

Carrying out Corporate Social Initiative Actions
Case: VATES Foundation and Helsinki Cooperative Society
Elanto (HOK-Elanto)

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<p>This Bachelor's thesis focuses on ways in which organisations work together to achieve desired goals that benefit people with disabilities and the wider community. The purpose is to analyse corporate social responsibility CSR initiatives, such as the employment of people with disabilities and other disadvantaged groups, and their impact.</p> <p>The target organisations of the case study were VATES Foundation and Helsinki Cooperative Society Elanto, Finnish organisations with headquarters in Helsinki. The purpose of the VATES Foundation is to promote employment for disabled people and the aim of the organisation is to try to get more employment for people with disabilities within Finland. Helsinki Cooperative Society Elanto provides for example grocery and restaurant services for the residents of the Greater Helsinki in Finland.</p> <p>The aim of the thesis is to understand exactly how CSR initiatives are carried out, both from the VATES Foundation's and Helsinki Cooperative Society Elanto's perspective. The aim is to provide a wider overview of CSR Initiatives and offer suggestions and improvement ideas these practices. The focus is also on the benefits of creating alliances between organisations or firms for these purposes.</p> <p>The theoretical framework of the thesis covers wide aspects of the basic CSR concepts and theories, such as the central definitions, concepts, CSR at workplace, sustainability, reasons for CSR engagement, standards and their measurement, and stakeholder relations.</p> <p>The results revealed that both VATES Foundation and Helsinki Cooperative Society Elanto have taken positive steps since the beginning of the 1990's towards corporate social initiatives, towards employment for people with disabilities and other disadvantaged groups. The top management commitment and efficient communications and resources allocations have enhanced positive contribution towards the needs of the community around them, the needs of their nation and the needs of the community in the wider world.</p>	
<p>Key words Corporate Social Responsibility, Corporate Initiative, Disability</p>	

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1 Introduction

This thesis presents background information of corporate social responsibility, CSR, values and theories about the values on which the study is carried out. The aim is to offer a wide view on CSR and issues within in the applicable literature. The purpose is to analyse the corporate social initiatives such as employment of people with disabilities and how the VATES Foundation's and Helsinki Cooperative Society Elanto (HOK-Elanto) are carrying out and implementing these practices, also looking at the impact to the partners and the beneficiaries.

Corporate social responsibility, known as CSR, is the umbrella term for how business relates to the broader cultural, economic and political environment in which it operates. Companies who promote their CSR activities face a real challenge in going beyond the rhetoric and proving that they are really measuring the impact of their regular activities. (Johnson 2009, 100.)

VATES Foundation was “established in 1993, is an organization of experts in promoting employment and vocational training of people with disabilities and other disadvantaged groups. The Foundation has 35 background organizations. These are nationwide disability organizations and their regional associations as well combinations of municipalities of special welfare and labour services providers”. The foundation promotes “employment of those people in the open labour market and the functional opportunities of social employment unities”. The Foundation does work at the nationwide level in Finland (VATES Foundation, 2011.)

1.1 Background to the study

CSR, is a current issue discussed in different industries, and the concept has many definitions. In basic terms, however, it refers to the obligation that a company has to its stakeholders who can affect public relations, corporate policies and practices. Nonetheless, there are many competing terms that are used to define CSR and they can be a source of confusion and disagreement. However, there is still little agreement on what it means to be a sustainable company and specifically what the definition of CSR is. At

the same time, consumers require more information about corporations and multinational companies' contributions to society in the light of their new stakeholder power, but the increase in information from the companies on CSR does not necessarily mean that companies have become more transparent today. However, most of the firms nowadays must take into account CSR practices in their management. (Crane, 2008, 1-2)

The breadth of business CSR strategies and initiative has expanded dramatically over the last decade. All the activities embraced under the rubric of CSR vary from philanthropic contributions to measures more centrally integrated as part of core business performance.

CSR undertakings are voluntary actions that business can take, over and above compliance with minimum legal requirements, to address both its own competitive interests and the interests of wider society (Kotler & Lee 2005, 8).

Today, we are all interconnected through globalisation and problems like poverty, exploitation and the growing population rate in some parts of the world, will spread as things do not stay isolated geographically. The recent corruption in the corporate sector has also brought into focus the relationship between the commercial entities and the communities they operate in.

The CSR agenda is a dynamic one that stirs and provokes considerable debate. CSR is subject to many varied interpretations and can include a range of corporate activities and interest from labor and environmental practice to corporate philanthropy.

The term corporate social responsibility is often used interchangeably with corporate responsibility, corporate citizenship, social enterprise, sustainability, sustainable development, triple-bottom line, corporate ethics, and in some cases corporate governance. Though these terms are different, they all point in the same direction: throughout the industrialized world and in many developing countries there has been a sharp escalation in the social roles corporations are expected to play. Companies are facing new demands to engage in public-private partnerships and are under growing pressure to be accountable not only to shareholders, but also to stakeholders such as employees, consumers, suppliers, local communities, policymakers, and society-at-large. (Harvard Kennedy School, 2011)

Through CSR partnerships the organisations can make an utmost difference and achieve better results with development of grassroots project to fulfil the needs of the communities in their operational area and beyond.

1.2 Research problem

According to Malhotra (2006, 9), researchers accomplish problem definitions through discussions with decision makers, interviews with industry experts, analysis of secondary data and perhaps some qualitative research, such as focus groups, which is the case of this thesis.

The research problem structure was formulated in an analytical framework and model, such as, research questions and hypotheses for the information needed (Malhotra, 2006, 33). An exploratory research is carried out to gather information and insights into the reasons for the problems (Robson 2002, 232-234).

In this thesis the author will seek to find out how VATES Foundation's and Helsinki Cooperative Society Elanto (HOK-Elanto) engage in their CSR practices and what the outcomes of their practices are.

Table 1 explain in detail the matrix of investigative questions for this study.

Table 1: Matrix of investigative questions

VATES Foundation's & Helsinki Cooperative Society Elanto (HOK-Elanto)			
How do they carry out Corporate Social Responsible Employment Actions and with what results?			
Investigative questions (IQ's)	Relevant theory	Data collection	Results
IQ1: What CSR practices do they have?	2 & 2.3	Management interviews	4.1
IQ2: Why have these actions been chosen?	2.1, 2.2 & 2.5	Management interviews & relevant theories	4.2
IQ3: How are they carried out in practice?	2.3 & 2.4	Management interviews & relevant theories	4.3 & 4.4
IQ4: What results have been achieved?	2.6	Management Interviews & relevant theories	4.5
IQ5: How could the actions be developed?	5	Management Interviews & Relevant theories will be applied	5, 5.1 & 5.2
		Management interviews & Relevant theories will be applied to evaluate the current situation	

International Labour Organisation (ILO) is the United Nation organisation agency which is specialised in promotion of social justice and internationally recognized human and labour rights.

UN Global Compact is a leadership initiative, requiring a commitment signed by the company's chief executive.

1.3 International aspect

VATES Foundation is involved in international projects and carries on Cooperation with other international organizations and operators in the field of employment in favour of the disabled people and Helsinki Cooperative Society Elanto is one of the largest restaurant operators in the Nordic countries and the promotion of employment for people with disabilities have been raising within last decade in within the organisation and is a part their moral values to empower the communities.

Regarding the international aspect, the author will analyse the CSR practices of VATES Foundation's and Helsinki Cooperative Society Elanto. The author will applied the relevant theory to the process in order to evaluate how CSR initiatives policies are applied in benefit to people with disabilities.

VATES Foundation is an active member of the following international organisations and associations: Workability International, Workability Europe, European Union of Supported Employment (EUSE) and Confederation of European Social Firms, Employment Initiatives and Social Cooperatives (CEFEC). (VATES Foundation, 2011)

Workability International

Workability International is the world's largest body representing providers of work and employment services to people with disabilities. (Workability International, 2011)

Workability Europe

Workability Europe was the first Regional Group to be formed by the European members of Workability International in 1995. Workability Europe is the largest employer body representing providers of work and employment services to people with disabilities in Europe and has over 43 member organisations located in more than 23 countries. (Workability Europe, 2011.)

European Union of Supported Employment (EUSE)

The aim of EUSE is to facilitate the development of Supported Employment through-

out Europe and to provide a platform for networking with other organizations and associations at European and worldwide levels.(European Union of Supported Employment, 2011)

Confederation of European Social Firms, Employment Initiatives and Social Cooperatives (CEFEC)

CEFEC is a European NGO, which represents SMEs, NGOs, and organizations, which share the aim of creating work for people with disabilities in social firms. (Social Firms Europe, 2011)

1.4 Scope and benefits of the study

The aim of the research is to find out how VATES Foundation's and Helsinki Cooperative Society Elanto are carrying out corporate social responsible employment actions and with what results. The author will analyse and evaluate how the companies define their CSR initiatives practices and the outcomes of the operations among their co-operations.

The author will gather information from managers working for VATES Foundation and Helsinki Cooperative Society Elanto in Finland, to find out how the corporate social responsibilities initiatives are adhered by their co-operation in order to break down the barriers which prevent people with disabilities from participating in the workforce (VATES Foundation, 2011). The purpose of the VATES Foundation is to promote employment for disabled people and adult disadvantaged groups by developing projects with grass roots organisations in Finland. In addition, the foundation does lobby's for better legislation in favour for employment for disabled people.

The reason for choosing Helsinki Cooperative Society Elanto were to do with the fact that the company have long cooperation with VATES Foundation and since then they have been working together for integration of disabled people into workplace.

Vates Foundation will benefit from this thesis, as a way to increase more awareness to main stream employer and other small size associations who are working with disabled

people, in which do not know about the existence of the Foundation's. As knowledge and awareness increases regarding the VATES Foundation working field, thereby new partnerships and lobbies will increase. In addition, the individuals who have access to this project, they will get a real picture about intra-organizational partnerships and this is a plus for Helsinki Cooperative Society Elanto as people spread the insights regarding their positive participation in the needs of the community and doing their share as corporate citizenship. The CSR initiative actions have a win-win-win effect for all parts involved in the process, the disabled employee, the organisation working as a bridge and the employer.

1.5 Definition of key concepts

Corporate social responsibility is the main key concept in this study. Can be defined as the economic, legal, ethical, and philanthropic or discretionary expectations that society has of organizations at a given point in time (Carroll & Buchholtz 2003, 36).

Social responsible business is a form of strategic management that goes far beyond the legal requirement and social marketing (generally for-profit). Socially responsible business is actually the permanent commitment of the company to adopt ethical behavior and contribute to the overall development of society (Kotler & Lee 2005, 24).

Corporate citizenship means that companies must not only be engaged with stakeholders but be stakeholders themselves alongside governments and civil society. Since companies depend on global development, which in turn relies on stability and increased prosperity, it is in their direct interest to help improve the state of the world. (World Economic Forum 2002.)

Social responsibility means that the companies focus in the relation with all stakeholders with regard to employee satisfaction at workplace, its skills and training opportunities. In the other hand, the company foreseen co-operation with outside stakeholders and regarding product safety and consumer protection for the consumer wellbeing as well as the corporation.

Corporate Initiative assesses and takes responsibility for the company's effects on the environment and impact on social welfare. The term generally applies to company efforts that go beyond what may be required by regulators or environmental protection groups. Nowadays, “more companies than ever before are taking CSR initiatives such as corporate philanthropy, cause-related marketing, minority support programs, and socially responsible employment” and manufacturing practices due to the fact that, CSR is not just doing good but is the right thing to do and doing better through positive effects towards stakeholder groups. (Sankar Sen, 2004.)

Disability according to World Health Organisation (WHO) is defined as a condition of a certain individual, who does carry physical impairment, intellectual impairment, mental illness, cognitive impairment, sensory impairment or various types of chronic disease. Impairment is a problem in a body or structure in which certain individuals encounter in executing a task of day to day activities because of various mental or physical problems. Example of impairment is a weakening, damage or deterioration, especially as a result of injury or disease. (World Health Organisation, 2011.)

2 Corporate Social Responsibility concepts and theories

The theoretical framework of the thesis covers wide aspects of the basic CSR concepts and theories, CSR at workplace, sustainability, reasons for CSR engagement, standards and their measurement, and stakeholder relations.

2.1 Corporate Social Responsibility concept and theories

Today, Corporate Social Responsibility, CSR, is a current issue discussed in the industry, and the concept has many definitions, however, it refers to the obligation that a company has to its stakeholders who can affect public relations, corporate policies and practices. However, there are many competing terminology that is used to define CSR and can be a source of confusion and disagreement.

CSR obligations go beyond the law and the company's shareholder duties, and the fulfillment of these obligations are intended to minimize any harm and maximize the long-term beneficial impact of a company on society. The managers of companies are seeking to guarantee space in the global market. As globalization increases, businesses are required to keep with the pace of its development, seeking new ways to adjust to new markets and being competitive. (Crane & Spence 2008, 279.)

In 1962, Milton Friedman argued that the sole responsibility of business is to increase profits, creating jobs and wealth in the process. Furthermore, he says ("...in a free society there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud." (Friedman 1970.)

Others define it as being economic responsibility, legal responsibility, ethical responsibility and discretionary or philanthropic responsibility in which the society expects from the actions carried out by organisations "at a given point in time" (Carroll & Buchholtz 2003, 36).

“Specifically, we see CSR as the voluntary actions that business can take, over and above compliance with minimum legal requirements, to address both its own competitive interests and the interests of wider society” (CSR UK government, 2010)

According to Kotler and Lee 2005, corporate social responsibility is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources. Quoted: (Kotler & Lee 2005, 3)

Furthermore, according to (Kotler et al 2005, 22-24), they assume that there are six options for doing good by a corporation to support social causes and fulfill commitments to corporate social responsibility can be explored as following:

Cause Promotion: A corporation provides funds or corporate resources in order to increase awareness regarding a social issue. These initiatives go both ways, to benefit the corporation and the cause that they are sponsoring. (Kotler et al 2005, 49-52.)

Cause-Related Marketing: It's a commitment of a corporation in contributing or donating a percentage of profits to support a specific cause according to products sales. These contributions, quite often are for an announced period of time and for a specific charity. In this type of procedure, the corporation is partnered with a non-profit organisation (NGO), in which creates a mutual beneficial relationship in order to increase sales of a particular product and thereby generates a financial support for the charity chosen by the corporation. Furthermore, this kind of relationship is considered by many as win-win-win and it provides an opportunity for consumers to contribute for free for their favorite charity as well. (Kotler et al 2005, 22-23.)

Corporate Social Marketing: A corporation supports the initiative of development and implementation of a campaign in which the main aim is to improve public health, the environment, and community wellbeing. Towards this type of intervention is usually intended to behavior change focus in which differentiates from cause promotion which the output is focused on supporting awareness, fundraising and volunteer recruitment for a cause. (Kotler et al 2005, 81-84.)

Corporate Philanthropy: A corporation makes a direct contribution to a charity, this procedure is carried out most often in form of cash grants, donations and in-kind services. Important to acknowledge that this practice is perhaps the most traditional of all corporate social initiatives and has been used from many decades. (Kotler et al 2005, 144-147.)

Community Volunteering: A corporation supports and encourages their employees, retail partners to volunteer their time to support local community organisations and causes (Kotler et al 2005, 24). However, those volunteer activities may be organized by the corporation or in the other hand employees may choose their own activities and be supported from corporation as paid time off. (Kotler et al 2005, 175-178.)

Socially Responsible Business Practices: A corporation adopts and carryout a discretionary business practices and investments that supports social causes in order to improve community wellbeing and protect the environment. Those same initiatives may be conceived and implemented by the organisation or be in partnership with others as well. (Kotler et al 2005, 207-211.)

Although there are various reasons for organisations, company, or firms for engage in CSR practices, the author only discusses the socially responsible business practices carried out by VATES Foundation with partnership with Helsinki Cooperative Society Elanto.

2.2 Corporate Social Responsibility at workplace

According to Crane 2008, nowadays, the reputation of many companies appears to focus to some degree on their treatment of employees.

Major brands such as McDonalds, Wal-Mart and others have been threatened by accusations of poor labour relations at home, while there is no end of firms that have been caught in the spotlight of the media scrutiny for their working conditions in the developing countries, including accusations of child labour, forced over-time and abuse of human rights. (Crane 2008, 229)

The organisations are changing nowadays their behaviour towards the environment, stakeholders, society and as well the way they treat their employees. The media and activists, play an important role by putting pressure to employers to take serious their role as social citizens and treat their employees fairly regardless of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation (European commission, 2011).

According to Greening and Turban (2000, 254-280) it seems clear that the reputation of a social responsibility can, in some cases help to attract knowledge workers to specialized companies, and thereby boost their performance at workplace. Thus, regardless of how you look at it, if we want to understand and apply the best CSR, we cannot conduct an examination of thought labour issues. Responsibilities in the workplace were in fact among the first element of social responsibility recognized and accepted by the companies. (Crane 2008, 229.)

As mentioned in previous chapters, all purpose of the VATES Foundation is to promote employment for disable people and the aim of the organization is to try to get more employment for people with disability. The foundation carries out seminars to update skills, and these seminars are targeted to professionals and experts of various companies or organisations. Furthermore, the foundation if possible to recruit person with disabilities in the staff of VATES it can be considered as priority.

2.3 WCED and sustainable development

The World Commission on Environment and Development (WCED) and also known as the Bruntland Report, was considered radical before and after publication in 1987, this because the report had addressed how sustainability needed to be taken into account, as the combination of the three factors mentioned earlier, environmental, economic and social (UNIDO, 2010).

The elements of sustainability with regard to economic comprise the business development and the third element of sustainability is regarding to social which comprises improving communities, consumption and employment. All those three elements of

sustainability are direct linked to education and awareness. (Crowther & Capaldi 2008, 32-33.)

Helsinki Cooperative Society Elanto has being committed to all those three aspects of sustainability, by improving the communities around them by sponsoring activities to improve the community, be committed to energy consumptions which is good for the environment and creating employment for the society.

2.4 Pyramid of Corporate Social Responsibility

According to Carroll's (1991, 226-225), a corporation economic responsibility is to produce an acceptable return on its owner's investment by pursuing economical gain within a law-based society by obeying the law as legal responsibility.

However, a corporation has an ethical responsibility to do no harm and fair to its stakeholders and within its operating environment. The corporations have a discretionary responsibility to be good corporate citizen by applying strategic behaviors that can benefit the firm and the society or either do both as well. (Carroll & Buchholtz 2003, 36.)

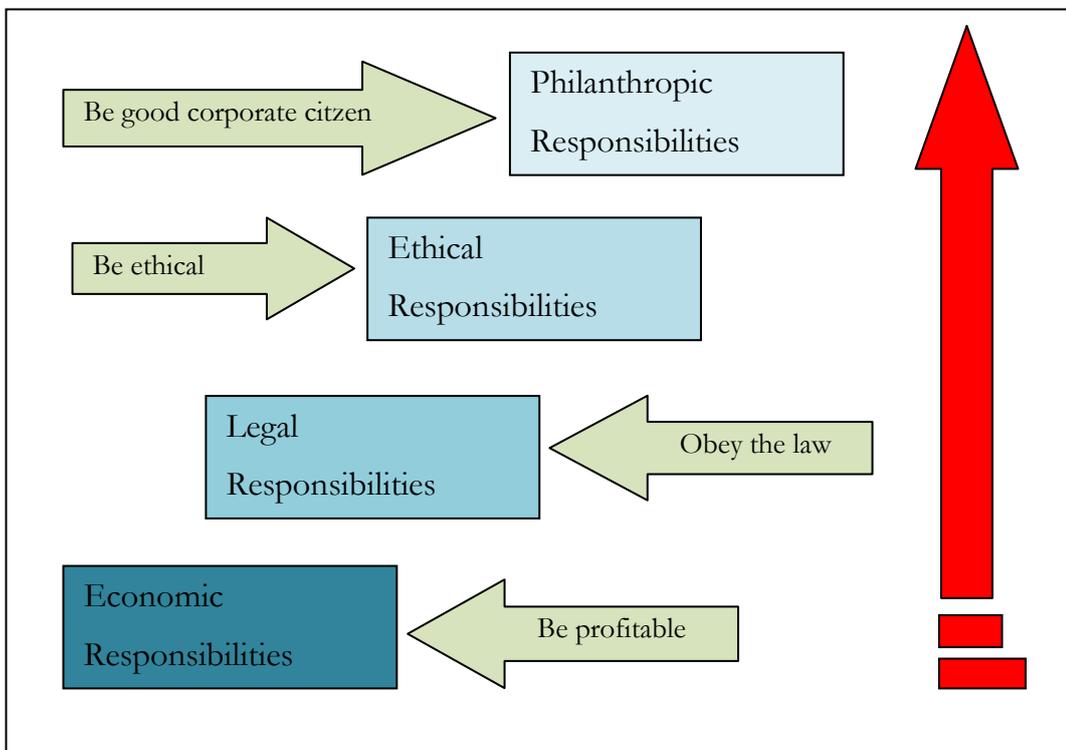


Figure 1. CSR Pyramid, adapted from Chandler et al 2011, 6. Towards the moral management of organisational stakeholders

The figure 1 of Carroll's CSR Pyramid, illustrates that the firm primary concern is economic responsibility, which means that the business as to be profitable. Second is the legal responsibility, which means that the business must obey the law. Third is the ethical responsibility, which means that the business must do what is right and avoid harm the environment and society. Finally is the philanthropic responsibility, which means that the business must be a good corporate citizen by, participate active in philanthropic programs and support the community. (Carroll and Buchholtz 2003, 40-47.)

According to Carroll's (1979), the business has economic, moral, ethical and philanthropic or discretionary responsibilities to earn a fair return for investors and comply with the law and it is fundamental to understand the nature and obligations that the business has to society. The traditional view of the company suggests that their primary, if not unique, it is the responsibility of their owners or shareholders.

However, CSR requires organizations to adopt a broader view of their responsibilities, which includes not only shareholders, but many other groups as well, including employees, suppliers, customers, local community, state, local and federal environmental organizations and other special interest groups. (Carroll & Buchholtz 2003, 36.)

2.4.1 Economic responsibility

Even thought from centuries that business organizations were created as economic entities designed to provide goods and services to societal members and the revenue motive was established as the primary incentive for entrepreneurship. For decades, business organisations were considered to be the basic economic unit in the society. The principal role of the business was to produce goods and services that consumers needed and desired in order make an acceptable profit in the process. At those days the idea of making profit was transformed into a notion of maximum profits, and yet this has been a value in the intra-organizational standing since then. In addition, the rest of other business responsibilities were forecast based on the economic responsibility of the firm. The table 2 summarize the most important statements of economical responsibilities as well as legal responsibilities. (Crane 2008, 62.)

Each year, Helsinki Cooperative Society Elanto, which is VATES Foundation partners, spends appreciable sums of money on responsibility projects aimed at improving everyday life in collaboration with other organisations as well. Furthermore, Helsinki Cooperative Society Elanto provides not only financial help but is also actively involved in the actual activity and the reason of this approach is not only to do well but better by being close to the action. (HOK-Elanto, 2010.)

2.4.2 Legal responsibility

Although the society has not only sanctioned business to operate according to the profit motive, but they are expected to comply with the laws and regulations established authorities regardless the business operation area. Therefore, as partial fulfilment of the social contract between business and society, enterprises must carry out their economic missions within the law. Legal responsibilities of companies, organisations, corporations and firms, their actions must reflect a view of codified ethics in the sense that their business practices should embrace basic notions of fair operations as established by the lawmakers. (Crane 2008, 63.)

Moreover, the EU Employment Equality Directive (Directive 2000/78/EC), prohibits discrimination on grounds of religion and belief, age, disability and sexual orientation, and it covers the fields of: “employment and education”, “Vocational training” and “membership of employer and employee organisations”. The legislations were adopted unanimous by the EU Members states in to safeguard the employment for all.

Table 2 explains in detail how companies should act on towards their economic and legal responsibilities when they engage in any business. In addition, participation of any company regardless its size, MNE’s or SME’s must achieve desired profit objectives in the long term, but the actions of their operations should always be reported and the information given should be what are reported.

Table 2. Adapted from (Crane 2008, 63). Economic and legal components of CSR

Economic Components (Responsibilities)	Legal Components (Responsibilities)
<ol style="list-style-type: none"> 1. "It is important to perform in a manner consistent with maximizing earnings per share". 2. "It is important to be committed to being as profitable as possible". 3. "It is important to maintain a strong competitive position" 4. "It is important to maintain a high level of operating efficiency" 5. "It is important that a successful firm be defined as one that is consistently profitable". 	<ol style="list-style-type: none"> 1. "It is important to perform in a manner consistent with expectations of government and law". 2. "It is important to comply with various federal, state, and local regulations". 3. "It is important to be a law-abiding corporate citizen". 4. "It is important that a successful firm be defined as one that fulfills its legal obligations". 5. "It is important to provide goods and services that at least meet minimal legal requirements".

2.4.3 Ethical responsibility

A company should conduct business in ethical ways and these operations should be not harm the environment, the consumers, employees, shareholders and the community regards as fair practices. Most the ethical responsibility embodies norms and about fairness and justice regarding the activities conducted by organisations, company, firms, corporations. (Crane 2008, 64.)

2.4.4 Philanthropic responsibility

According to Crane (2008, 64.) philanthropy responsibility includes comprehensively those corporate actions that are in response to society's expectation that businesses be good corporate citizens by actively engaging in programs to promote human welfare.

Furthermore, philanthropy responsibilities include business contributions of financial resources, executive time, education, to the community, etc.

Table 3. Adapted from (Crane 2008, 65) Economic and legal components of CSR

Ethical components (Responsibilities)	Philanthropic Components (Responsibilities)
<ol style="list-style-type: none"> 1. “It is important to perform in a manner consistent with expectations of societal mores and ethical norms”. 2. “It is important to recognise and respect new ethical norms adopted by society”. 3. “It is important to prevent ethical norms from being compromised in order to achieve corporate goals”. 4. “It is important that good corporate citizenship be defined as doing what is expected morally or ethically”. 5. “It is important to recognise that corporate integrity and ethical behaviour go beyond mere compliance with laws and regulations”. 	<ol style="list-style-type: none"> 1. “It is important to perform in a manner consistent with the philanthropic and charitable expectations of society”. 2. “It is important to assist the fine and performing arts”. 3. “It is important that managers and employees participate in voluntary and charitable activities within their local communities”. 4. “It is important to provide assistance to private and public educational institutions”. 5. “It is important to assist voluntary those projects that enhance a community’s “quality of life.”

Helsinki Cooperative Society Elanto (HOK-Elanto) launched a three year project called **LäksyHelppi** (Homework Help) with partnership with the Finnish Red Cross and the project is to support the schooling of immigrants in the Greater Helsinki area in particular. It is an important project, due to the fact that, the project seeks to prevent exclusion and to improve pupils' motivation at school. (HOK-Elanto 2010.)

Other responsible activities carried out by Helsinki Cooperative Society Elanto 2010, are as follow:

- **Duunisauma:** A portal designed to provide opportunities to open market labour and is conducted with cooperation with City of Helsinki Youth Department.
- **Food aid for the need:** Support the activity of the association of Veikko and Lahja Hursti, by providing free food distribution for people with limited means.

Further information regarding responsible activities see (Company Presentation 2010, 44-45)

2.5 Corporate Social Responsibility standards and measurements

Although enterprises have operated in different countries under different laws and regulations for centuries, some of these enterprises have taken advantage of weak regulations and malleable institutions in these countries, in order to carry out their business operations in way in which they cannot do in their own countries. These activities carried out by some of these enterprises in the 1960's and 1970's reached certain proportions and triggered discussions on creating international guidelines to regulate the activities of these kinds of companies. (ILO Tripartite Declaration 2001.)

There are several different systems that have been developed for CSR around the world, and there is thought to be “no single best way to measure” the exactly actions of its impact. These measurement systems does include reputation indices and database, known as Fortune index, pollution control performance knows as CEP's and company manager to stakeholder knows as PRESOR. Although seems to exist limitations regarding these systems as being suitable for certain type of business in certain countries, which makes limitations in dimensions, restrictions and reliability of the available data as well as the all scope measurement aspect reliability. (Turkey, 2008, 414-4116.)

Furthermore, since the late 1970's, there has being a growing number of international bodies who have come up with voluntary CSR guidelines and regulations to help

MNE's draft their CSR policies and maintain acceptable standards worldwide. However, among these guidelines, there are few which are widely used and act as standards within the corporate world, established by International Organization for Standardization 2010, such as:

1. ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy
2. The OECD Guidelines on Multinational Enterprises
3. United Nations Global Compact
4. Various ISO certifications:
 - ISO 26000 (Social responsibility)
 - ISO 31000 (Risk management)
 - ISO 9000 (Quality management)
 - ISO 14000 (Environmental management)

The ISO 26000, which is guidance for social responsibility, its development started in 2005 by six main stakeholders groups, such as industry, government, labour, consumers, nongovernmental organizations and service, support, research and others, as well as a geographical and gender-based balance of participants. Since then many debates took place in order to find a concrete step towards this important standard. The meeting held in July 2010, which there were 450 participating experts and 210 observers from 99 ISO member countries and 42 liaison organizations involved in the work group, there were a positive sign of concretisation of the ISO 26000. (International Organization for Standardization 2010.)

However, even though there were delays in all its process, the breakthrough came on 1st of November 2010 when it was launched and it seems to be one of the most eagerly awaited ISO International Standards (ISO) of recent years. "ISO 26000:2010, Guidance on social responsibility, which provides guidance to both business and public sector organizations on social responsibility". (International Organization for Standardization 2010.)

“The rules of the global economy should be aimed at improving the rights, livelihoods, security, and opportunities of people, families and communities around the world”.

(World Commission on the Social Dimension of Globalization, 2004, Note 1)

The adoption of ISO 26000 meant that companies can now follow the right guidelines of their actions if they have doubts regarding their practices.

2.6 Reasons for companies to engage in CSR

Corporate social responsibility (CSR) can make all the difference to your competitive position, as many companies do believe that strong stakeholder relationship makes the organisation more competitive. However, initiatives such as pro bono work, philanthropy, support for community-building initiatives and environmental awareness can add significant value to the company, and if the program is well designed the benefits far outweigh the costs (Coulter 2008, 52).

I honestly believe that the winning companies of this century will be those who prove with their actions that they can be profitable and increase social value - companies that both do well and do good. In fact, business leaders will no longer view doing well and doing good as separate pursuits, but one unified pursuit.... And increasingly, share-owners, customers, partners and employees are going to vote with their feet - rewarding those companies that fuel social change through business. The companies that will be worthy of their investment, money, time and energy will be those with similar values and those that can meet a much higher standard of performance. This has nothing to do with politics or subscribing to the particular ideology or economic theory. This is simply the new reality of business - one that we should and must embrace (Fiorina, C. 2001)

Companies engage in CSR due to the fact that it contributes for the reputation of the organisation by winning awards for best CSR practice actions, in which contributes direct their local, national and global image. The CSR good practices and actions has largely to do with the companies values by doing what is right and do it well. As result of good CSR practices, Helsinki Cooperative Society Elanto has received awards from

their co-operative partners namely VATES Foundation and Helsinki Clubhouse for actively employing disabled people.

Table 4. Reasons and benefits to engage in CSR

Kotler and Lee (2005)	Kramer and Porter (2006)	Crowther and Aras (2008)
Increased sales and market share	Moral obligations	Accountability
Improved brand position	Sustainability	Transparency
Improved image and clout	License to operate	Sustainability
Improved ability to attract, motivate and retain workers	Reputation	
Decrease operation costs		
Increased investment for investors and financial analysts		

Table 4 helps to explain in detail the benefits of engage in CSR. Although all are important part of CSR engagement but the thesis will not discuss most of the concepts deeply. The basic information of the concepts is explained only for purpose of information of the meaning. A moral obligation of companies is a current issue discussed in different industries and is one of the focuses of this study.

As described in the table 2 Kotler et al. (2005) describes that companies engage in CSR in order to gain several benefits, such as:

Increase sales and market share: Evidence shows that, when customers make decisions to purchase a product or services they take into account factors such as company participation in CSR activities and for Helsinki Cooperative Society Elanto is a plus due to the fact that their customers show satisfaction when they see a person with disability working in their retail shops.

Improved brand position: When a brand is affiliated with CSR it creates an exposure of the brand image and influences the customer's behavior towards the respective brand.

Improved image and clout: The firm can gain positive publications about their CSR activities practices in different reports and magazines emphasizing their work.

Improved ability to attract, motivate and retain workers: Employees working for companies that participate in CSR activities describes that they are proud of their firm and therefore it motivates them by being a part of such firm. Helsinki Cooperative Society Elanto provides on job capacitating training for their employee's gives permanent contract to skillful workers regardless of their nationality, and these procedures contributes to retain workers.

Decrease operation costs: Many firms describes that their CSR activities result in decrease operational costs and increased revenues. Moreover, strong evidences shows that companies can reduce costs for marketing campaigns, as their gain free publicity as a result of their CSR practices.

“As part of S Group, HOK-Elanto has committed to an energy efficiency agreement, which in practice means an energy-saving target of nine per cent 2008 to 2016, as required by the Energy Services Directive” (HOK-Elanto company report 2010, 42)

Kramer et al (2006, December), has another view they described that companies participate in CSR activities because of the following reasons:

Moral obligations: Companies engage in CSR because they believe that is their duty to be good citizen and do the right thing. The VATES Foundation's and Helsinki Cooperative Society Elanto is an example of a focused alliance towards CSR moral obligations in promotion of employment and integration of people with disabilities at workplace.

Sustainability: The company focuses on the environmental issues and community stewardship with believe that is the best for the company in the long run.

Reputation: Many companies explain that they use CSR practices to improve reputation, company image, strengthen the brand position, moral issues and furthermore it can increase the company stock values.

Kramer et al (2006), says that, even though many argue that companies can gain enormous benefits from participating in CSR practices, still difficult to determine exactly what benefits a company or organisations really gets as reasons of their CSR engagement. Furthermore, they argue that the connection between the companies good actions and customer attitude are somehow so indirect and therefore it is impossible to measure the exactly outcomes.

Even thought that the exactly benefit of participating in CSR practices cannot be exactly measured, as they believe that CSR will become even more important for competitive advantage in the near future.

Furthermore Crowther et al 2008, argues that uncertainty surrounds the nature of CSR activity and companies need to follow the three basic principles of CSR, such as:

Sustainability: Implies that society must no use more of a resource than can be regenerated, therefore an organisation as a part of a wider social and economic system implies that, these effects must be taken serious into account, not just for the measurement of costs and values but in the long run of the business itself.

Accountability: Organisations recognising that their action effects the external environment and therefore they are accounted for assuming responsibility of the effects of its actions. The quantifications of those effects of actions are both internal of the organisation and external. Furthermore, due to the fact that, the organisations is a part of a wider societal network, therefore the responsibility of their actions it implies to all of that network rather than just to the owner of the organisation.

Corporate accountability is the extent in which the company is transparent in its corporate activities and responsive to those services. Broadly, corporate accountability consists of (1) financial reporting accountability and (2) strategic decision transparency. Ac-

accountability is essentially a matter of disclosure, transparency, and of explaining corporate policies and actions of those whom the company is beholden. (Valor 2005, 12)

Crowther et al (2008, 20) they argue that companies participating in CSR not just because they understand that, but is the key for the business success and these engagements can give them a strategy advantage and furthermore people in those organisations really care about socially responsibility.

The writers Kotler et al, Kramer et al and Crowther et al share same view towards CSR practices actions with regard to company's business operation gains by engage in responsible business practices and being corporate citizens. Although the right amount of business practices actions cannot be fully measured they have to be sustainable and transparent while carrying out their business practices and all have moral obligations towards the stakeholders or the society in general. The study focuses on moral obligations of organisations and CSR initiatives with stakeholders.

2.7 Corporate Social Responsibility and Stakeholders

All stakeholders must be considered in decision making process of the organisation, due to the fact that a stakeholder approach acknowledge the interlaced nature of economic, political, social and ethical issues. It is visible that recently the social contract has gained a new prominence has a way to explain the relationship between a company or organisation and society. Furthermore, in the figure 3, is illustrated how the company or organisation has obligations towards other parts of the society in order to gains its palace the society. (Crowther 2008, 26-30.)

“...every large corporation should be thought as a social enterprise; that is an entity whose existence and decision can be justified insofar as they serve public or social purpose” (Dahl 1972)

The International Finance Corporation (IFC), a part of the World Bank, defines stakeholders in the as (in Asbury & Ball 2009); “Stakeholders are persons or groups who are directly or indirectly affected by a project, as well as those who may have interests in a

project and/or the ability to influence its outcome, either positively or negatively. Stakeholders may include locally affected communities or individuals and their formal and informal representatives, national or local government authorities, politicians, religious leaders, civil society organisations and groups with special interests, the academic community, or other businesses.” (Asbury & Ball 2009, 39-40)

According to Crowther et al (2008, 30), there are two main ways to classify stakeholder, such as:

Internal vs. External

Internal stakeholders are those included within the organisation particular the employee or managers and external stakeholders are customers or group of suppliers which are not generally considers as a part of the organisation. However, these assumptions in the modern organisation become increasingly difficult to distinguish the two types of stakeholders, the reasons are that some employees might be subcontracted and the suppliers might belong to another organisation within the same group.

Voluntary vs. involuntary

Voluntary stakeholders are those who can choose whether or not to be a stakeholder to a company or an organisation whereas involuntary stakeholders cannot. Furthermore, they give an example that an employee can choose to leave the employment of the organisation and therefore is considered as involuntary stakeholder. Moreover, they argue that the local societies are not able to make this choice and they must be considered as to be involuntary stakeholders.

Crowther et al (2008, 30-31) they argue that the theory of the stakeholder are based upon statement that maximising wealth for shareholder fails to maximise wealth for the society as well as all its members. Furthermore they state that all stakeholders must be considered in the decision making of the process of the organisation, and the reasons for that are such as:

Firstly: “It is morally and ethically correct way to behave”

Secondly: “Doing so actually also benefits the shareholder”

Thirdly: “It reflects actually what happens in the organisation”

Moreover, they assume that these assumptions are based in the research carried out Cooper et al (2001), which was based into large organisation or firms. For better understanding of the above assumption see the data in the table 5.

Table 5. Stakeholder inclusion in decision making. Research by Cooper et al (2001)

	Concerned with	Very concerned with
Stakeholder	(%)	(%)
Customers	89	59
Employees	89	51
Shareholders	100	78
Suppliers	70	3
The environment	62	5
Society	73	3

The research results from Cooper et al (2001) shows that the majority of companies are concerned with stakeholders in their decision making.

Furthermore, Cramer (2002, 104) argues that nowadays, the stakeholder management does play a significant role in the business, as they no longer are able continue with one way communication with stakeholder as they needed to be listened and taken into account upon the business decisions of the company.

3 Empirical research

This chapter will explain the reasons for choosing qualitative research analysis and how the data was collected for further analyses. Moreover, this chapter will discuss the findings of the research methodology (qualitative research) and according to theoretical framework section of the thesis basic concepts within corporate social responsibility the author will be able to gather information and gain insights into the underlining reasons for the study (Malhotra and Peterson 2006, 72).

Analytical framework and models will be drawn from secondary data collected and from corporate social responsibility theory relevant to the study. In addition, the author will discuss relevant theories related to reasons for company's engagement in CSR practices and benefits, as well as standards and measurement and relation to stakeholders.

Furthermore, after studying the relevant theories the author will compare and apply them to the current situation of the company's and for analytical models, the author will compare and contrast the answers by VATES Foundation's and Helsinki Cooperative Society Elanto and use tables and figures to explain the findings.

3.1 Research Approach

This thesis is based in case study, which is "a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context and using multiple sources of information" (Robson 2002, 178) to gather precise data to improve de quality of the study, which is one of the pre-requisites of case study research. Furthermore, the data collected will be processed carefully to ensure validity and reliability of the study.

Moreover, one rationale of multiple source usage is triangulation, which means that multiple sources of data evidence are used to approach the same issue and the evidence is used to view one conclusion. For example, qualitative data collection using semi-

structured interview is a valuable way of triangulating qualitative data collection methods such as questionnaire. (Saunders 2009, 137-146 and Yin 2009, 98-118.)

There are two main research approaches to choose from, such as qualitative or either quantitative research. Moreover, the main difference between these two types of research approaches are the assumptions that they are built on. The approach of collecting data is based on qualitative research. The reason for selection of this type of data collection process is generated from the problem itself. Furthermore, the author finds the qualitative method process of acquiring information most suitable for the research and data analyses (Saunders 2009, 151).

3.2 Data collections methods and analysis

The information gathered for this research has being acquired through interviews of the top management from these organisations. The result findings cover mostly of social responsibility initiatives issues such as moral obligation of the organisations. Economic responsibility, neither ecological responsibility practices of the organisations were not discussed as the author thinks that was not relevant for the current research and was not the purpose of the study.

First interview is conducted with VATES Foundation Managing Director, second interview with Helsinki Cooperative Society Elanto's Human Resources Director. The individual in-depth interviews are anonymous and were conducted face-to-face.

To acquire relevant and precise information, the questions asked were based on open-ended question in order to allow the interviewees to speak more freely of the topic and bring up questions that the interviewer did not know previously. Regarding the sampling plan, more specific sex and age and other demographics was not used because of the nature of the problem itself and the author does not think is relevant to be discussed. The identity of the respondents will be kept anonymous to maintain the confidentiality of the respondents and to encourage the respondents to speak freely without any hesitation.

The primary data were collected through management interviews face-to-face and email. The interviews were agreed with the respective Managers in advance via telephone and email and then the corresponding questionnaire was sent in advance because the topic of study CSR in which many managers avoid to talk about. The green light for the respective interviews was given by the respective managers.

The first interview was conducted on 25.03.2011 with VATES Foundation Managing Director, which took approximately about 110 minutes and it was not recorder, the author had to write in detail the conversation and it was held in VATES Foundation's meeting room. The second interview conducted on 08.04.2011 with Helsinki Cooperative Society Elanto's Human Resources Director and the interview length was about 53 minutes, and was recorded by the author only for the research purpose to help de data analysis. The information acquired from both interviews was than transcribed in order for the author carry out the proper analysis of the findings.

Moreover, different strategy approaches during the interview were used, such as, eye contact and emphasis regarding the issue discussed. These techniques contributed for the interviewees to become comfortable with the type of questions. In addition, the case study strategy can be worthwhile way to exploring existing theory and can provide sources for new research questions. (Saunders 2009, 146-147.)

The main reason for choosing interviews for obtaining the data is that the author finds them the most appropriate way to collect qualitative data for study and they are experts in CSR practices within the company. Although, the author needs to collect accurate and relevant information from the top management of these organisations, open-ended such as unstructured questions allows the interviewees to reveal various issues asked during the interview and perhaps be more willing to discuss the issue of corporate social initiatives within the company and associates.

The secondary data were collected through books, company's web site, company's documents, brochures, journal, articles and other sources which the author found relevant for this research to be conducted in an appropriated procedures and credibility (Saunders 2009, 256).

The data collected will be analysed according to five investigative questions (IQ's) which were the main basis for all process and together with secondary data, such as academic sources.

According to Malhotra and Birks (2006, 202-218), the process of analysing qualitative data can be encapsulated in four stages, such as, data assembling, data reduction, data display and data verification.

Data assembly

The data is gathered from various sources such as:

1. Notes taken and observation during the interview
2. Theoretical support from secondary data
3. Documents produced by the interviewees or respondents
4. Audiotape recording and transcripts of those recordings

Data reductions

Refers to, organising and structuring of qualitative data.

- Transcripts: The vital data source of qualitative data analysis, much attention should be taken in typing to transcribe the tape recordings of interviews. This process is very time consuming and varies from each typist.
- Coding data: Researchers need to be able to organise, manage and retrieve the most meaningful bits of qualitative data collected. "Coding enables the research to identify what they see as meaningful".

Data display

Involves, summarising and presenting the structure that is seen in collected qualitative data. Verbatim quotes can be used to illustrate the issues. Furthermore, this process enables the research to see the general meaning in the collected data.

Data Verification

This process "involves seeking alternative explanatory through other data sources and theories".

The results of the IQ's will be discussed in chapter 4 and chapter 5, before sub-chapter 5.1 which consists in development suggestions.

3.3 Reliability and validity of the data collection analysis

The validity of the study will be confirmed by the interviewees who have the proper qualifications to respond to the questions. Also, the author will scrutinise all results with caution. The author has formulated and planned the interviews carefully and five investigative questions and sub-questions were the main basis for the whole process. Moreover, quotes from the interviews will be used in the results to emphasize the findings.

The first question focuses on identifying the CSR practices within the organisation. The second investigative question is related to reasons why the organisation has chosen to be involved in these practices. The third investigative question aims to reveal exactly the actions carried out by the organisation. The fourth investigative question aims to uncover the results and benefits of their CSR engagement. The fifth investigative question focuses on mapping the actions developed by the organisations, future prospects and visions towards more employment for disabled people.

Managing Director of VATES Foundation has 17 years of experience working with people with disabilities and Helsinki Cooperative Society Elanto Human Resource Director admitted the first disabled worker in 1996 when he started his duties in the organisation. The positive attitude of both managers in starting a partnership, enable the organisations to work together contributing for the needs of their community, creating a sustainable initiative towards promotion of employment for disabled people.

The top position within the company of the people interviewees and the long experience working with people with disabilities contributes strongly for reliability and validity for the study carried out. Furthermore, the researcher has demonstrated and presented a valid meaning of the data collected. (Malhotra et al, 214)

4 CSR Co-operation between VATES Foundation and Helsinki Cooperative Society Elanto (HOK-Elanto)

As mentioned previously, this chapter shows the main results of the study and will be based upon the IQs one by one. The results of the research will be analysed in the discussion section of the study chapter 5, respectively.

4.1 CSR employment actions

According to Social Enterprise in Finland (May 2010) there are 154 registered Social Enterprises in Finland and to be accounted as Social Enterprise the some minimum requirements are needed and as follow:

- “At least 30 % of the personnel must be both persons with disabilities or a mix of those and long-term unemployed persons”.
- “The employees have an employment contract with the social enterprise, and the social enterprise pays its employees at least the salary fixed in the collective agreement”.
- “At least 50 per cent of the revenue come from business”.
- “The company forms and lines of action of a social enterprise can be freely chosen”.
- “Social enterprises operate in the open market”.
- “A social enterprise is entered in the register of social enterprises maintained by the Ministry of Employment and the Economy”.

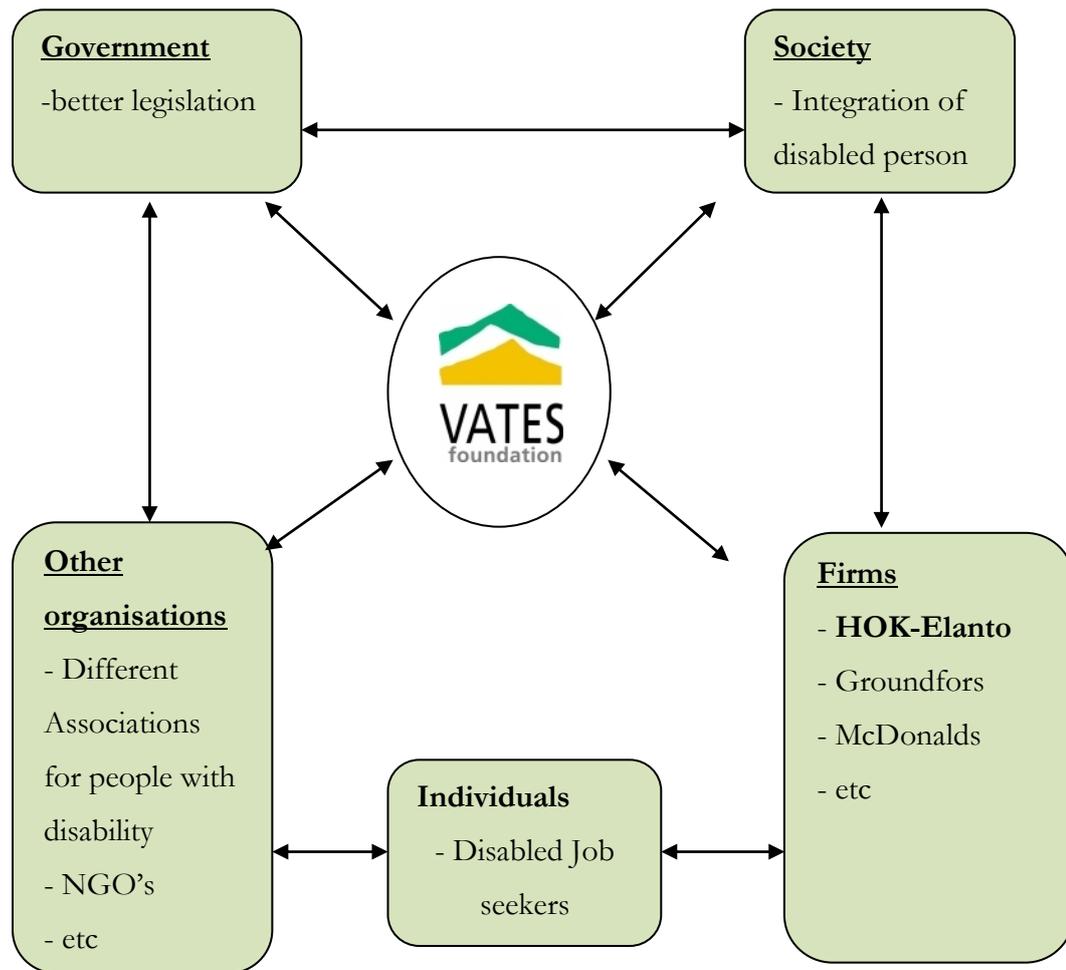


Figure 2. Adapted from the Social Contract (Crowther, 2008, 26)

Figure 2 shows how VATES Foundation carries out CSR initiatives employment actions and relation with stakeholders. VATES Foundation “collaboration partners and customers are for example disability organizations, actors of social employment, municipalities and educational establishments and ministries regulating the line of” the action carried out (VATES Foundation, 2011).

According to VATES Foundation’s Managing Director 2011a, the purpose of the organisation is to promote employment for disabled people and the aim of the organisation is to try to get more employment for people with disabilities within Finland. For VATES Foundation, the stakeholders are an important part of the entire project of employment process for the disabled people seeking work.

Table 6. Map with detailed Social Responsibility in Helsinki Cooperative Society Elanto

HOK-ELANTO Responsible Business Operations	
Economic - Social – Ecological	
Corporate citizen	<ul style="list-style-type: none"> - Social influencing - Responsible sponsoring
Equal work community	<ul style="list-style-type: none"> - Diversity management - Each employer skills are respected
Company security	<ul style="list-style-type: none"> - Minimizing security risks - Customer security - Safety at work - Product safety
Responsible human resources policy	<ul style="list-style-type: none"> - 2800 full-time workers - 3200 part-time workers - 40 disabled workers
Supported employment	<ul style="list-style-type: none"> - Learning difficulties - Mental illness
Social welfare organisations	<ul style="list-style-type: none"> - Children´s hospitals organisations - Helsinki Club House - The Finnish Red Cross - City of Helsinki Rescue Department

The table 6 shows in practice how the Helsinki Cooperative Society Elanto’s conduct responsible business operations and its relationship with stakeholders. Economic responsibility is discussed partial and ecological responsibilities will not be discussed under this study even though is an important part of the company’s values and practices.

Helsinki Cooperative Society Elanto complies with Global Compact ten principals, respective under principle 6 “The elimination of discrimination in respect of employment and occupation” and International Labour Organisation (ILO) rules of engagement in coherent business practice. Table 6 shows Helsinki Cooperative Society Elanto CSR practices actions, initiatives, co-operations and implementation and table 7 shows the Global Compact ten principles.

Table 7. Adapted from Global Compacts ten principles, n.d.

Human Rights	
Principal 1	“Businesses should support and respect the protection of internationally proclaimed human rights”
Principal 2	“Make sure that they are not complicit in human rights abuses”.
Labour	
Principal 3	“Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining”
Principle 4	“The elimination of all forms of forced and compulsory labour”
Principle 5	“The effective abolition of child labour”
Principle 6	“The elimination of discrimination in respect of employment and occupation
The Environment	
Principle 7	“Businesses should support a precautionary approach to environmental challenges”
Principle 8	“Undertake initiatives to promote greater environmental responsibility”
Principle 9	“Encourage the development and diffusion of environmentally friendly technologies”
Anti-Corruption	
Principle 10	“Businesses should work against corruption in all its forms, including extortion and bribery”

4.2 Effective employment system

“VATES Foundation promotes employment and vocational rehabilitation of people with disabilities or other disadvantaged groups”. They promote the employment of those people in the open labour market and the functional opportunities of social employment unities” for the main stream employer. The work carried out by the Foundation is at the nation-wide level. (Vates Foundation 2011)

“VATES Foundation maintains networks of actors in the field of special employment and lobbies for legislation, labour market and rehabilitation systems. The Foundation work essentially includes development of employment methods, training and consulting, research and projects”. (VATES Foundation 2011.)

The Foundations has a social responsible action practices within organisation, these actions are considerate to be internal factors, and are carried out by employing disabled people as part of their staff. This action does help the management to improve the knowledge regarding working with disabled people. According to VATES Foundation Managing Director 2011, the organisations own policy towards CSR practices does include the following for their employees:

- “Good health service”
- “Flexible working time”
- “Recreation activities are covered by the foundation”

The actions carried out by the foundation do include also campaigning with disable workers for young disable persons. Moreover, two people found work last summer 2010 in VATES Foundation office and this year the same will be done. In addition, within the principal purpose of VATES Foundation it is also very important to have real contact to the networks of disabled persons, this approach helps to understand better the disabled person attitudes and to evaluate the strengths, weakness, opportunities and threats that they face in the real world situation, therefore it is important if there are disabled persons direct in VATES staff. (Varanka, M. 2011)

According to VATES Foundation 2011 It is important that institution, private sector as the main stream employer and associations for disabled persons do work together in order to find precise information regarding workplace and training for better inclusion for the people with disability in the society. The Foundation does not only promote employment for disabled and adult disadvantaged groups, but also does help disabled teenagers as well to find summer work.

For VATES Foundation, Workability Europe is a an institution where the Foundation can seek advice and guidance regarding inclusion of disabled people and regulations in favor of same disadvantaged group within the European Union. Therefore is an important working partner for the Foundation.

Moreover, Workability Europe was the first Regional Group to be formed by the European members of Workability International in 1995. On 8 February 2001 a legal framework was established for Workability Europe as an independent not-for-profit Association under Dutch law. (Workability Europe 2011.)

Today, Workability Europe seems to be the largest employer body representing providers of work and employment services to people with disabilities in all Europe. The institution has over 43 member organisations located in more than 23 countries and the growing membership provides work programmes for over 1,250,000 persons with a disability yearly. (Workability Europe 2011.)

4.3 Reasons for choosing CSR actions

The first reasons of VATES Foundation choice to be involved in CSR practices to promote employment for disabled people were chosen by the association for the disabled upon its establishment in the beginning of 1990's. Second they assumed that would be very difficult for the disabled to find work in the open market. Third the insight knowledge from VATES Foundation Managing Director about people with disabilities was another factor. Fourth but not least is within the principal purpose of VATES Foundation to have real contact to the networks of disabled persons, and the outcomes shows that is very important to have disabled persons direct in VATES staff, in order to get better insight and constant feedback to help others in similar situation. (Varanka, M. 2011)

As responsibility being a natural part of the corporation way of working, Helsinki Co-operative Society Elanto's desires to improve the working conditions of their workers, by providing benefits for their co-operative members, investing in its customers, employee's welfare and they care for the environment.

For the success of the Foundations, it is extremely important to involve the stakeholders in all phases of the projects, and the main reasons for that are:

Firstly, the experience shows that the involvement of the stakeholders in the VATES Foundation project, significantly increases the chances of success by building in a self-correcting feedback by building a bridge between both sides, the disabled employee and the main stream employer, such as Helsinki Cooperative Society Elanto, furthermore, the Foundation can provide trainings for both parts in order to match the skill with ability which is an fundamental part of the puzzle.

Secondly, by involving the stakeholder in the projects builds confidence in the disabled worker and will greatly ease its acceptance in the target audience, such as the main stream employer, to overcome the prejudice that still existing that the disabled person cannot work. In addition VATES Foundation carryout development projects with grass roots organisations functions for better integration of the people with disabilities.

VATES Foundations gives annually an award to an exemplary employer and this does contribute positive for the reputation of the awarded company.

“We take responsibility seriously, and it is present through our working day...we exist to provide services and benefits for our co-op members” (HOK-Elanto 2010)

Helsinki Cooperative Society Elanto (HOK-Elanto) is part of the S-Group, and provides grocery and restaurant services for residents of the Greater Helsinki area in Finland. The company is has over 500,000 customer-owners and employs around 6004 employees. Moreover, the company as a good reputation in their operations and CSR practices and it has contributed significantly for the growth of their business, for example Helsinki Cooperative Society Elanto’s operates in the Greater Helsinki area with 300 stores, and holds market leadership in retail grocery trade and has a trend of +7.5%. According to 2009 survey it as showed a positive trend: “Helsinki Cooperative Society Elanto’s employer image index on the scale of 1-100 was 71 and responsibility index 72”. Moreover, the assumptions show that is “three percentage units higher than

other retailers”. From these results achieved by the company it is clear that CSR practices contribute to the organisation's image and reputation. (HOK-Elanto 2010)

According to Stredwick (2000, 55), sex, age and disability are less apparent but have a carping and restricting effect towards society and serve to waste precious skills and ability. Equal opportunity and managing diversity at workplace is an insight that managers must pursue in order to create harmonies at workplace. Helsinki Cooperative Society Elanto has an equal opportunities and managing diversity at workplace as a key factor in their business practice.

According to the Disability Discrimination Act 1995 (DDA), first, it is unlawful to discriminate against employees or applicants because of their disability. Secondly, there is an obligation on all employers to include people with disability and make reasonable adjustments to the workplace in order to accommodate the needs of disabled persons to ensure that they are not disadvantaged, with a few exceptions, such as the armed forces or prison services. (Stredwick 2000, 62-63.)

Top management positive CSR initiatives, practices and actions do contribute directly to the values in which the organisation stands. According to Varanka, M. 2011, VATES Foundation Managing Director, it can be seen that when a disabled person starts to work in an organisation, the staff of these companies find that it is important to employ people with disabilities and the working environment is positive. The examples of these assumptions are the following:

- “The disabled come more often to work and they are happy doing the work”.
- “The disabled worker never complains about their disability”.
- “Attitude change among workers in the same working environment”.

Helsinki Cooperative Society Elanto is a company that has job retention policies in practices in favour of the disabled and other disadvantaged groups. Job retention means “that staying with the same employer, with the same or different duties or con-

ditions of employment, and includes return after a period of paid or unpaid absence”. (International Labour Organisation 1997 Yearbook of Labour Statistics)

In addition, according to Helsinki Cooperative Society Elanto Human Resources Managers 2011, equal work opportunity and managing diversity is a policy that the company has been implementing, for example:

- 35% of HOK-Elanto employees are under 25 years old.
- In Alepa 10% of their employees are immigrants.
- They promote work for young, senior, mental illness and immigrants.

4.4 CSR employment in practice

It seems that many people with disabilities recruited with VATES Foundation, they have contacted the organisation themselves. As mentioned by the author in the other chapters, the VATES Foundation owns policy is to disseminate information regarding employment for disabled people and help mainstream employers. VATES Foundation was the one who contacted Helsinki Cooperative Society Elanto for possible employment for people with disabilities, since 1996 both organisations have been working together.

Some organisations after acknowledgment of existence of VATES Foundation and their values, they make the first step towards employment of disabled people, for example Grundfos Finland.

4.5 Results achieved through Cooperation

Figure 3 illustrates how VATES Foundation in partnership with Helsinki Cooperative Society Elanto, pursue the enrichment of a local community through the creation of employment opportunities for disabled people and other disadvantage groups contributing for a sustainable work placement and inclusion.

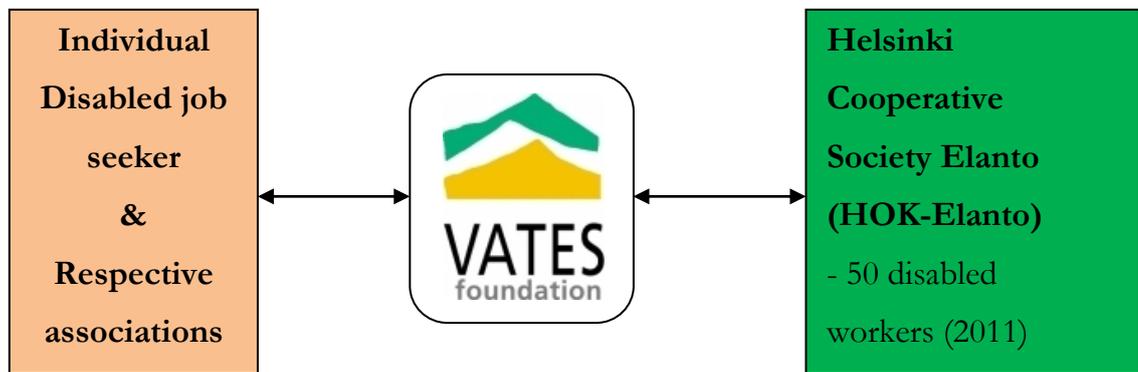


Figure 3. VATES Foundation & Helsinki Cooperative Society Elanto alliance

There are approximate 50 disabled with leaning difficulties working in Helsinki Cooperative Society Elanto and from that total number 40 persons have permanent contracts. The company has being employing people with disabilities or special needs since 1996 and the practices will continue to take place in future, because is within the company values policies.

According to Varanka 2001, VATES Foundation carries work as a bridge between the individual disabled employees, disabled associations and the main stream employers. The actions carried out by the foundation include the following:

- “Trainings to help the open market employers to understand the disable worker”.
- “Trainings to help the disabled job seeker in order to match the work with the ability”.
- “Conduct dialogue with private employers to find out what benefits the corporations can have by employing disabled people”.

The results demonstrate that, the cooperation between the VATES foundation’s and Helsinki Cooperative Society Elanto’s is a fundamental part for the integration of people with disability and other disadvantaged groups in the working society. By working together both organisations can find various solutions regarding employment initiatives actions and these practices have a positive contribution for the needs of the community around them, the needs of community of their nation and the needs of

community in the wider world. In addition, some of people with disability they have academic background and with right integration process they are able to carry out important tasks in the organisations.

VATES Foundation's carry's the work as a bridge, between the employer and employee for those companies which does employ people with disability and other disadvantaged groups. The foundation's work is extending further to companies willing to employ people with disability by explain to them about the benefits that they can have by employing people with disability.

The integration process for people with disabilities is carried out in a manner in which the initiative outcome has a **win-win-win** result for all sides.

Helsinki Cooperative Society Elanto acknowledges that Vates foundation is an important partner for them and the co-operation will continue. Furthermore, Vates Foundation gives annually an award to an exemplary employer and this does contribute positive for the reputation of the awarded company. Helsinki Cooperative Society Elanto has received awards for implementing good CSR policies from Vates foundation and from Helsinki Club House.

Helsinki Club House is a part of the chain of Internal Centre for Clubhouse Development (ICCD), which is a global resource for communities creating solutions for people with mental illness by giving them hope and opportunities to reach their full potential. Further information: <http://www.iccd.org/about.html>

5 Discussion

This chapter will summarise the key findings from the study conducted to help to define and understand exactly how CSR initiative are carried out, both from the VATES Foundation's and Helsinki Cooperative Society Elanto's perspectives. The information gathered through primary data collections, interviews of the top management from these organisations will be analysed, and together with secondary data, such as academic sources, recommendations will be made for development suggestions.

This Bachelor's thesis focuses on ways in which organisations work together to achieve desired goals that benefit disabled people or employees. Furthermore, the purpose was to analyse corporate social initiatives such as the employment of people with disabilities and how the VATES Foundation "promotes employment and vocational rehabilitation of people with disabilities or other disadvantaged groups" and Helsinki Cooperative Society Elanto are carrying out and implementing these practices, taking into account the impact of the actions.

CSR employment actions carried out by VATES Foundation includes trainings to help the open market employer, and information dissemination towards the benefits that organisations gain to employ disabled persons. In addition, the organisation carries work as a bridge between the disabled associations, individual disabled seeking work and private employers.

Effective employment system are carried out by VATES Foundation by employing disabled persons has part of their office staff and Helsinki Cooperative Society Elanto the work provider.

The reasons to choose CSR practices are due to the fact that, VATES Foundation's and Helsinki Cooperative Society Elanto's moral values include inclusion of disabled people into workplace, and it is unlawful to discriminate. Furthermore, managing diversity at work place improves the work environment.

CSR employment in practice carried by VATES Foundation consists in disseminate information regarding employment for disable people and help main stream employers and Helsinki Cooperative Society Elanto is the employer of these disabled people.

Results achieved through cooperation between both organisations have created access for approximately 50 employees with learning difficulties and from that sum 40 have permanent contracts.

As companies do become more aware of the inclusion of people with disabilities, this will enable the internal management attitude change towards disabled people. However, because is not obligatory but volunteer to employ people with disability, many companies simple do not bother in including or finding out about this important issue.

Marietta Varanka 2011, VATES Foundation Managing Director and Antero Levänen 2011, HR Director of Helsinki Cooperative Society Elanto, they share the same views that, people with disabilities are a potential workforce but they still lacking practical ways to find employment at individual level and they have low self of steam.

“As job placement officer you must be aware of the barriers disabled persons face. Equally important, you must be prepared to help disabled persons find workable solutions to overcome these barriers. The main focus of your effort should be potential employers” (International labour Organisation 1997).

5.1 Development suggestions

The integration of disable people into the society is an important factor and this can be carried out by an effective employment system. The main stream employers need to be ensured that the disable person can carry out any type of task that a normal person can, and this can be done by the following procedures:

- Matching the work to the skill.

- Awareness by the media and government entities responsible for disabled people. This can be done by a partnership between the government and different media sector, such as television, news papers, radio, etc.
- Large scale awareness regarding work places for disabled people.
- Disseminate awareness more effective regarding “**Job coach**”, which is the entity whom does provide support for the disable persons and employers.
- Give more space for local problems (disable in need of work), instead of promoting more outside issues.
- Encourage the companies to make the first step, by “**looking the disable not to is disability but to is ability**” (VATES Foundation Managing Director 2011).

Communication strategies must be developed further in order to increase further awareness to main stream employer and other associations working with people with disability and special needs. Special Music Centre Resonaari, it is a non-profit organisation that promotes social services for the youth, elderly and disabled people. The music school promotes positive cultural integration for people with special needs and intellectual disability and is a pioneer in their area of work. The association has nearly 200 students attending the music school and in 2009 received a received the International Music Councils (IMC) Musical Rights Awards.

Further information: <http://www.resonaari.fi/?sid=155>

The associations did not had any knowledge about the existence of Vates foundations and the author hopes that the both organisations, promoting employment and positive integration in favour of people with the disabilities can work together and open more opportunities for the wider community with special needs. Working together we can make a more noticeable difference.

5.2 Conclusion and recommendation for further research

CSR is a constantly debate issue and companies' initiatives to be socially responsible are taken to account through the allocation of corporate resources (for example money, staff resources and time) to activities intended to improve societal welfare.

Moreover, CSR can be seen as opportunities for all individuals, working within an organisation, regardless of the position, to be positive contributor for the needs of the community around them, their nation and the wider world.

The VATES Foundation Managing Director 2011 and Helsinki Cooperative Society Elanto Human Resources Director 2011 they are an exceptional role model of CSR initiatives in promoting equality and diversity at workplace. The incentives to be positive contributor for the society are largely to do with sense of delight, that they feel at their participation promoting employment for people with disabilities are considered as gift towards at themselves, and the sense of pride that they feel that their company is involved in this initiative has to do with positive attitude within the company's values and principles.

Further research is required to find out the needs to create own labour market union system in favour for disabled people and other disadvantage groups and better communication strategy approaches.

The results show that the main stream employer in Finland will continue to employ people with disabilities, but positive attitude is needed at every level from the lowest to the highest within an organisation. In addition, more companies will open the doors for the disabled people and other disadvantaged groups as they acknowledge that one part of the diversity is to employ people with disabilities.

According to Helsinki Cooperative Society Elanto Human Resources Director 2011, the number of persons suffering from mental illness is increasing in Finland and studies to find out why this is occurring should be carried out.

5.3 Reflections on the research process

The usage of credible and reliable source to obtain relevant information for the study was one of the author main aims.

As the managing Varanka, M. 2001, put it: “Employers very often think negative because they don’t have experience working with people with disability...this is because they think that the person with disability can’t work...the most important thing is to focus on the ability NOT on the disability of the person.”

Moreover, from conducting this study the author have learned that corporations have a role, as well as individuals within the corporation’s, and is about what is the connection between the company’s commitment, company’s impact and individuals working within the company, their duty to see solutions delivered into opportunities to make a powerful difference, in favor for disabled people and other disadvantage groups in the community around us the community in wider world.

Nowadays, still insidious towards people with disability, as many employers still think that someone with disability cannot work but “people with disabilities have much in common with non-disabled”(Heron et al 1997).

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6 Appendix

6.1 Appendix 1. Concept map of the study

