to the development approach of the current thesis research.

Data were collected within the time frame of 4 months during the accomplishment of the current thesis research. Observations and interviews formed the main part of the data collection process and emerged to be the rich sources of information. For the purpose of data collection, 3 interviews were conducted within Lapland UAS as follows:

- Interview with Mr. Reijo Tolppi, Vice Rector of Lapland UAS
- Interview with Mrs. Leena Alalääkkölä, Director of Business and Culture Department of Lapland UAS
- Interview with Mrs. Heli Lohi, Communication Officer of Lapland UAS

The interviewees in Lapland UAS were selected based on their positions at Lapland UAS. Moreover, the relevance of the topic with the areas of expertise and the authority of interviewees in making strategic decisions was taken into account for the selection of interviewees.

According to Ghauri (2004, 117), authenticity of the research is the main focus in qualitative research. The authentic insight of the people involved in the research forms the main focus of the qualitative research. In order to ensure the authenticity of research, the interconnectivity of the data collection process and data analysis needs to be emphasized. In order to overcome such challenge, the most appropriate policy is to start

intertwining the process of data collection and data analysis right by the commencement of the interview process (Ghauri 2004, 117). This policy was applied in the current thesis research. The analysis of the findings coincided the proceeding of data collection and interpretations.

The interviews with the members of Lapland UAS provided the research with valuable information and comprehension about the current status of the phenomenon at Lapland UAS. Considering the objectives and on the basis of research questions, a set of interview questions was prepared. Face-to-face interviews were conducted and recorded. Simultaneous to the on-going process of transcribing the interviews, data were collected through literature review as well. The theoretical approach formed the assessment basis of the practical part, i.e. on the basis of the literature review, the researcher was able to evaluate the findings of the practical part of the research. The literature review of the current thesis derived from established sources, articles and the websites of some companies discussing CSR.

An interview was also conducted with Mr. Jarmo Moisio, a local resident of Lapland region. The interviews with members of Lapland UAS give the internal view of the phenomenon, while the interview with the local resident of Lapland region gives the researcher an external view of the phenomenon. Moreover, the findings of the pure structured observation of the researcher contributed to the external view of the phenomenon under research.

2.3 Combination of Research and Development Work

The current thesis research consists of both research work and development work. The research work is based on theories, literature reviews, gathering and analyzing information. On the other side, the development work contributes to forming the practical outcome of the thesis research. The suggestions and recommendations made at the final phase of this thesis research process can be considered as the practical outcome of this work. Therefore, the methodology of this thesis research is a combination of both research and development approaches.

Interviews formed the rich source of data collection in the current research. As a result of planning for a qualitative research in the form of a case study, interview questions were categorized into three sections as follows:

- a. CSR
- b. Reputation and Image
- c. Case of Lapland UAS

The interview questions were sent to interviewees in advance. However, emerging questions in the process of the interviews were discussed as well.

3 CORPORATE SOCIAL RESPONSIBILITY

In order to be able to analyze CSR and its role, the concept must be defined initially and the scope must be clarified which are included in this chapter. Apart from defining the concept of CSR, the scope of CSR, the significance of CSR and the argumentations against CSR are discussed. Moreover, the national and regional social and environmental concerns are studied in the current chapter.

3.1 The Concept and the Scope of CSR

In order to be able to discuss and analyze the role of CSR on brand making, the concept of CSR needs to be defined. CSR refers to the enterprises endeavor not only to achieve economic objectives of the business, but also to go further beyond, taking and accepting the responsibility of the impacts of their operations on the society. When discussing the social responsibility and the effects of businesses on society, scholars mainly refer to the broad view of society and social responsibility which consists of the impacts on environment, economic and society as well. In other words, corporate social responsibility navigates not only around profit making, but also around people and the planet, which is referred to as 3 Ps by Karen Maas. (Maas 2012.)

For the purpose of better understanding of the CSR concept, some of the statements of the scholars about CSR are presented as follows:

McGuire (1963, 144) defines CSR as any action being taken by the corporation beyond the obligations of the corporation in economic and legal fields, i.e. actions in the interest of community, individuals and society. (McGuire 1963, 144 cited in Siltaoja 2006, 22.) CSR is defined as persistent and ongoing commitment of the enterprise to operate in a way that not only is ethical, but also creates economic development and enhances the quality of life of the stakeholders mainly. (Holme & Watts 2000, 8.)

According to Baker (2004), stakeholders have the activities of the company under attention and inspection. This examination is not limited to the products and services.

The effects of the company's activities and operations on environment, economics, and society are also under precise consideration.

Another perspective is that enterprises are dependent on society and environment for the compliance of their needs to resources such as finance, labor, subsistence, technology and encouragement. Once any of the mentioned resources being stopped to be offered by the society, the survival of the enterprise goes under question. Being that much dependent on the society and environment, enterprises in return have the responsibility to help the development of the society, quality of life and the environment. (Swapna 2011, 594.)

As it can be understood through the statements, despite the fact that there is not any universally accepted unit definition for CSR, the main focus of CSR is in association with ethics, environment, economy and society (Berete 2012). By considering these statements, one notices that CSR is not merely about contributing to the current social, economic and environmental concerns anymore. The way the enterprises align and integrate addressing those concerns with their business objectives, activities and operations is a complement to the traditional description of CSR.

3.1.1 Cultural Orientation of CSR

The nature of CSR is context-based. Different values, different priorities and different concerns form the framework for CSR activities of businesses in different countries and cultures. In this regard, Siltaoja (2006, 17-18) discusses that CSR is culture-oriented and the cultural construction defines CSR and its borders.

According to Siltaoja (2006, 17), a comparison between American-context-based interpretations of CSR and European-context-based interpretations shows differences in recognition of actions as social responsibility. While the Americans recognize CSR as willingness to express and execute responsibility through philanthropic actions at firms' level, the Europeans recognize CSR as legislation, rules and policies mainly incorporated in political and governmental level. In other words, in European context,

enterprises are being assigned to social responsibility activities by higher level institutions and governing system. It can be concluded that in European context enterprises carry a passive role in practicing CSR activities.

This aspect has also been internalized in European enterprises and particularly Finnish enterprises to such an extent that Lohi (2014) defines CSR as the tasks which are determined by law and written in law sources. Therefore, by following those tasks and rules assigned by the law, an enterprise is fulfilling CSR.

3.1.2 Voluntarily Nature of CSR

Griffin (2008, 25) argues that the phrase of CSR per se conveys the meaning of correctness, i.e. encouragement to modify and correct the social irresponsibility of the enterprise. If being considered deeply, that could be the main reason why companies think they are practicing CSR if they merely fulfil their duties. However, the movement of CSR is not only limited to obeying rules and laws, but also going voluntarily beyond the duties and obligations. A statement by Davis (1973, 313) clarifies the issue as follows: “Social Responsibility begins where the law ends”. (Davis 1973 cited in Siltaoja 2006, 24.) This statement shows the non-obligatory and voluntarily nature of CSR. Griffin (2008, 139) also emphasizes the voluntarily basis of the concept of CSR based on the definition provided by European Commission. Based on this definition, CSR is an integration of social and environmental concerns in the business activities and in relationships with stakeholders on a voluntarily basis (Griffin 2008, 139).

Therefore, it is concluded that the main ground for CSR is voluntarily-based nature of CSR. European Commission explains this feature of CSR through a combination of two sets of activities. CSR refers to a voluntary decision by companies not only to contribute to the development and improvement of society, living and environment, but also to integrate the economic, social and environmental concerns into their business management and operations. (European Commission cited in Baker 2004.)

3.2 The History of CSR

The historical development of the concept of CSR and emergence of new concepts and terms such as corporate social performance, corporate social responsiveness and corporate citizenship are out of the scope of the current thesis. However, the historical development of the concept of CSR is briefly touched upon.

The concept of CSR has started being defined since the 1950s. While it has been growing in the 1960s by adding societal and environmental concerns, the concept has experienced lights of shift of responsibility from people, managers and businessmen to the corporations. In other words, before the 1960s the CSR issues were known and associated with individuals involved in the business, while after the 1960s, issues shifted to be considered as the responsibility of the enterprises and the legal entities. In the 1970s, the measurement of CSR along with measurement of reputation of corporate came into existence. During the 1980s and the 1990s, apart from the financial performance of a corporate which was the centre of concern, European research, models and frameworks have been developed. Finally during the 3rd millennium, corporate citizenship and cultural and ethical indications of CSR have been emerging in international level. (Siltaoja 2006, 17-32.)

Studying the history of CSR in Finland as the country in which Lapland UAS is operating seems essential. Since the 1970s, elements of CSR have started gaining attention and becoming important at all levels of individual, organizational, legislation and institutional in Finland. Despite the fact that the level of attention being paid to CSR in Finnish culture and Finnish context was not the same as other countries, this issue was not completely out of consideration either. The practical concerns such as job security and safety of employees were prioritized and preceded over those of ideological issues such as concerns about the environment in Finnish context. (Siltaoja 2006, 31.)

In general it can be said that the position of enterprises has changed and transited from a sole-owner-focused interest to the society-focused and community-focused interest position. As Berle and Means (1932, 312) state in their discussion about the effects of

the modern corporate on economic corporate, the enterprises are demanded to satisfy not only the primary stakeholders, but also the public and the society. (1932, 312 cited in Clarke 1998, 190-197.)

Reviewing the history of the CSR movement reveals that the role of enterprises in the society including their responsibilities has been remodeling. The responsibilities of enterprises have been changing from focus on Return on Investment in the interest of shareholders to a broader focus on the interests of all groups of stakeholders of the corporation (Doorley & Garcia 2007, 358). In today's concept of CSR, the organizations and enterprises are concerned about the interests of the society and environment by taking responsibility of not only the effects of their own activities, but also the effects of the activities of all the other actors in their networks as well (Swapna 2011, 595). Above all, studying the history of CSR emphasizes the growing importance of CSR among public and enterprises.

3.3 Significance of CSR

A recently-conducted survey by Environics International revealed the perception of people towards CSR activities. The survey named: CSR Monitor 2001: Global Public Opinion on the Changing Role of Companies announced findings based on interviews of more than 19,000 people in twenty countries. The findings which identify the importance of CSR practices in today's world of business are outlined as follows:

1. Social performance of the enterprise is being taken into account in the decision-making process for investment by majority of financiers.
2. CSR contributes to the image and reputation of the enterprise more than the corporate brand in rich countries.
3. Ignorance of CSR practices helps the corporate vulnerability and places the corporate existence, market share and generally survival of the corporate at risk.
4. The stakeholders' expectations from enterprises are continuously increasing.

(International Institute for Sustainable Development 2013.)

Analyzing all directions through which environmental concerns may affect the business stimulates reconsideration of the performance and strategic planning. By examining the business performance and operations through the lens of social and environmental concerns, enterprises are not only able to proactively prevent crisis, but also to create remarkable value. Therefore, it is concluded that through strategically managing social and environmental concerns, enterprises are able to wisely attain competitive advantage. (Esty & Winston 2006, 2.)

According to Edelman's Goodpurpose® report (2012), more than 86% of consumers believe that the key factor of moving ahead for a company lies in placing adequate and equivalent amount of weight on interests of society, economic, and environment in one side and those of the shareholders and the business itself on the other side (Edelman 2012). Therefore, meeting the stakeholders' interests is necessary. Moreover, making a balance between stakeholders' and shareholders' interests is important for the approval of continuation of a business from the stakeholders' perspective.

In the same manner, Baker (2004) does not count CSR as a separate feature of the business. He counts managing CSR in tight nexus with managing other aspects of the business and managing the overall business. This aspect is embedded clearly in his statement: "Success in business and commitment to responsibility can go hand in hand" (Baker 2004). He states that CSR activities support goals and objectives of the business if they are managed properly. Through CSR movement, relationships with key stakeholders whose opinions, ideas and decisions are influential to the company are established and its quality is augmented. Moreover, CSR opens doors to reduce costs and run the business in an effective and efficient way. Therefore, it can be concluded that CSR movement is highly linked to other features of the business and cannot be considered separate from other aspects of running the business.

In the same way, according to Esty and Winston (2006, 2), social and environmental responsibility is not an additional digression to the business. They are indispensable components of business strategy. Ignorance of these responsibilities can easily damage

the credibility of a company and draw the value out of the business. Moreover, attentively cultivated reputation over years is rapidly damaged.

Ignorance of social and environmental responsibilities can also blemish the relationships including customer relations. Companies who fail to add such responsibilities into their strategic depot also place themselves at risk of losing a growing number of opportunities being derived from social and environmental issues in the market. (Esty & Winston 2006, 3.)

3.4 Arguments against CSR

One of the arguments against CSR, especially the philanthropic side of CSR, is that practicing CSR activities is disbursement of the property of shareholders which is against the property rights of shareholders. Based on this argument, CSR is considered as spending money and consequently is considered as expense and cost. This argument relies heavily on the perspective from which CSR is perceived. If CSR is being conceived as a tool or means through which the relationship with key stakeholders, especially customers and employees, can be built upon, managed or improved, the argument goes under question (Baker 2008). According to Baker (2004), CSR comprises building, managing and enhancing the quality of the relationship with the key stakeholders whose influence on the business is inevitable. It covers attracting and maintaining loyal customers and allegiant employees, as well as reducing the risks and boosting reputation.

Conservative and libertarian argue against CSR too. In their argumentation, the managers' right to spend the shareholders' properties and expend their money is under question (Siltaoja 2006, 29).

Nevertheless, the results of the current research reveal that CSR is considered as an investment rather than a cost. However, the ignorance of CSR derives from the mixing notion of CSR with main duties and responsibilities of the enterprise.

3.5 Categorization of CSR Activities

The concept of CSR is interpreted differently based on societies and cultures to such an extent that it is perceived as creating and enhancing the capacity for a sustainable living. (Holme & Watts 2000, 10-13.) Despite CSR, defining the concept of sustainability is precisely formulated, although various interpretations still exist. Sustainability or sustainable development refers to compliance of the needs of the present generation without compromising future generations to comply their own needs. (World Commission on Environment & Development 1987.)

The distinction between CSR and sustainability is defined by Volotinen (2012, 15) in her thesis research. She discusses that although the two concepts of CSR and sustainability are highly connected, the CSR embraces the decisions and actions made in managerial level with the aim of achieving sustainable development, while sustainability is the outcome of such actions.

The scope of CSR activities is very broad. As it is discussed previously in this chapter the cultural orientation of the concept and the context-based nature of it define priorities and the scope of the CSR activities. However, the concept is generally divided into different areas. According to Swapna (2011), CSR is categorized under eight groups as follows:

- Environment, which refers to proper use of land and protection of environment from pollution.
- Consumption, which although according to Swapna (2011), refers to fair provision of products and the related information, responsible consumption of natural resources can also be included.
- Community needs, which refer to consideration of the needs of local community.
- Governmental Relations, which refers to the development through political moves.

- Minorities, which refers to supporting minority businesses, as well as minority areas such as small and far cities, and minority people such as unemployed or people with limited mental or physical abilities by providing education or training for them.
- Labour dealings, which refer to actions in regard of enhancement of health and safety, provision of flexible working hours and provision of further training and education for employees.
- Interests of Shareholders, which deals with disclosure of financial status.
- Corporate philanthropy, which refers to philanthropic actions.

Despite being quite extensive, this categorization does not reflect on economic aspect of CSR precisely and deeply. As it is discussed previously, American perception of CSR is more philanthropic-oriented, while social and economic aspects of CSR are primarily perceived as CSR among Europeans. Baker (2004) cites the European model to be more sustainable than the other models since it also covers economic side of CSR through the wealth generation process in the society. However, the economic aspect is in the dark side in the categorization of Swapna (2011).

3.6 Which Areas of CSR to be Chosen?

Practicing CSR is considered as a way to build reputation to such an extent that even some companies are known by their CSR activities. CSR activities are a part of what builds their reputation and what makes them known. For instance, planting trees in African countries such as Kenya is the first notion that forms in one's mind as soon as the name of Lipton Tea Company is being heard of. Therefore, if an enterprise inspires stakeholders by its achievements on social, economic and environmental concerns, the firm can get the stakeholders' trust. Consequently the enterprise can save goodwill and trust for the time of need such as crisis. (Baker 2014.)

Strategic planning to prioritize CSR activities means aligning business objectives with CSR objectives, i.e. aligning the interests of the enterprise with the interests of the

society, environment and economy (Holme & Watts 2000, 6). Baker (2014) argues that being selective in choosing the areas of concerns and focusing on them have a great impact on effectiveness of CSR practices. Focusing on prioritized areas not only makes the contribution of an enterprise unique, but also makes the progress speed quicker. In a high competitive condition, when enterprises attempt to address many concerns, focusing on a limited number of prioritized concerns and going deep to address them makes the enterprise develop reputation. In this way, becoming a sustainable leader is even more probable. (Baker 2014.)

The most initial step in practicing CSR and sustainability is determination of the best suitable sustainable approach towards them. The procedure through which an enterprise is able to contribute to the known concerns and sustainability issues is a way to differentiate the enterprise from the competitors. Therefore, it is quite important for an enterprise to specify the best suitable approach and focus on it. Moreover, Baker (2014) discusses that even if the enterprise is in the same line with other companies who are practicing CSR and sustainability, the enterprise can make a differentiation by “unique contribution”, i.e. practicing the same activity in a different way and through a variant method. Such contribution helps the enterprise in creating a competitive advantage over other CSR practitioners.

One of the ways in branding and building reputation is to be the first one to answer. Whether it is introducing a new product, a new service or a new way of introducing the existing solutions, the action brings reputation for the enterprise as long as it is innovative. In case of CSR, addressing a concern, which has not been addressed yet, plays a similar role such as being the first one to answer a need of the customers. By the same token, meeting an already addressed concern in a new way functions the same as being a pioneer in that regard and contributes to the reputation-building purposes.

3.7 Concerns of Finland

As it is discussed previously, defining CSR and its scope is cultural-oriented and context-based. The geographical distinction has an important role in defining CSR and

its borders. While some actions are considered as voluntary and beyond obligation in one country, the same actions are considered as obliged duty and obligatory in another country. Therefore, for the purpose of critical analysis of the performance of Lapland UAS in this regard, the Finnish-based definition of CSR and areas of concern in Finland need to be clarified, since Finland is the country in which main activities of Lapland UAS take place.

By joining the European Union and being influenced by the European environmental strategies and policies, Finland has experienced new phase of environmental protection discussions since 1995. Although their perspectives and the position they take are different, ethnic groups such as Finns and Sami people along with experts such as economists and environmental experts and agencies share a common objective in environmental protection debate. The shared objective of this debate is to help the sustainability and sustainable development of the diversity of the shared region. (Mazzullo 2009.)

Nevertheless, the relationship of Sami people with Finnish government is characterized to be strained since the interests of two sides are likely to clash. The policies and enforcement of environmental protection projects are considered as restrictions by Sami people, which aim at limiting their livelihood and changing their subsistence. Cutting the precious trees and felling forests for the purpose of producing pulpwood instigate anger and complaint of Sami people, the residents in the northern part of Finland. (Mazzullo 2009.)

On the other hand, economic is the newest concern of Finland at the moment which is connected to the political position. Neighbors are important regarding trading interactions and import and export. Situation of Russia and Ukraine, as Finland's neighbors, pose economic challenges on Finland. Moreover, the decisions which European Union is taking about these two countries have a significant role in the economic situation of Finland, since Finland is a member of European Union. For instance, Finland expectation of 1.7 Economic Growth is not fulfilled due to economic

challenges and partly because of the situation of neighboring countries. (Alalääkkölä 2014.)

3.7.1 Emission

Discussing climate change, emissions and greenhouse gases have been at the heart of worldwide controversies over years. Countries and nations are compared based on their current and historical emissions either through production, deforestation or elicitation of fossil fuels. As far as production of greenhouse gases is concerned, Finland is considered as responsible country with low production emission. However, the position of Finland gets controversial when it comes to consumption footprint.

Some critics argue that blaming emission-producing countries can be considered unfair since the emission is generated as exploitation of comparative advantage of these countries by developed and rich nations. In other words, a great portion of the carbon emissions in, for instance, low-labor-cost countries such as India is procreated as a result of manufacturing goods which are ordered, purchased and used in developed and rich countries. Finland with the score of 15.1 carbon footprint per capita on 2008 ranks the top five countries when emissions are measured on consumption basis rather than production basis. (Clark 2011.)

Water and air pollutions are among the main environmental concerns of Finland at the moment. Industrial pollutants including both local and neighboring countries' factories have a significant role in polluting both air and water resources of Finland country. Millions of tons of Carbon Dioxide and acid rains resulted from high amounts of Sulfur in 1996 have left irreparable impacts on the natural resources of the country such as lakes. (Encyclopedia of the Nations 2014.)

Fortunately a great portion of the water and air pollution in Finland has been controlled through effective environmental policies. However, airborne emissions of Carbon Dioxide as well as waterborne emissions procreated by fields still need attention and attempt to be reduced. (Lyytimäki 2007.)

3.7.2 Wildlife

Finland is the largest producer of wood pulp among European countries. Although a great portion of Finland's forests are protected in terms of lumber, the wildlife left unprotected. According to WWF (2014), in southern parts of Finland, more than 55% of Wood Grouse has been disappeared in the recent forty years due to habitat loss as a result of forests being frittered. Moreover, despite the progress of forest conservation programs in some regions, more than 690 forest species have been recognized as endangered as a result of forestry. (WWF Global 2014.)

Some policies were applied to protect and preserve flora and fauna of Finland's nature and under-threat species. However, still efforts to stop persistent downfall of biodiversity have been inadequate. (Lyytimäki 2007.) More than 94% of Finland was announced to be left unprotected by 2001. Unfortunately, 4 out of 60 of Finnish mammals, 4 out of 248 of Finnish bird species and 1 national fish belong to fresh water were declared to be endangered by 2001. (WWF Global 2014.)

3.7.3 Finland Accused of Russia and Baltic's Irresponsibility

Finland is the main buyer and importer of wood products from Russia and Baltic region. These two main exporters are known as irresponsible producers since precious forest trees are being harvested illegally and without any control in these two states. (WWF Global 2014.) Through the critical approach of consumption basis over production basis, Finland can be considered as guilty as Russia and Baltic States since both producer and customer are accused for irresponsibility. At this point, the significance of controlling over the performance of partners and suppliers emanates.

The enterprises are not operating in isolation anymore. They are tightly bound to the network within which they are operating. All features of the business such as risks, profitability as well as responsibility are shared among the actors within a network. Therefore, the enterprise is as responsible for partners' actions as it is for its own

actions. Now it can be understood why some enterprises determine a code of conducts for their suppliers and other members of their network.

In this regard, universities play a significant role in highlighting the mentioned concerns and drawing the attention of government and public towards these concerns. The significance of this role is even more dominant in universities who are involved in joint projects with neighboring countries. Moreover, universities have access to students' innovative ideas to reduce the negative effects of the activities of big companies and manufactures.

3.8 Concerns of Lapland

Despite the fact that Lapland is a part of Finland and shares concerns of Finland, the region has its own concerns which are prioritized in the eyes of local people. Historical documents showed that Lapland has always been the most international part of Finland due to the regional interactions with three countries of Norway, Russia and Sweden. Around 8 to 10 percent of international trade belongs to the Lapland region which shows the high rate of international interactions. However, internationalization of the Lapland region needs to be developed beyond the current extent and current interactions with three countries mentioned. Economic development and improvement cannot be achieved and managed by local activities. Expanding internationalization is important not only for survival of the region, but also for inward cash flow and economic development. (Alalääkkölä 2014.)

Moreover, the positive and pleasant characteristics of the Lapland region need to be preserved. Culture is mixed in this area. Cooperation among members of the Lapland region and Barents's region and sharing cultural aspects are the strengths of this region. (Alalääkkölä 2014.) Moreover, pureness, cleanness, and safety are among the main characteristics of the Lapland's nature (Lohi 2014). Despite the fact that the mentioned aspects are positive characteristics of the Lapland region, maintaining and preserving these aspects are among the concerns.

3.8.1 Survival of Lapland

Youth drain from Lapland to southern parts and to other countries is among the most crucial concerns of the Lapland region based on the findings of the current research. Young people are getting increasingly fascinated by metropolitan attractions and economic welfare of southern parts of Finland and as a result, move from northern parts to southern parts. Consequently, northern parts and small cities are losing inhabitants. In the same manner, Lapland is suffering from losing inhabitants and particularly youth labor resources. Therefore, survival of Lapland is at the center of concerns and needs attention. (Alalääkkölä 2014.)

On the other side, the population of Lapland is aging. Many companies are shutting down since the owners are aging and are not capable of running the business anymore. Besides, there is no young person to be substituted the aged managers for running the business. (Alalääkkölä 2014.) Such statement might arouse a notion that there is not any young person living in this area. Definitely there are plenty of youngsters, a fraction of whom is willing to be employed. However, the connection between these two groups of labor-seeking companies and job-seeking youth has not been properly constructed. In the same way, entrepreneurs might be interested to move to this area to set up their business or run an existing business if they know that there are business opportunities available in this region (Moisio 2014). However, the linkage between these two groups is missing as well.

The students bring hope to the area (Lohi 2014). However, the university acts weakly in giving the hope back to them to underpin their future in this area. Finland is being exploited by its comparative advantage in science and education. Many people are attracted to this country and to this region to receive high quality education. Nevertheless, the percentage of the graduates who stay here and start working here is quite low.

Some projects such as “Young Innovative Entrepreneurs” have been initiated with the aim of contributing to the above-mentioned concern (Alalääkkölä 2014). The

motivations and intentions of the involving parties, including Lapland UAS, can be considered as a good example of having social responsibility. Likewise, the actions of initiating and participating in the project with the aim of saving the region can be considered as practicing CSR activities. However, the good intentions of the involving parties in contributing to the survival of Lapland and Barents region have not been communicated to the public in a properly structured way under the name of practicing CSR activities.

3.8.2 Mining Industry in Lapland, an Advantage or a Threat?

Lapland is a rich area in terms of mines. Due to this fact, mining industry is growing in the Lapland region. However, mining industry has raised several issues for the local population and enterprises. Mining industry and mining companies are welcomed since they contribute to the economic growth of the region. Consequent to the development of mining industry in the Lapland region, not only new job opportunities are available, but also new businesses and economic transactions are emerged as well. On the other side, mining and the presence of mining companies are considered as a threat for the tourism industry. Therefore, reaching a balanced situation between these two poles has become one of the main concerns of the Lapland region. (Alalääkkölä 2014.)

Moreover, mining exacerbates the concerns about pollution. This concern has been intensified since the scandal of Talvivaara has been spread. Talvivaara Mining Company is a Finnish nickel mining company functioning in Finland which proved to make the nature polluted by leakage of heavy metals in surrounding lands. (Nuclear Heritage 2014; Tolppi 2014; Moisio 2014.) Such scandal has amplified the concerns of people in regard of mining and mining industry in the Lapland region.

Apart from mines and mining concerns, planting a nuclear power plant in neighborhood of Lapland causes anxiety and anguish for people in Lapland region. People are increasingly concerned about the future of the region. This concern is being intensified by involvement of Russia as a supplier in the nuclear power plant project. (Alalääkkölä 2014; Moisio 2014.)

3.8.3 Waste Management

By practicing waste management and other efforts to reduce the consumption of resources, enterprises are able to cut their costs and save money (Esty & Winston 2006, 4). People mainly associate waste management with recycling of the bottles or separation of papers from other kinds of waste. Although these activities are part of the waste management system, they are not the only features of the waste management system.

The results of the current study reveal that some practices regarding waste management are taken at Lapland UAS. Responsible members of the university have a box for collecting draft and used papers. However, capabilities of Lapland UAS are not restricted to these actions. A pure structured observation in the process of current research indicates that 300 – 500 plastic bags on average are sold per day at each of the City Market and Tokmanni shop located in the Rajalla Shopping Center. A simple calculation shows an average number of 9000 – 15000 plastic bags being sold per month and 109500 – 182500 plastic bags per year. Considering the long time-span of decomposition of plastic bags, estimated to be 500 years based on the UV ray exposure conditions (Lapidos 2007), highlights the huge negative environmental effect of having a habit of buying plastic bags.

As it was discussed previously, pureness and cleanness of the nature and environment in the Lapland region are among the most admired characteristics of this area. However, such values are at risk with the high rate of production and consumption of plastic bags.

4 BUILDING REPUTATION AND FORMING AN IMAGE

In this chapter the concept of reputation and its implications are touched upon. The main focus of the current chapter is on reputation management and its significance. Due to the extent of a Master's Thesis research, a comprehensive analysis of reputation management is not applicable. Therefore, some of the features of reputation management which are in tight relationship with CSR practices are discussed in this chapter.

4.1 The Concept of Reputation

The world of business, trade and commerce has changed over the recent years. Enterprises face higher demands and standards. The speed of information flow has increased, and the attitudes towards international companies and global brands have transformed. In such an intense situation, reputation and reputation management emerged to be the top priority of majority of enterprises.

For the purpose of better understanding and studying the relation between CSR and reputation, the concept of reputation and its application are discussed briefly.

Doorley and Garcia (2007, 4) define the concept of reputation based on three pillars. Reputation is the sum of images derived from performance and behaviour of the organization in addition to the way these components are being communicated to constituencies.

According to Griffin (2008, 12), reputation is the overall impression being formed by the sum of the various thoughts of different people. Since it is a combination of both positive and negative thoughts, it is generally difficult to conclude which side of the scale is heavier than the other. However, since every enterprise prefers the positive reputation, it is quite important to know how people perceive a company. Just after being equipped with such knowledge, an enterprise is able to plan, act, and perform accordingly with the aim of building reputation and forming a positive image.

Reputation is also defined as the total evaluation of an enterprise by stakeholders over time. This evaluation consists of the stakeholders' experience of the performance and behaviour of the company, in addition to the image being formed on the basis of communications of the enterprise. It should be mentioned that this evaluation is being formed based on an intellectual comparison between the enterprise and its competitors. (Gotsi & Wilson 2001 cited in Godelnik 2013.)

According to Griffin (2008, 18), reputation includes all actions that an enterprise performs. The ways through which the enterprise does such actions and the way the external people and the enterprise's audience perceive those actions influence the reputation as well.

A study conducted by Reputation Institute, a consultation company located in New York, with the topic of the world's most reputable firms, reveals the importance of reputation and reputation management. The study shows that people's tendency to prefer one company over another in terms of purchase decision, employment, investment or recommendation is heavily based on that company's performance or the image and reputation of that company. The inclination of people to prefer one company over another is primarily based on the company's reputation and image by 60% rather than the product or service which forms the rest of 40% of the perception and preference of the customers. (Smith 2013.) Therefore, companies and enterprises are investing and financing increasingly in terms of time, energy and money on reputation and reputation management. (Griffin 2008, 5.)

4.2 Reputation Management

Doorley and Garcia (2007, 8) define the comprehensive reputation management as a long-run strategy not only to build, but also to measure, monitor, and manage the reputation of an enterprise as an asset. Comparing to companies which are rich in terms of tangible assets, the assets of service companies are limited mainly to intangible ones. Reputation as the most valuable intangible asset is the main and the most important

asset of the service industry which needs a great amount of protection and surveillance. (Griffin 2008, 23.)

On the contrary, Doorley and Garcia (2007, 8) argue that reputation has tangible value since it can be measured by tangible measurement scales such as currencies. This contradiction however, does not devalue the magnitude and the importance of reputation for companies. Either tangible or intangible, reputation is a valuable asset of an organization which needs to be protected and properly managed. If the quality of the service in service companies including the behaviour and performance of the people delivering the service in that company go under question, reputation is affected directly and instantly (Lohi 2014). According to Lohi (2014), if a lecturer in a university does not behave properly or does not fulfil his/her career properly, the student of that university will disclose the misbehaviour. In such industry and in such condition where the only or the most valuable asset is the brand name and the reputation of the enterprise, there is a high need to protect reputation and brand name and to make employees aware of the importance of safeguarding reputation. (Griffin 2008, 23.)

Maintaining, defending and safeguarding reputation are as important as building reputation (Doorley & Garcia 2007, 3). This is the main reason of the willingness of most companies to have a reputation management department or a reputation management plan. By setting reputational objectives, milestones and strategies within a specific timeline, reputation management plan becomes a strategic action plan for all departments and units of the organization to follow. (Doorley & Garcia 2007, 11.) Specifying such guidelines is the main motivation for companies to define code of conduct and codes of ethics (Chen & Ni 2010, 262).

4.2.1 Code of Conduct

Codes of conduct are meant to govern the relationships amongst a group of people in relation with each other, and other groups or organizations (Doorley & Garcia 2007, 34). According to Doorley and Garcia (2007, 34), a repetition of a certain behaviour over time, changes to habit and habitual behaviour. The main purpose of development

of ethical principles, codes of ethics and code of conduct is setting and constituting of normative standards for the behaviour of people with the aim of making those behaviour habitual among members.

While appropriate behaviours are meant to be habitual, inappropriate behaviours are meant to be avoided. Companies might not be concerned about irresponsibility of their partners or other companies. However, in CSR movement, not only the company aligns its own activities with the interests of society and environment, but also encourages the partners and other companies to perform responsibly as well. For instance, Beiersdorf, a German personal care company, has developed a Code of Conduct for its supply chain. Development of the Code of Conduct aims at making suppliers aligned with the same standards, criteria, and concerns in the area of CSR and sustainability with Beiersdorf. This Code of Conduct covers issues such as human rights as well as environmental protection. The requirements in the mentioned code of conduct need to be met by partners, suppliers and subcontractors of Beiersdorf Company. By determining such requirements, Beiersdorf Company is not only managing business relationships, but also encouraging business partners and other companies towards recognizing the interests of society and environment. In addition, by initiating such guidelines in the form of code of conduct, Beiersdorf is manifesting its commitment to CSR and sustainability for the interest of people and planet. As a result value can be co-created for all parties and members involved as well as society and environment. (Beiersdorf 2014.)

There is an argument about the development of code of conduct for suppliers and partners. Determination of a code of conduct for the supply chain or other partners is highly dependent on the power and position of the company in its network. If the company is strong enough to rule other actors of the network, development and enforcement of such guidelines are applicable. However, if the company lacks such strength, termination of the business relationship might be the result since the power is in other party's hands (Tolppi 2014).

Daft's (2008, 79) discussion about the relationship between an enterprise and the suppliers can be considered as the best reply to this argument. The characteristics of the

relationship between enterprises and suppliers were based on enmity and animosity traditionally. However, enterprises have realized that developing a fraternal cooperation is the key factor to preserve the quality of supply. Many companies strategically reduce the number of suppliers and plan to establish and maintain a pleasant relationship with those few suppliers. As a result, high quality supply at less expensive prices could be guaranteed. In traditional and adversarial-oriented relationships between an enterprise and the suppliers, contract limited the relationships, while in new partnership-oriented relationships, cooperation and collaboration go far beyond the contract. (Daft 2008, 79.)

Nevertheless, it should be highlighted here that the goal is neither commanding the business partners nor forcing them to behave exactly as the company desires or the society requires. However the goal is to make the other actors aware of the consequences of their functions as well as encourage and motivate them to reduce the negative effects of their operations and act more responsibly and ethically.

The findings of the current research show that code of conduct is considered only for specific professions such as nurses or social workers (Tolppi 2014). However, as the case of Beiersdorf is discussed, some professions other than these two groups have also developed code of conducts for their business relationships. Thus, code of conduct can also be defined for the network actors such as suppliers or partners.

4.2.2 Reputational Capital Being Leveraged to Proactively Reduce Risk

The nature and the type of the risks and crises emerging in the 21st century have changed from those which companies were facing decades ago. Consequently, companies' approaches towards the new breed have changed as well. Therefore, the necessity of saving enough goodwill in order to deal with the probable future risks to reputation is felt more.

The fact that the reputation of an enterprise has never been aggressed does not necessarily guarantee that it will never happen in future either. According to Mr. Tolppi (2014), there has never been a situation in which the reputation of the university is being

targeted for devastation or dishonour. This statement is being reflected upon by Esty and Winston (2006, 2). Even the best and the most reputed enterprises may be surprised by environmental issues and reputational attacks. Environment and environmental issues are not marginal issues. They might cause big costs for the companies and their businesses. (Esty & Winston 2006, 2.) Lapland UAS is a newly born enterprise through a merger and the fact that Kemi-Tornio UAS has never been attacked for its reputation is neither a pledge nor a guarantee for Lapland UAS to be safe from attacks and reputational risks. Therefore, the necessity to underpin a strong reputation base and reputational reservoir is strongly being felt for Lapland UAS.

4.2.3 Reputation and CSR: Two Attracting Tools

Reputation helps enterprises to attract better candidates either as a supplier or a partner, or even at lower costs, since it is appealing for other suppliers or enterprises to work with a well-reputed company as well. “Each individual firm seeks an enhanced public image so that it may gain more customers, better employees and other benefits” (Swapna 2011, 599). This statement by Swapna (2011, 599) reveals the motivation of enterprises to form a positive image and use it as an attracting tool. According to Esty and Winston (2006, 4-5), fulfilling right actions attract best people, boost the value of the brand and create trust among stakeholders. Moreover, through a well-structured reputational and communicational program, an enterprise acquires free press coverage which can be considered as worthy and as fruitful as advertising. (Doorley & Garcia 2007, 4.)

Davis (1973) also counts social goals as a top priority for reputation-seeking companies. According to Davis (1973), enterprises which are interested to receive a desirable public image must manifest their supports of the social goals as well. (Davis 1973 cited in Brønn & Vidaver-Cohen 2008, 4.) Based on this statement, CSR and public image and reputation of the corporate are linked and related. Davis (1973) indicates the two-way direction of CSR quite clearly. Moreover, one of the drivers that brought CSR to the center of discussions and attracted the enterprises’ attentions towards CSR in the 1980s was corporate reputation (Siltaoja 2006, 26). Besides, adding to the importance of CSR

and its relevance to corporate image and reputation, it should be mentioned that CSR is one out of eight criteria which the companies' reputations are measured and ranked upon in Fortune Magazine.

4.2.4 Developing Strategic Network

Reputation is equated to the sum of relationships. The advantages of being a member of a strategic network reveal the reason of increasing interest in expanding relationships. Not only the enterprises can benefit from shared information and shared knowledge within a network, but also profitability, vulnerability and risks are shared as well. Therefore, the interest of enterprises in expanding their networks is justified logically by the advantages that operating within a network offers them.

In order to be able to extend its strategic network, an enterprise needs to enjoy good reputation and trust among constituencies. In other words, reputation and trust are two cornerstones for expanding the strategic network. (Doorley & Garcia 2007, 185-187). It can be concluded that an enterprise which has shown its goodwill and good intentions over years through possible means, such as practicing CSR activities, is more talented to receive trust and reputation among the network actors and start expanding its strategic network.

4.2.5 Customer Relationship

Nowadays in business world product differentiation is neither the simplest nor the best way to manage the relationships with customer. However, differentiation based on customer experience ranks the highest level in building customer relationship. (Beard 2013.) Interacting with the customers more deeply, going beyond the routine conversations, getting to know them and recognizing their problems and concerns are the keys to a successful relationship building with customers.

In evaluating and measuring reputation, enterprises need to continuously remember that their reputation is not something being referred to only once in a customer's lifetime.

Every time a customer buys a product or service, he makes a purchase decision based on the updated image and reputation of the company offering that product or service.

CSR might not be a topic of customers' complaint directly, however, ignoring such activities might create a gap between the business and the customer which increases the probability of shifting to competitors. In other words, companies are not blamed of lacking CSR activities by customers. However, in the process of prioritization, customers prefer the company who practices CSR rather than the one who fails to practice CSR activities (Saraswathy 2012).

On the other hand, not always all the individuals who are concerned about a company's operations and activities are customers. Likewise, not all the customers investigate the activities and performance of the company. There is a group called empowered individuals who smartly uses other players and stakeholders such as communities or media to disagree and criticize the company's plans, strategies and policies (Griffin 2008, 48).

Companies claim that their customers are concerned about CSR in terms of products, services and performance. However, in reality they prioritize customers' tastes, likes and preferences because they are aware that customers primarily require products or services. This contradiction between the companies' claims and their actions can place them at the heart of reputational slip and accusation of failure to meet customers' concerns. In fact, it is scarcely customers' concerns that are not being met by the company. It is the concerns of empowered individuals. (Griffin 2008, 49.)

Having a clear understanding and distinction between these two groups, their interests and their concerns makes it less complicated to plan to meet each group's concerns in an effective way. In order to achieve this goal, customer relationship management system can be utilized.

The use of customer relationship management system, which is a fragment of knowledge management, has been increased among companies during the recent years.

Customer relationship management system provides the user with large amounts of data and information collected about the customers. By analyzing the provided information, the user is able not only to render a better and more efficient service, but also to figure out the areas of unmet needs and expectations of customers. On the basis of availability of the mentioned information, an enterprise is able to strategically address the customer's needs and concerns and consequently form a positive image for itself. In other words, by using customer relationship management system, an enterprise is able to extract the needed information about customers and stakeholders, process the information and return it to them. While processing the information refers to strategic planning and implementation of CSR activities to meet the stakeholder's expectations, returning the information refers to the report of the accomplishment of CSR activities. Under such circumstances, a positive image is formed and reputation is accumulated implicitly for the enterprise. (Daft 2008, 59.)

4.2.6 Community Relationships

Community relationships are established typically with the aim of declaring the company's goodwill, good intentions and social responsiveness. According to Fombrun (1996, 195), strategic actions vary from philanthropic actions such as charity donations to building relationships with different institutions like artistic, educational or cultural institutes. Through these strategic actions, enterprises get involved and engaged in relationships with communities and consequently embrace positive impression on their good intentions. (Fombrun 1996, 195 cited in Doorley & Garcia 2007, 188.)

Bruke (1999, 15-16) states that incepting practices that take the lead to meet community needs, expectations and concerns with the aim of offering a solution or enhancing the quality of life is among the main strategies enterprises apply to build reputation among communities. (Bruke 1999, 15-16 cited in Doorley & Garcia 2007, 188.) Through such process, an enterprise contributes to the concerns of the community and mutually the community contributes to the fulfillment of reputation-building objectives of the company. Moreover, by means of this process, the enterprise is able to save reputational reservoir for arduous times.

Establishment and strategic development of community relationships with target communities, which lead to bilateral benefits, serves the organization's purpose of reputation and trust building. In other words, organizations apply community relations' strategies for the purpose of building trust and reputation besides being accepted by the community. (Doorley & Garcia 2007, 185-187.)

According to Hardy (2005), it is not complicated to take benefit of community programs as long as the community needs are recognized and addressed. In other words, in order to win the trust of the community, an organization needs to show the intentions to move in the direction of meeting the community needs and then pave it in the best possible way. One of the best ways to show the good intentions and make the good intentions visible is through CSR activities by meeting the needs and concerns of the community. (Hardy 2005 cited in Doorley & Garcia 2007, 186.)

4.2.7 Utilization of CSR for the Purpose of Building Reputation

Positive image and reputation are in a direct relationship with the capability of the enterprise to run the business. Good reputation has a positive influence on the performance and ability of the company to continue doing business (Doorley & Garcia 2007, 22). This influence is the main reason that any activity with the aim of image formation and reputation building is considered as an investment rather than cost.

Enterprises need to clearly express their social values, state their position and demonstrate the organizational culture to their audience. Moreover, enterprises need to support the organizational values, position and culture through their operations in order to achieve reputational objectives. For instance, if economy investment or enhancement of the quality of life is a priority in an enterprise, such intention needs to be expressed openly and explicitly. In the same manner, values, intentions and the culture need to be reflected upon in all operations of the enterprise. (Holme & Watts 2000, 7.)

According to Nielsen (2013), CSR shows what the company believes in and how the company runs the business based on that belief. CSR is the main factor of reputation

which can be utilized to help the enterprises base trust and goodwill. People's perceptions of an enterprise's CSR practices form a major part of their tendency to trust, believe, praise and admire that company. Therefore, for enterprises which are searching for either establishing stakeholders support or improve it, CSR practices can be utilized as a key tool. (Nielsen 2013 cited in Forbes 2013.)

In addition, CSR is one of the criteria the reputation of the company is measured upon, independent of the purpose of the organization to build reputation, either to improve sales or to be ranked among the top-reputed companies in a national poll. Therefore, it can be said that one of the generally-known criteria for reputation measurement is CSR practices. In a narrower sense, it is even among the top six criteria. Therefore, it can be said that reputation-building process cannot be integrated without practicing CSR activities in alignment with business objectives and strategies.

For the purpose of strategic utilization of CSR with the aim of building reputation, CSR practices should not be only limited to some minor actions in any of the sub-categories of CSR. However, these practices need to be reflected upon in each action of the enterprise. Every phase of strategic planning, the business plan and the strategic action plan need to be embraced with the responsible way of thinking and responsible way of operating. Obviously, willingness and being ambitious to have CSR and a sustainable country in future does not contribute to the reality. Reputation comes along with the actions (Lohi (2014). Thus, enterprises need to make those ambitions come true by reflecting their responsibility in every single action. (Maas 2012.)

When the culture of an organization, the external environment and the strategy of the organization are aligned and match each other well, performance excellence is increased. In such situations, the internal culture of an organization and the organization's success are in a closely tied relationship. According to (Swapna 2011), success of CSR practices depends on the internal factors of the enterprise such as organization's culture which includes the actions of managers and employees. Therefore, setting a strategic CSR culture to internalize the responsible mindset within the organization and making it habitual helps the organization to meet the economic,

social and environmental needs and expectations. (Daft 2008, 85.) Obviously, depending on the objectives of the organization, the intensity, magnitude and the direction of the corporate culture strategy are different from one organization to another. Thus, it can be maintained that setting strategic CSR culture precedes strategic utilization of CSR for reputation-building purposes.

In order to be a good practitioner of CSR and in order to strategically utilize CSR, enterprises need to broaden their perspective of the impacts of their activities in long-run. They also need to have a more precise recognition and knowledge about their stakeholders and also involve them in their strategic planning. (Maas 2012.) As it is discussed in the previous chapter, strategic planning refers to prioritizing CSR practices and the interests of stakeholders in alignment with the objectives and interests of the business. Therefore, in order to be able to plan strategically, enterprises need to have a precise and deep knowledge about the interests of the stakeholders, the society and the environment besides the interests of the business.

4.2.8 Communicating CSR Practices

Development of information technologies not only has facilitated accessibility and affordability of information, but also has speeded up the information travel (Griffin 2008, 34). Moreover, horizons have become wider. The news reaches people quicker than the past and travels even to far most spots. It used to take days to form a report and broadcast an event in the past, while today it takes few minutes or even less. News Channels whose news coverage is 24/7, in addition to opinions and commentaries have fuelled the information travel. All these aspects indicate that the world is becoming smaller. Thus, for enterprises, communication strategies designed for building reputation do not follow traditional patterns anymore.

With the development of the phenomenon called “citizen journalism”, news travels quicker than before. Enterprises do not need to be dependent on media coverage to let the news spread over. Every present member on an event can be considered as a media

journalist with an advanced electronic device at hand and an active social media account which help the news spread all over the world instantly. (Griffin 2008, 39-42.)

On the other side, the number of companies who are string away from banning the use of social media in the work place is increasing. The use of social media by employees turns to be beneficial for the company as long as their personal reputation building activities are in alignment with the company brand building and reputation building objectives and activities (Hanford 2014). This repositioning derives from the fact that the employees know the culture of the company they work for very well and they can reflect that to the outsiders quite well. Therefore, it can be concluded that each member of the enterprise is involved in building reputation and reputation management of the enterprise through means of communication.

The key concept in linking CSR and reputation is communication. Communication is the tool by which reputation can be built. When the culture of social and environmental responsibility is internalized in an organization, it will be reflected by members of an organization in their personal network. However, an enterprise needs to have specifically-determined structures for communicating its activities and practices to the stakeholders. In case of CSR, it can be said that communicating the CSR practices and activities performed in the field of CSR, is as significant as the core practices.

Riel and Fombrun (2007, 59) illustrate the linkage between corporate strategy, corporate communication and corporate reputation through two cycles of business performance and communication. The first cycle which is business performance deals with development of business activities to meet the financial objectives of the corporate and the communication cycle deals with development of an appropriate communication system for reputation-building purposes.

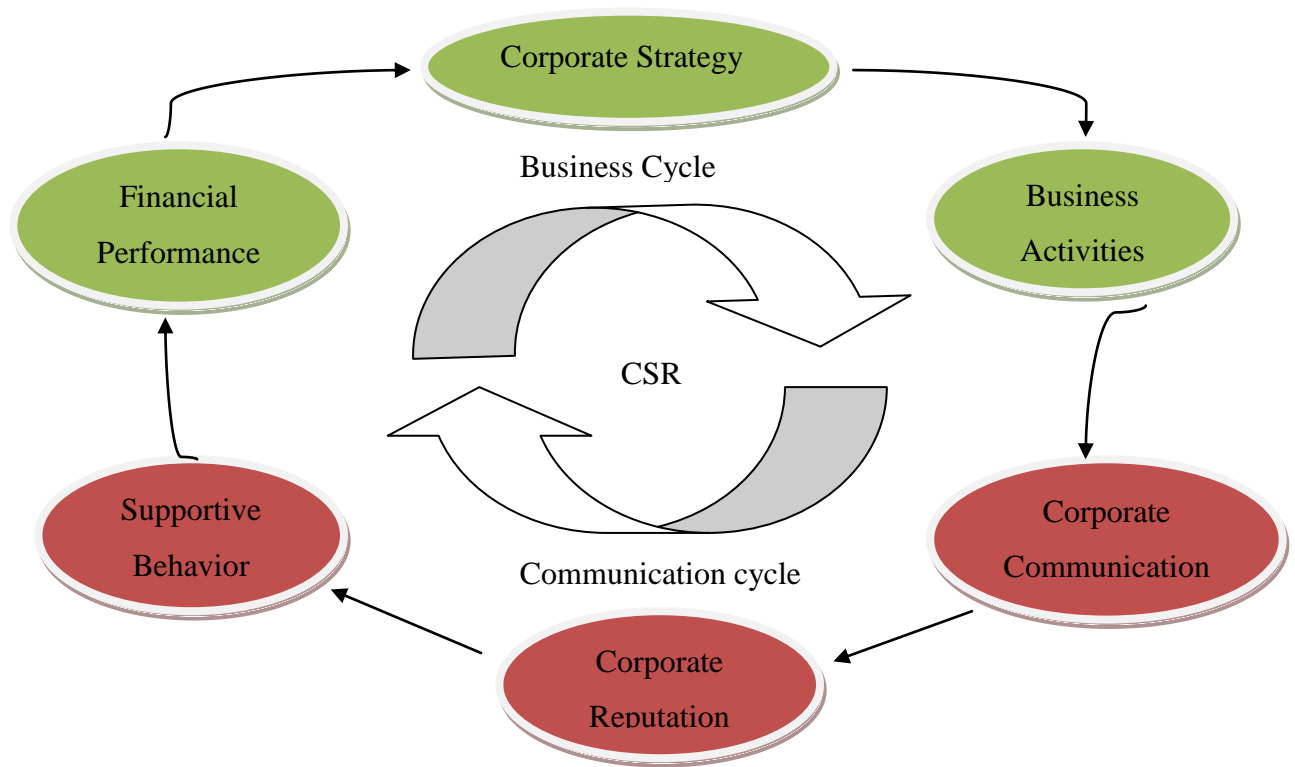


Figure 1. The Relation between CSR and building reputation (adapted from Riel & Fombrun 2007, 60)

Figure 1 presents the relationship between CSR and building reputation. As it is discussed in chapter 3, CSR is considered as an integral face of the business. Therefore, practicing CSR activities are considered as business activities of the enterprise which contributes to reputation of the corporate upon appropriate communication. In addition, supporting reputational achievements through CSR practices contributes to the financial excellence of the corporate as well.

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The concept of CSR is defined and understood more deeply in a contextual format. Therefore, this concept is discussed through the lens of Lapland UAS in the current chapter. In addition, utilization of CSR as a strategic action towards reputation-building objectives which are quite important for Lapland UAS is discussed in this chapter.

5.1 CSR from Lapland UAS Perspective

The results of the current study show that generally the concept of CSR has not received sufficient attention at Lapland UAS. As a result, the concept is not clearly defined and the borders are not determined. Some minor actions are practiced by some members in a fragmented style, while the concept of CSR and the related practices are not holistically defined and structured at Lapland UAS. The results of the interviews reveal that at Lapland UAS, it is believed that by obeying the law, each member as an individual and the whole university as general practice CSR activities. While CSR activities refer to those actions which have not been requested by law and the enterprise fulfills them voluntarily. CSR embraces ethical programs of the corporate, codes of conduct, and legal compliance. However, legal compliance is the minimum level of stakeholders' expectations. The stakeholders' demands go beyond this minimum towards setting higher standards voluntarily by enterprises (Doorley and Garcia 2007, 359). According to Doorley and Garcia (2007), those companies which discover the importance of managing CSR activities on their credibility regardless of their legal liabilities and establish standards further and beyond legal minimum are entitled as smart corporate. However, Lapland UAS has not attempted strong enough to enfold such entitlement.

Moreover, the concept of CSR and the activities related to the CSR are mistaken or interchangeably used with the objectives, the core mission and the duties of Lapland UAS. While the tasks and actions that an enterprise performs to reach the set objectives, are not interpreted as CSR activities.

Above all, it has been several years that companies have taken benefit from philanthropic actions to furbish their image and reputation and either recover or meliorate the relationships. However, today, the private sector is expected to exceed the out-dated tradition to an up-dated aligned strategy and leverage the available resources to take steps simultaneously towards the interests of the enterprise as well as interests of the society and the environment. While many enterprises and international brands made CSR a part of their corporate strategies and policies (Doorley & Garcia 2007, 363), Lapland UAS has been unsuccessful in familiarizing itself with the concept and the movement. Consequently, the concept of CSR is not properly and clearly defined in the strategic planning and mission and vision of the enterprise. As a result the distinction between CSR and sustainability has not been defined either.

While a comprehensive definition of the CSR and its implications are missing at Lapland UAS, the concept is interpreted differently by each member. While some members relate it to waste management, some others associate it with recycling. Despite the fact that all these activities are different aspects of CSR, the holistic extensive definition and alignment towards CSR and the related practices are missing.

In addition, the code of conduct seems to be missing as well at Lapland UAS. The code of conduct has been developed neither for suppliers and external partners nor for employees and internal interactions. The lack of the code of conduct probably creates a gap among the internal players, groups and departments. When there is no code of conduct the congruency between the departments and the employees is missing. In the same manner, the lack of code of conduct with external actors place Lapland UAS at risk since there is not any control over irresponsible operations of external network actors such as suppliers.

5.1.1 CRS on the National Level

One of the national values of Finland, the country where Lapland UAS is operating, is trust. The relationships in Finland are based on trust and reliability. “The country is small and we know each other quite well” (Tolppi 2014). People and organizations

develop their relationships based on trust. However, Finland is not the only country in which Lapland UAS is developing relationships. Today, internationalization of companies is an appealing issue. Plenty of the relationships have been developing with neighboring countries and other nations who might not necessarily know and be aware of trust-based culture of Finnish people and enterprises. In the same manner, how the internationalized companies coming to Finland behave abroad and to what extent they act responsibly in their operations in this country are left in the hands of government although the challenge is being felt. Considering the core activity of Lapland UAS which is educating people as well as present and future enterprises, the space for practicing CSR and making an example of a responsible enterprise for other organizations to follow emerged unfilled.

To be more specific, each year plenty of students, including international students, graduate from Lapland UAS and enter labor market while they are not taught about CSR and its practices. Consequently, either they get employed by an employer or set up their own businesses, the enterprise and the country in which they work are affected. Moreover, the reputation of Lapland UAS which they graduated from is affected as well, since they have not received any course in the CSR and its implications. In other words, students are educated and provided with opportunities to generate economic possibilities, enthusiastic innovations and entrepreneurship to the Lapland region and Finland State. However, they are not educated explicitly to be socially and environmentally responsible.

5.1.2 Lapland UAS Perception of Environmental Issues

When discussing the environmental issues, mining is the first perception that most people at Lapland UAS have about environmental issues. With respect to this perception, it should be mentioned that environmental concerns are not limited to the mining and responsible operations of mines. It can be noticed that the Talvivaara scandal draws all the attentions and consequently all other areas fell into darkness.

As it is discussed previously, Lapland is known as a safe, clean and pure region in many parts of the world (Alalääkkölä 2014). However, how to preserve the region in such a good condition and prevent it from getting affected by negative changes gets less attention.

Nevertheless, Lapland UAS has some positive intentions in terms of environmental concerns. Lapland UAS intends to become a totally virtual organization. Having such a strongly positive goodwill helps Lapland UAS to contribute to the reduction of paper consumption and as a result environmental concerns of Finland. Therefore, by implementing such intentions, Lapland UAS can claim to practice CSR activities. However, these positive intentions have not been communicated under the name of CSR practices to the stakeholders.

5.2 Lapland UAS and Reputation Management

Reputation management is a wide concept. Apart from the building process, maintaining, safeguarding and protecting reputation are also included in the reputation management system. Analyzing all features of the reputation management is not applicable due to the extent of the current thesis. Therefore, some areas of reputation management have been selected to be discussed.

In addition, reputation management is not limited to a specific department or a specific group of employees. While each member of an organization has an important role in building and managing the reputation, the reputation can be managed best in a comprehensively holistic way. In case of Lapland UAS, it is conceived that communication department is resourced for building reputation at Lapland UAS. However, the reputation of whole Lapland UAS needs to be managed in a holistic approach as a single entity including all departments, faculties and sections. Throughout the following discussions, reputation management is studied from the perspective of Lapland UAS as a single entity

5.2.1 Reputational Capital

Advantages of enjoying a good reputation are known to everyone. Enterprises are willing to develop their reputation in order to build or strengthen their relationships and grow. Despite the fact that it is important, enjoying a positive perception among the audience is not everything that an enterprise needs. An enterprise needs to save reputational reservoir to rely on for survival in tough and arduous days and periods. (Doorley & Garcia 2007, 4.) According to Lohi (2014), Finnish people are not concerned about the history of companies. They do not study the companies' background. Likewise, reading reports is not very common among Finnish people. On contrary, they find a company's background important when the company does something wrong or neglects some rights in social or environmental areas, and a scandal occurs. However, enjoying a reputational reservoir is quite important in Business-to-Business relationships, since in most cases enterprises check the background of their partner prior to starting or developing their relationships. (Lohi, 2014.) With regard to such cultural aspect, the necessity of having a reputational capital can be concluded.

Besides, the activities and mission and vision of Lapland UAS are not limited to Finland. Other countries and mainly European countries are considered as potential markets for Lapland UAS as well, who despite the Finnish People, might have the attitude of considering the companies' background. Therefore, it can be concluded that having a strong reputational background is quite important.

According to Tolppi (2014), the university has never encountered reputational challenges and the reputation of the university has never been attacked. However, such safe background does not guarantee the future peace. He also states that the university has always been reactive (Tolppi 2014). Nevertheless, the high-competitive business world of today requires enterprises to be proactive with high degree of importance. As it is discussed in Chapter 4, reputation is an intangible asset of an enterprise which needs attentive protection. Leaving the reputation without protection may enhance the vulnerability of reputation against the risk of being attacked and lost. Moreover, start considering the reputation after being attacked might be quite late for the enterprise and

the consequences might be irreparable. Besides, the costs of safeguarding and managing the reputation turn to be much lower than repairing the lost reputation and the damaged image. Furthermore, for enterprises which are attacked by scandals and irresponsibility accusations, practicing CSR activities plays a curing and recovering role. However, for an enterprise with a white record in its background, performing CSR practices plays the constructive role of building reputation and reputational capital.

5.2.2 Learning From Mistakes

Learning from mistakes is one of the organizational values of Lapland UAS. Awareness of the fact that mistakes are inevitable and it is a part of the learning and development process is considered as an organizational value. Making mistake is not a big mistake at Lapland UAS according to the mission statement of the university. Therefore, Lapland UAS is expected to also learn from the mistakes of others.

There has been a scandal about Laurea University recently that the mentioned university was connected with organized crime (Tolppi 2014). Definitely, having positive reputational reservoir in CSR field could have saved the image of Laurea University or at least could have reduced the magnitude of the problem. This issue plays a significant alerting role for Lapland UAS to learn from a mistake without paying for it. “In many aspects first an alarm call is needed to make the enterprise aware. If any university in Finland gets big damage because of lacking CSR, of course it makes us wonder how to avoid it” (Tolppi 2014). Following his own statement, Tolppi mentioned that through the broadcasting of the Laurea University scandal the alarm call might have already been taken place. Therefore, it can be concluded that practically Lapland UAS is not exercising the organizational value of learning from mistakes. Despite the fact that Lapland UAS is not at the same situation, the necessity of having a strong reputational capital to be relied on during arduous times is felt.

5.2.3 Graduates Build Reputation for Lapland UAS

Based on findings of the current research, students and the quality of their knowledge are the most important arms of Lapland UAS for building reputation (Tolppi 2014; Alalääkkölä 2014). If graduates do not know what they are expected to have learned in their studying period, it will not take so much time before the employer who employs them gets frustrated and consequently the reputation of Lapland UAS will be affected (Tolppi 2014). As it was mentioned earlier in this chapter, obviously students fail to know what they are supposed to know in terms of CSR and the related practices. Definitely, if it comes to the point of CSR activities and strategic practicing of CSR in the enterprise where a graduate of Lapland UAS is working, the reputation of Lapland UAS will be at serious risk.

On the other hand, a part of the students at Lapland UAS are international students who scatter around the world after graduation. If they enjoy a rich knowledge of CSR, they help reputation development of Lapland UAS. According to Tolppi (2014), the quality of education is the first and the most important arm of building reputation at Lapland UAS, however, it does not suffice. An additional step needs to be taken in order to get a good reputation. Even though it can hardly be considered as an extra and detached part of the business, CSR practices could be the additional step in reputation-building processes.

5.2.4 Customer Perception

As it is discussed in chapter 4, the differentiation strategies have shifted from product to customer experience. The key success factor in building a life-long relationship with customers relies on involving in a more close interaction with customers and getting to know about their needs, issues and concerns.

The results of the current study reveal that there is not a unit agreement between members of Lapland UAS about who the real customers of Lapland UAS are. While in some top managerial levels, employers who ultimately employ the graduates of Lapland

UAS are considered as customers, in some other levels local companies, enterprises and organizations involved in the projects and in some other levels, students are considered as customers. When there is not a unit identification of the customers, it is not possible that their needs and problems can be recognized and addressed. Therefore, the enterprise fails to develop a life-long relationship with customers and as a result fails to build reputation.

5.2.5 Communicating Positive Aspects

Values of the corporations can be conveyed to public through different means. Slogans are one of those means through which the key value of the organization is being expressed concisely. Apart from slogans, written public statements such as mission statement can also function in the same way and express the core value of an organization. (Daft 2008, 88.)

Trust, the core value of Lapland UAS is conveyed and expressed through the mission statement of the university. However, the scope of trust is limited to the partners of Lapland UAS and the other stakeholders are excluded. It is not clarified if a trustful relationship is also established between the university and the other stakeholders such as local communities and people in Lapland. Likewise, the perception of other stakeholders about Lapland UAS as a responsible and trustful organization which considers the interest of Lapland region, society and environment is not clearly conveyed through the mission statement of Lapland UAS.

Moreover, keeping cultural values and originality of Lapland region which said to be among values of the organization by Alalääkkölä (2014), is hardly being conveyed through mission statement. On contrary, running international programs might imply the opposite interpretation. Therefore, such values need to be communicated more precisely.

Apart from the mission statement, Lapland UAS has developed other means of interaction with the stakeholder. One of those channels is the board of Lapland UAS.

The board which consists of 12 company representatives can be considered as a fruitful channel through which the positive actions can be communicated. However, the room for CSR in this board remains unfilled.

Likewise, the positive actions could be communicated to the public through local media. A local newspaper, name Pohjolan Sanomat, published a statement on the front page indicating that Lapland UAS is losing plenty of applicants. However, it was not mentioned that some other programs have been improved and developed (Tolppi 2014). While seemingly negative actions are highlighted, positive points are left out. It can be concluded that Lapland UAS fails to constructively develop the relationship with media and communicate the strengths and positive actions.

Many aspects of business such as relationship with local news papers are still considered through the lens of Kemi-Tornio University of Applied Sciences while Lapland UAS is an independent new entity which requires consideration of business actions like establishment or development of relationship through the window of Lapland UAS.

As it is mentioned in Chapter 3, CSR means not only obeying the law, but also going beyond the set rules of law. When a lecturer devotes his personal time to help the student learning process, not only the lecturer is considered as a responsible lecturer, but also the relevant enterprise is considered as practicing CSR which goes beyond the law. However, Lapland UAS has neither acknowledged such practice, nor communicated it as a positive aspect to the stakeholders.

In the same token, ceremonies are organized activities which are held for the purpose of manifestation of the organization's values. Ceremonies are emanation of valued implementations (Daft 2008, 88). Significant achievements and valued implementations can be communicated to stakeholders through ceremonies. However, Lapland UAS failed to celebrate the achievement of the director of the business faculty in a waste management competition.

On the other side, this person as a manager can be a good example of responsible behavior. She is in a position that not only her behavior could be considered as a model, but also she has the power and authority to create a competition atmosphere for staff members in practicing CSR. Also in decision making process, the department manager has an important role in determining the criteria and taking care of issues. Through applying adaptive corporate culture strategy, the internal individuals, their actions and their contribution to a positive and effective change are appreciated (Daft 2008,89). Therefore, a strong cultural basis is shaped which helps the success of the business. However, Lapland UAS fails to consider these issues to form a strong responsible organizational culture.

5.2.6 Tendency to Change

Lapland UAS is more concerned about keeping the current position which is ranking 8-10th out of 24 counterparts in Finland rather than being a pioneer and proactively take steps. Seeking high global position is not among the main objective of Lapland UAS currently. According to Tolppi (2014), if the business is running smoothly, there is no tendency for change. Corrections are applied when one or several aspects do not function properly. While everything goes right, there is no need for applying change. It could be concluded that, this belief derives from reactive position of Lapland UAS to the business environment.

Lapland UAS reacts to the incoming changes, while today's high-competition business world requires proactive planning. Moreover, it can be said that through the mentioned belief the role of improvement seems to be ignored while improvement has a significant role at Lapland UAS in practice. In case of CSR, the growing wave of importance of CSR indicates the approaching of compulsive change. According to Porter (2003), companies need to switch from a defensive status towards a proactive engagement of CSR initiatives with competitive advantage strategy of the corporate. Therefore, it can be concluded that there is a need for Lapland UAS to consider repositioning from a reactive status into a proactive and pioneer status.

Besides, the incidents which largely influence a company originate from outside and external environment of the company. In order to run the business in an effective way, enterprises need to observe and manage uncertainties of the environment. Uncertainty refers to condition when an enterprise fails to have sufficient information about environment and its related factors to be able to perceive and predict the needs, concerns and variations of the environment in which the enterprise is operating. This environment includes not only earth and planet as instant indications of the environment, but also network actors, technology, economic conditions, cultural and political situations and society as well. Therefore, managers of the companies need to alertly monitor the environment to be able to respond appropriately and effectively. (Daft 2008, 72-81.)

Organizations use mergers as a strategy to adapt to the environment when they confront growing uncertainty (Daft 2008, 82). According to Daft (2008, 77), an increasing number of acquisitions and mergers is an important recent trend in business world which influences the economic environment. Small competitors lose the power to compete the new enterprise born as a result of merger. This point gives the newly-born enterprise multiple strengths. However, Lapland UAS is not utilizing the strengths of the new condition resulted from merger to practice CSR.

6 CONCLUSIONS AND DISCUSSIONS

The current chapter concludes the thesis research. The way the findings of the current research can be utilized for decision-making purposes are explained in this chapter. Moreover, the author's perspective in practicing CSR activities, reputation management and utilization of CSR practices for reputation-building objectives at Lapland UAS are argued in this chapter.

6.1 CSR Trend

Today, the competition in the market place either locally or globally is very intensive. Depending on the nature of the enterprise, companies are involved in developing and applying more effective tactics in their strategic actions to win the tight competition. (Gillon & Rana & Thiagarajan 2008.) Today, being unique is much more significant than it was in the past. In today's business world, differentiation based on customer experience is the success key to the doors of marketing and conquering competition. What used to be in the hands of the limited number of providers in a limited size of the market, is in the hands of hundreds of providers everywhere in an unlimited global market. With such high dependence of competition on customers' choice, the significance and necessity of differentiation can be felt much more than before. (Kotelnikov 2014.)

Enterprises feel increasing pressure derived mainly from market, legal body, external community and environment which force the companies implicitly to be responsible and operate responsibly. The obvious shows that in near future the public poses even more severe pressures on companies to perform more responsibly and engage more in CSR activities. In today's globalized world with the speedy rate of information spread, enterprises' activities and performances are not only visible to public, but also subject to precise astuteness and investigation.

Failure to obey the law and practice right and ethical actions may cause damage to the image and reputation of the enterprises. On the contrary, strategies and policies which

are not restricted to the law limits and are adopted beyond the law frameworks add significant value to the brand name and the enterprise. Strong management of CSR activities is essential for presenting the awareness of the enterprise about the social, economic and environmental impacts of its operations. (Smart & Barman & Gunasekera 2010) This aspect justifies the motivation of enterprises which have started to set programs and policies on social as well as environmental issues such as climate transformation, global warming and natural resources' control and management (Doorley & Garcia 2007, 360).

6.2 Defining and Practicing CSR at Lapland UAS

CSR needs clearer definition and clarification on an organizational level at Lapland UAS. There are different personal interpretations in terms of the small features and aspects of CSR. However, a comprehensive understanding and a contextually formulated definition and action plan known to every member of the organization and the associated possible practices are missing at Lapland UAS. Fragmented minor practices which are not aligned in a structured understandable framework are not strong enough to voice the whole organization out as a responsible entity practicing CSR activities. Therefore, in order to use CSR practices as a tool for building reputation and forming a positive image, Lapland UAS is initially recommended to formulate a contextualized definition of CSR and determine the borders of CSR precisely. The defined concept and its scope need to be interactively communicated to members and employees of Lapland UAS. The members and employees need to have an aligned understanding and interpretation of the CSR concept and its distinctive borders from the duties. Moreover, the CSR objectives and the reputational objectives being sought through such practices must be known to employees. Members and employees cannot be expected to practice CSR and contribute to the reputational objectives of the corporate unless they are equipped with such knowledge.

CSR activities must be incorporated in all features of the business including business model, organizational internal philosophy, culture and strategy, and in all levels including top management team and employees. According to Tolppi (2014), it is quite

difficult to change the way of thinking and the mindset of a person while that person has spent several years of his/her life thinking in that way. However, in such globalized world of business, change is an inevitable incident and adaptation to change is quite important. Companies who are more flexible in reacting and adapting to change have better chance, not only to survive, but also to grow. Old brands such as Coca Cola could be exemplified. If Coca Cola Corporate wanted to continue running the business based on the initial strategy of 120 years ago when it was first established in 1892, it would not be possible to grow or even survive. Therefore, developing a flexible attitude towards change and adaptation to change is an essential factor of success. Furthermore, being proactive to strategically plan for utilizing the change to meet the organizational objectives enhances the performance excellence.

As it is discussed in Chapter 3, Finland is the main purchaser of wood products from Russia and Baltic countries. Paper industry has a direct relation with this trading process and meanwhile, Lapland UAS is a big consumer of paper. Thus, Lapland UAS is indirectly involved in the forestry and the process of paper production. Therefore, as one of the main customers of paper suppliers, Lapland UAS has an influential role in pressurizing paper suppliers not only to follow responsible guidelines for production, but also to demand their partners and supply chain to perform responsibly as well. In such circumstances, in near future, the irresponsible and illegal harvesting of trees can be ceased.

In this regard, the good intention of Lapland UAS to become a virtual organization is a decisive change. This intention can be used to encourage and pressurize not only the suppliers, but also the other partners and competitors to act more responsibly. By communicating such intention, Lapland UAS is able to show its commitment to the environment and the nature and consequently, prove its social responsibility as well. Besides, such congruence between the intentions and the actions accumulates reputation for Lapland UAS.

Moreover, high score of carbon footprint based on consumption rate in Finland requires the necessity of highlighting and addressing this concern. Lapland UAS also has a

significant role in this regard, either as a paper consumer or as an educator. In the same manner, Lapland UAS plays an important role in informing educational institutes, and other organizations who are involved in paper consumption processes in their operations, about the negative effects of paper consumption on wildlife.

As it is discussed previously, unwillingness of people particularly young people to stay and enter the labor market in Lapland region affects the whole area and makes the survival of Lapland one of the most crucial concerns. Fortunately, Lapland UAS reflected on this concern in the corporate mission (Alalääkkölä 2014). The tasks assigned by the law to Lapland UAS are to develop Lapland region and the state of Finland and on a greater scale, European Union and the world through offering education. Lapland UAS set the organization's mission and objectives based on the law and the assigned tasks, i.e. to offer education and apply the scientific knowledge resulted from conducting researches (Lohi 2014).

However, as it is discussed previously, CSR is defined beyond the borders set by the law. Despite the fact that the main activity of Lapland UAS is to provide education, the signs of implementation of CSR in the mission statement are not clearly noticeable. More explicit mission statements and consequently actions are needed towards addressing the survival of Lapland as the main concern of Lapland region.

Lapland UAS can be the most powerful linkage between the local organizations and entrepreneurs as well as labor force and young people who are searching for jobs. Due to the educational nature of the organization, Lapland UAS is able to recognize the young people's competences. Furthermore, Lapland UAS is able to train them according to the needs and necessities of the market. On the basis of such knowledge, Lapland UAS is able to strategically link the two poles together and consequently, build reputation and form a positive image for itself. In this case, not only the core objective of education is met, but also Lapland UAS is able to responsibly contribute to the economic and social concerns of the region. For instance, a representative from Lapland UAS, probably from media department, who knows how to establish bilateral connections, could be a linkage between the enterprises and Lapland UAS (Moisio

2014). In this way, not only Lapland UAS keeps being updated about the needs and expectations of the local enterprises, but also the companies know whom to approach in case of facing problems or issues.

6.3 Building Reputation

In order to avoid being surprised by a growing wave of the stakeholders' demand in the field of CSR within next few years, Lapland UAS is highly recommended to start considering CSR and strategically plan to achieve reputational goals by practicing CSR activities. Practicing CSR is not a digressed branch of running a business. However, it is an essential part of a successful business. CSR activities assist the companies in achieving goals and objectives and at the same time accumulating reputation. Moreover, ignoring CSR can cause damage to the reputation of the enterprise and impose multiple amounts of costs to the enterprise. Therefore, necessity of having a reputational reservoir is being felt at Lapland UAS. As a result, strategic planning for practicing CSR activities as a means of creating reputational reservoir is highly recommended.

Reputation management has different aspects. Reputation can be built, developed, monitored and managed through several means. However, due to the extent of the current thesis, some of them are discussed.

6.3.1 Managing Community Relationships

Through strategically selecting, prioritizing and practicing CSR activities, enterprises are able not only to establish relationships with communities, but also form a positive image of themselves in the eyes of communities. If being properly structured and nurtured, these relationships will play an important role of reputational reservoir to get benefit from during the inevitable tough periods.

However, the results of the current research show that the relationship of Lapland UAS with local communities suffers the lack of CSR aspects. Therefore, Lapland UAS is recommended to strategically and constructively get involved in developing community

relationships in order to be able to recognize their needs and expectations. On the basis of such recognition, Lapland UAS is recommended to prioritize its actions in alignment with meeting the concerns of the local community.

6.3.2 CSR Report: A Tool To Ascertain Strong Management System

Apart from a few exceptions, publishing CSR report is a recent phenomenon. However, the short term experience of companies publishing CSR reports show significant benefits (Holme & Watts 2000, 17).

Compiling CSR reports is a presentation and a manifestation of the effective management and governance systems of an enterprise. (Smart & Barman & Gunasekera 2010.) Moreover, CSR report helps enhancing the awareness of both internal and external audience about the performance of the enterprise (Holme & Watts 2000, 17). However, the reporting is effective when the objectives, the mission and vision and the culture of CSR are set, and consequently all actions are practiced in alignment with the objectives, mission and vision and the culture of the enterprise. In case of Lapland UAS, following strategic planning and implementation of CSR activities, Lapland UAS is highly recommended to communicate those practices with its audience including all groups of stakeholders and the public through reporting CSR practices.

Corporate communications and reports on CSR activities need to be more than just touching the surface. The reports need to explicitly provide proof and evidence of the positive answers and reflections of the enterprise to the economic, social and environmental concerns. In order to be successful and satisfactory, CSR reports need to show how these concerns are addressed by the enterprise and what the contribution of the enterprise is towards them. (Smart & Barman & Gunasekera 2010.)

In order to be able to produce a proper report, Lapland UAS is recommended to use the framework produced by Global Reporting Initiative (GRI). The framework provides the applicant with helpful guidelines on how to publish a CSR or Sustainability report. This framework functions as an instructor indicating rules, regulations and principles that

organizations need to follow. By following these instructions, enterprises are able to measure their performance in social, economic and environmental fields. Furthermore, enterprises receive indications on how to produce a report based on their performance. In 2006, an updated version of the guidelines was published in which the factor of transparency was simplified. This version also allows stakeholders to compare the enterprises' performance worldwide for better understanding the disclosed information. (Singh & Choudhary 2012.)

6.3.3 Lapland UAS News Release

The results of the current research reveal that, Lapland UAS suffers the lack of existence of a proper communication tool such as print or video press release. Although some press release could be found in Finnish, there is not any properly-structured communication in the form of news release in English. Since a great proportion of the activities of Lapland UAS are internationalized, the lack of proper communication tool might cause damage to the reputation of Lapland UAS.

Lapland UAS is recommended to use press release and video news release as tools of communication and interaction. Through such tools, the university can announce the news related to the corporate to news agencies and public not only in Finland, but also in the international level. The press release might not seem very interesting and appealing at the first glance especially in the era of electronic communications. However, if being ingratiated by industrial publications and industrial press, it helps the company in finding partners and building reputational capital among partners.

Distributing of news release about the core activities and performance of the corporate may raise some controversies, since they might be considered objective reports with the aim of promotion. However, the news release about the CSR activities of Lapland UAS does not convey such a negative impression. On contrary, it helps the promotional purposes of Lapland UAS indirectly and reputation-building strategies implicitly. Media department is an available resource for Lapland UAS in this regard. Lapland UAS can

benefit from availability of such resource in order to produce influencing press releases and video releases on an international level.

6.3.4 Lapland UAS and the Use of Media

Another recommendation for Lapland UAS is to avoid relying heavily on media to cover their news and goodwill. According to Griffin (2008, 42), polls show that the people in majority of countries believe and trust businesses and government even more than media. It does not mean that Lapland UAS is suggested to forget the media, however Lapland UAS is reminded not to underestimate the role and the power of citizen journalism and the experience of individuals, each of whom is connected to the whole world through their social media interactions.

In case of choosing traditional media as a means of communication, the proper media need to be selected. It might not be possible to meet the desires and demands of all media. Balanced reporting, aligned with the reputational objectives of the enterprise might not be easily achieved. However, having a clear understanding of what they are searching for and respond to them in the same direction may give Lapland UAS a louder voice. Besides it gives the enterprise an opportunity to build up reputation and form a desired image of itself in the eyes of the audience.

6.4 Strategic Utilization of CSR

For the purpose of strategic utilization of CSR practices for reputation-building and image-formation objectives, a proper marketing framework needs to be specified. Utilization of cause-related marketing through practicing CSR activities is not recommended to Lapland UAS concerning the nature of the enterprise. Moreover, cause-related marketing sounds more suitable for product-selling enterprises. However, adoption of social marketing strategy is suggested to Lapland UAS which is more probable to bring reputation for the company rather than cause-related strategy. Lapland UAS can utilize the social marketing strategy by enhancing the public awareness. For instance, game-playing habit of the young people is one of the main concerns of parents.

Lapland UAS can enhance the public awareness by educating them about the negative effects of such habit for all age groups. Moreover, some programs and workshops can be designed and developed for parents to provide them with solutions on how to overcome such habit of their youngsters. Under these circumstances, Lapland UAS is able to form a positive image of itself as a responsible enterprise which considers the health and social life of the local residents.

The best way in strategically utilizing CSR activities is to prioritize the concerns. Neither it is possible, nor recommended to Lapland UAS to address all the areas of concern. However, Lapland UAS is recommended to analyze the areas of concern. In addition, necessary and available resources and capabilities which can be allocated to meet those concerns need to be evaluated. In other words, a comprehensive SWOT analysis and TOWS analysis are essentially required prior to strategic planning to meet any concern and practice any CSR activity.

On the basis of such analyses, Lapland UAS can strategically plan to address the concerns with the aim of practicing CSR based on priority. In order to be able to prioritize the concerns in the process of SWOT and TOWS analysis, Lapland UAS needs to analytically study the relevance and the magnitude of the issues.

6.4.1 Strategic Choice of Concerns to be Addressed

In choosing the concern areas to be addressed, Lapland UAS needs to consider two aspects precisely: the relevance and the magnitude of the concern. Relevance means how likely it is that addressing a specific issue plays a significant role in reputation-building strategy of Lapland UAS. Nevertheless, it does not necessarily mean that those issues that addressing of which have less impact on reputational strategies must be completely excluded or left out. However, addressing those issues with high importance based on their relevance to the reputational strategies of Lapland UAS needs to be prioritized. Magnitude, the other pivot, means if addressing a specific issue turns to have influence on reputation-building process, how significant this influence is.

Considering the magnitude indicates whether a concern is worth addressing or not. (Doorley & Garcia 2007, 303.)

These aspects are best formulated on a matrix named likelihood/magnitude matrix by Doorley and Garcia (2007, 303).

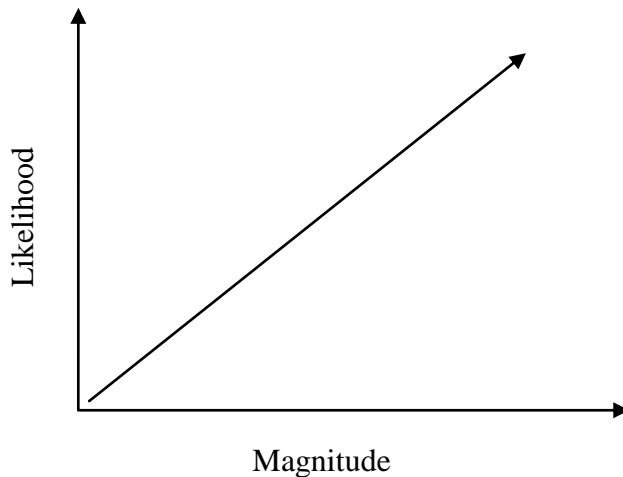


Figure 2. Likelihood/Magnitude Matrix (adapted from Doorley & Garcia 2007, 303)

According to Doorley and Garcia (2007), this matrix can be used to measure any issue or any concern. This matrix is discussed by Doorley and Garcia (2007, 303) to measure the organizational issues and the troubles that an organization faces. However, this matrix can also be used for measurement of the external concerns which an enterprise is willing to get involved in addressing for the purpose of CSR practices and consequently building reputation.

6.4.2 The Effect of Lacking CSR in Study Curriculum on Reputation

Lapland UAS highly associates its reputation with the graduates and the quality of their knowledge. Apart from the importance of this issue for all subjects, the necessity of inclusion of CSR in the curriculum is felt more in Business Administration faculty which is more involved in business rather than other areas. In addition, majority of graduates from this faculty are involved with the CSR practices in their career.

However, CSR is not restricted to business people and business administration faculty. For instance, graduates from tourism faculty are expected to be familiar with the concept of CSR, sustainability and sustainable tourism, while these concepts are not included as a course in the tourism curriculum. Therefore, Lapland UAS is highly recommended to add CSR as a compulsory course to the curriculum of all faculties.

6.4.3 Lapland UAS Target Healthy Life Style Strategically

Lapland UAS is recommended to encourage primarily internal human resources, and external partners and the whole society towards healthy life style. This milestone can be achieved by simply naming the weeks and draw the attentions of all involved individuals to the theme that the name carries. For instance, one week or a ten-day period can be named “Coffee Alert” with the theme of encouraging public to reduce their coffee consumption. The aim is to caution all age groups about the drawbacks of high consumption rate of coffee and the consequent health problems. In the same manner, encouragement towards joining slow food movement can be another strategy. Lapland UAS can contribute to the public health by encouraging them to improve their eating style and eating habits by reducing the consumption of fast food and increasing the consumption of organic food. Furthermore, development of organic agriculture and improving animal breeding standards are interesting themes which are a reflection of present world concerns.

By practicing such seemingly small yet significant activities, Lapland UAS not only shows responsibility and commitment to the society and inhabitants’ quality of life, but also proves its good intentions and responsibility. Moreover, the university does not digress from the main corporation objectives which are educating and enhancing the general knowledge.

6.4.4 Encouraging Green Way of Thinking

Lapland UAS prints the logo and the title of the university on paper bags. When new students are welcomed every year, the brochures, handbooks and welcoming gifts are

presented to them in a paper bag which has the logo and the title of the university printed on it. It is highly recommended to Lapland UAS to use green bags, knitted bags and woven bags which are more environment-friendly carriers instead of paper bags.

The students can be educated to use green, woven and knitted bags for their shopping activities and avoid purchasing plastic bags which have negative environmental effects. Moreover, the mentioned environment-friendly bags are more durable than the paper bags and last for the whole study life of the students. Therefore, the consumption of paper for the purpose of making paper bags is reduced. Besides, the production of plastic bags which have severe negative effect on environment is restricted. In this way, not only the university is contributing to the environmental concerns by reducing the negative effects of paper and plastic consumption, but also initiates a responsible way of thinking and behaving. Furthermore, each student will be an ambassador of conveying green and responsible way of thinking who represents Lapland University as the initiator and pioneer of that movement. In addition, since the logo and the name of the university are printed on durable green bags, the reputational objectives of Lapland UAS are met.

6.4.5 CSR: A Strategic Profit Making Tool

Running projects, selling education, research and know-how are the other main areas and branches of business for Lapland UAS apart from education. One fifth of the revenue of Lapland UAS originates from these areas (Tolppi 2014). Apart from reputation-building purposes, CSR can also be utilized as a profit-making tool for Lapland UAS. Lapland UAS can accumulate profit by selling and off-shoring researches in the field of CSR. In addition, educating enterprises as well as introducing methods and ways of reducing social and environmental negative effects could also be a profit-generating channel for Lapland UAS. For instance, since Lapland region is considered as a clean and pure area, the words of an enterprise which is practicing CSR in this area is quite strongly convincing and valuable. Therefore, Lapland UAS can take advantage of this benefit to generate profit by educating other enterprises in other countries and helping them to learn how to purify their environment and how to

maintain a clean environment. However, Lapland UAS first needs to familiarize itself with the concept and the implementation of its practice.

Lapland UAS has access to novel ideas of students and academic elite which is refreshing every year through new intakes. This access is considered as a valuable resource for Lapland UAS which can be utilized for generating profit. For instance, according to Volotinen (2012, 51), utilization of CSR practices and elimination of environmental effluents and emissions are among the interest areas of Outokumpu Company which is one of the partners of Lapland UAS. Lapland UAS can generate profit by providing Outokumpu Company with applicable suggestions and recommendations derived from student ideas in the field of environmental issues. By providing solution to the concern areas of Outokumpu Company, Lapland UAS is able to manage and develop the business relationships with Outokumpu Company. Moreover, environmental issues are being dealt with which shows the responsibility and commitment of both parties to the environment.

6.4.6 Employees' Role in CSR

Today, smart enterprises are willing to encourage their employees to generate new ideas. In a narrower sense, enterprises are more oriented towards employees' minds and ideas rather than their physical presence and physical accomplishment of tasks. Many organizations have been transformed and redesigned to a learning-dynamic entity with the aim of engaging employees in brainstorming and solution-finding processes. (Daft 2008, 58-59.)

In case of CSR practices, creativity of each member towards creating innovative addressing methods for social, economic and environmental concerns is considered as an available resource for Lapland UAS. Moreover, employees are representing models of CSR practices in the enterprise and a reflection of the responsible culture of the enterprise. Therefore, Lapland UAS is recommended to develop an organizational culture of CSR and encourage employees to generate new ideas with the aim of addressing current concerns.

Furthermore, employees are the best connection between an enterprise and the local communities. In today's technology-driven business environment, organizations appreciate employees' mental capabilities, ideation, relationship building and information sharing competences. (Daft 2008, 59.) Hence, encouraging employees to generate new ideas and new ways of meeting social, economic and environmental concerns can be a strategic planning to maximize the efficiency of employees' capabilities and competences as well as managing customers' perception and customers' relationships through the channel of employees.

6.5 Action Plan Suggested for Lapland UAS

To summarize the outcomes of the current thesis research, an action plan is suggested to Lapland UAS. The first step of the action plan for Lapland UAS is to start familiarizing with CSR more deeply and precisely and considering CSR practices. Upon gaining such knowledge about the concept of CSR, the scope of CSR and its function, Lapland UAS is recommended to study the current regional, national and international concerns. Following the determination of strategic objectives, a proper SWOT and TOWS analysis is needed for analyzing capabilities and resources for the next step which is strategic planning. Meanwhile, the corporate culture needs to be developed in the direction of CSR practices.

On the basis of comprehensive analysis, Lapland UAS is able to strategically plan for practicing CSR activities in alignment with objectives, mission and vision and the corporate culture of Lapland UAS. Addressing a wide range of concerns might not be applicable for Lapland UAS. Therefore, those concerns which are aligned with the organizational objectives must be selected. Among the selected items, those concerns with the highest relevance and the biggest magnitude need to be prioritized for addressing.

Accordingly, based on strategic planning, a detailed action plan is recommended to meet and implement the strategically-prioritized concerns. The possible ways and

methods to address these concerns are analyzed in this phase. Implementing and practicing CSR activities is the next step.

Finally, a properly-structured CSR report is recommended to be prepared. In its CSR report, Lapland UAS discusses the addressed concerns, the motivation to choose specific concerns to be addressed and the results. Following preparation of CSR report, an appropriate channel is needed to be determined for the purpose of interactively communicating the practiced CSR activities. Figure 3 illustrates the action plan in a frame.



Figure 3. Action Plan

Figure 3 demonstrates the process and the order of the actions. Each phase is a prerequisite step for the next phase. It should be indicated that simultaneous to the process presented in the action plan, a precise monitoring is needed to ensure that the CSR activities are practiced in alignments with reputational and organizational objectives of Lapland UAS.

The action plan is the personal perspective of the writer derived from the findings of the current research. However, Lapland UAS can either use it in its current format or adopt some changes in accordance to other organizational considerations. Further research is needed to evaluate the success of Lapland UAS in utilizing the CSR practices for reputation-building purposes.

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APPENDICES

APPENDIX 1 INTERVIEW QUESTIONS

Appendix 1

1(3)

Section A: Corporate Social Responsibility (CSR)

1. How would you define the concept of CSR? What does CSR mean to you?
2. How do you consider CSR activities? Cost? Expense? Or investment?
3. Do you have a code of conduct?
 - a. How many categories and sub-categories are covered in the code of conduct?
4. How would you define the distinction between CSR and sustainability?
5. What is the role of CSR in your strategic planning?
6. What are the concerns of Finland at the moment? Social, economic, environmental?
7. Which areas of concern Lapland UAS is involved in?
8. How Lapland UAS can contribute to these concerns?
9. Is there any CSR project being initiated from Lapland UAS in its plan/ mission statement?
10. If you want to propose a CSR project to Lapland UAS, what would you suggest?
11. Will your awareness about the CSR activities of a company affect your purchase behavior of a product or service of that company? How?

Section B: Reputation-Building

1. How do you define reputation for Lapland UAS?
2. Who are the main customers of Lapland UAS?
3. To what extent do you believe employees are important in building reputation and forming a positive image of the university?
4. Have you defined values, codes of ethics for each department? (Employee Handbook for instance?)

2(3)

5. Would you please name the most important values your department is committed to?
6. What is/are the important factor(s) in reputation-building process?
7. How do you see the role of CSR in building reputation for a company?
8. How do you see the role of social media in helping the company building reputation?
9. Can you name some companies or brands which got their reputation partially based on CSR activities?
10. Do you have any waste management system?

Section C: Lapland UAS Case

1. Is there any corporate social responsibility course being included in the new curriculum?
2. What are the means of communication between Lapland UAS and its stakeholders particularly customers? What are the communication channels?
3. What are the strategies for building reputation?
4. Do you have any plan to publish a CSR report? Do you think that it will help building reputation?
5. Do you consider social responsibility practices in your personal life?
6. How do you define your role in CSR practices of Lapland UAS? How can you contribute to such a movement?
7. What is the main element on which the reputation of Lapland UAS is built?
8. Could you name some other influential areas which contribute to the Lapland UAS reputation and image?
9. Lapland UAS claimed responsibility and being responsible as one of organizational values, therefore, Lapland UAS needs to show it to the stakeholders and the public; how Lapland UAS is going to show it?
10. "We foresee the future", this sentence was mentioned in the strategy handout. Which aspects are you going to be address by this sentence? Does CSR have any place?

3(3)

11. Do you have any (regular or periodic) system to measure reputation or its variations?
12. Do you have any reputation management? Reputation management plan? RM department?
13. Do you publish/distribute press releases?
14. How is the relationship of Lapland UAS with regional council of Lapland?
15. What would your corporation do if it witnesses a behavior against corporate social responsibility from a partner for instance a supplier?
16. Is there any other point you would like to mention?