HOW CAN STAKEHOLDERS INFLUENCE MANAGEMENT'S COMMITMENT TO THE SUSTAINABLE DEVELOPMENT OF A COMPANY

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ABSTRACT

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Abstract

Sustainability is a concept which is gaining more and more attention. The translation of sustainable development in the business context is done through Corporate Social Responsibility (CSR). CSR is widely studied in the context of corporations and large companies, but there is a lack of research in the world of Smaller and Medium Size Enterprises (SMEs), which function differently than the large ones.

In this case study, a car company from Romania is chosen for studying the introduction for the first time of CSR in the business strategies. The purpose of the research is to analyse if stakeholders' perspective on sustainability could have an influence on the management's commitment to sustainability. Materiality analysis, a tool which is used to understand which topics are material for a company, is used to describe the stakeholders' and the managers' perspective on sustainability.

The case study is mainly qualitative, but some quantitative research methods have also been used, allowing for facilitation and data triangulation. The answer to the research question is revealed through interviews and the observations made along the research period.

The findings of the research support the idea that sustainable development is a concept which requires for systems thinking and a change of paradigm, making education one of the most important arenas for future progress. Further, findings of this study are also in agreement with conclusions from other studies on SMEs that much more research should be carried out in the context of CSR in SMEs.

Key words
Stakeholder influence, management commitment, Corporate social responsibility (CSR), business sustainability, Small and Medium Size Enterprises (SME), materiality analysis

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4

CONTENTS

6

LIST OF TABLES AND FIGURES

Figures

Tables

1   INTRODUCTION

1.1   Background of the research

The world is changing, and it seems that the time has come for businesses to decide whether they change along with it or not. Unfortunately, it is 'an unprecedent journey for which there is no road map' (Lubin and Etsy, 2010). Sustainability became a new megatrend (Lubin and Etsy, 2010), as well as businesses' transition towards sustainability (Loorbach and Wijsman, 2013). There is a myriad of terms, concepts, paradigms evolving around this megatrend, with implications in the way businesses are designed, in the way we live and think and in the way our systems were created, that is why Moltan-Hill (2015) suggests to consider systems thinking when reading sustainability, accepting the complexity of the world as a multi levelled web and suggests ways of dealing with massive amounts of information and links between them – as well as value reflections, and philosophical assumptions in business.

Research is also scattered into a multitude of segments, all related somehow to sustainability and there is no clear big picture regarding these remarkable climatic, environmental, and societal changes we are facing (Makonnen, 2020). However, as Hines (1988) beautifully puts it: 'having the full picture – a true, a fair view of something – depends on people deciding that they have the full picture'. I intend to sketch in this research the picture I have drawn so far, my view and experience on embedding sustainability into the business context.

1.1.1 Sustainability history

The history of the concept of sustainability is as complicated and complex as any history story can be. The explicit formulation of the sustainability movement took shape in the 1980s and 1990s, although the concept stretches back into the early modern period; the recent growing consciousness on the downsides of industrialization, the 250 years of ecological assault on the planet triggered by industrial revolution, having a moribund economic system that has drained the world of many of its finite resources and that has exacerbated social inequality, advocating for economic growth at the expense of resources and essential ecosystem services, have stimulated the interest in sustainability and a re-evaluation of growth-based capitalism (Caradonna, 2017). The Handbook of the history of Sustainability (Caradonna, 2017) is an amazing collection of relevant information and the best place to start understanding sustainability with all its interdisciplinary connections across numerous disciplines from arts to sciences. It is important for the historians of sustainability to go into the history of social justice and economic history, as well as in environmental history (Caradonna, 2017).

The current sustainability movement could not have existed without the classic environmental movement (Caradonna, 2017). Since 1962, when Rachel

Spring published her environmental book on the effects of the use of pesticides, inspiring an environmental movement, there has also been an increase in the research on the relationship between humans and their impacts on the environment.

The increasing attention on sustainability and sustainable development, as Magee et al. (2013) state as well, could be traced back to the Limits to Growth report of Meadows and Club of Rome (1972), to the Brundtland report (WCED, 1987) by the World Commission on Environment and Development and to the UN Conference on Environment and Development's subsequent Agenda 21. I would add to this, the contribution of Thomas Malthus's research 'An Essay on the Principle of Population' (1798), which was actually the first to raise attention on the issue of population growing at a geometric rate versus food sources multiplying only at an arithmetic rate.

As Johnston et al. (2007; cited in Geissdoerfer et al. 2017) found in their research, there are around 300 definitions on sustainability. Geissdoerfer et al. (2017) relate the term of sustainability to the origin of the word in French ('soutenir') which means 'to hold up or to support' (Browns et al., 1987 cited in Geissdoerfer et al. 2017) and also to the modern conception of the word that comes from silvicultural principles – the amount of harvested wood should not exceed the volume that grows again. Geissdoerfer et al. (2017) state that the concept has further progressed and transferred to the context of ecology as a principle to respect the ability of nature to regenerate itself. As Geissdoerfer et al. (2017) find, the modern definition of sustainability, from Oxford Dictionary (2010), is 'being able to be maintained at a certain rate or level'.

The Brundtland Report was the first to coin the definition of sustainable development (which is also the most used): 'sustainable development is the development that meets the needs of the present without compromising the ability of future generations to meet their own needs' (WCED, 1987; p.8). Most of the other definitions of sustainable development are based also on the principles of the Brundtland Report (Haugh and Talwar, 2010). In 2015, all the UN member states adopted the Sustainable Development Goals (17 goals, as part of the 2030 Agenda for Sustainable Development), as a universal call to action to deal with the global challenges and achieve a more sustainable future for all (UN, 2020).

1.1.2 Sustainability in Business

Due to various environmental catastrophes occurring in the 1980s and 1990s, a lot of the attention focused on companies, with more pressure from stakeholders for greater accountability and transparency (Moltan-Hill, 2015), as well as pressure for a shift towards sustainable development (KPMG 2012).

Nowadays large corporations and smaller businesses are considered to be the future leaders for change (Moltan-Hill, 2015), this pointing out their importance in society, and they are expected to take account of their impact on society and the environment in the way they do business (WBCSD 2000, cited in

Haugh and Talwar 2010). There has been a lot of research on why should companies take upon sustainability initiatives (Bansal, 2005; Hansen et al., 2009, cited in Maas et al., 2016), on sustainability reporting and adoption of environmental management systems (KPMG, 2013) and also on how to integrate management systems (Maas et al., 2016), on social and environmental accounting (Dey 2007, Hines 1988), and also various research for different frameworks for successful business transition (Loorbach and Wijsman, 2013; Lubin and Etsy, 2010).

There is an emerging consensus that sustainability/sustainable development has three pillars: economic, social, and environmental pillars, which are related, and also their impacts are deeply interconnected (Haugh and Talwar, 2010). Elkington (1997) transferred this understanding in the business context through the idea of a triple bottom line (people, planet, and profit), which suggests that businesses should not only look at the economic prosperity of a firm, but also at social justice and environmental quality (Moltan-Hill, 2015), by accounting not only the profit, but also the sustainability of a firm. Sustainable development is still a contested concept for various reasons, and some may still question whether the resolution of social and environmental problems is the responsibility of corporations (Haugh and Talwar, 2010).

Even if there is still some criticism surrounding the ideas related to sustainable development and sustainability, it is also clear that sustainability represents a megatrend, already shaping the business world, and business's capacity to create value for stakeholders (Lubin and Etsy, 2010). This megatrend suggests there is a fundamental change in society which will imply a fundamental change in markets and ultimately in individual businesses (Loorbach and Wijsman, 2013). As Loorbach and Wijsman (2013) claim, transitions seem inevitable in the context of sustainability (because of limited resources, ecological thresholds, changing economic and demographic landscapes) and businesses will also be impacted by them. Without adaptive strategies or adopting the proactive strategy to lead the change, existing businesses will be threatened. Loorbach and Wijsman (2013) also share the view that the 'sustainability problems in the society will only be resolved by structural systemic changes in terms of technology, economy, culture, ecology, institutions and organisation: a transition.'

The transition towards sustainability brings up both risks and opportunities (KPMG, 2012), and it is up for each business whether they acknowledge and create the vision and the methods to navigate the megatrend, or they get left behind.

The way in which companies have started to address sustainability issues is through **CSR** – Corporate Social Responsibility or Corporate Sustainability (CS) or Corporate Responsibility (CR) which are methods to mitigate on the negative social and environmental impacts companies might have on society. Also, environmental and social management systems with the aim of measuring and managing sustainability performance have been developed, implemented and also studied in many papers (Maas et al. 2016). The transition perspective is however different and opposed to the methods stated above, because it assumes that front-

runner businesses move beyond stakeholder engagement and sustainability accounting at the firm level to addressing tensions between businesses and society; it assumes firms to engage into a societal problem and find ways to address the problem through their business (Loorbach and Wijsman, 2013).

1.2   Purpose and objectives of the research

This transition is what I wanted to focus my research on. I found the opportunity of becoming the CSR coordinator in the case study company and on my first day I had to ask myself 'how do you start this transition? Which is the first step?'. Therefore, the motivation for this research lies in the practical side of it. I have always wanted to be able to apply in a practical way everything I have learned in my academic background. Moreover, I have always felt that there is a big gap between the academic world, the theories and concepts created and the real economic world and how things happen most of the times.

Transitions usually start with a phase of increased pressure in a dominant structure in the system, due to internal dysfunction of the system, or due to increasing competition of alternatives, or changing external context (Loorbach and Wijsman, 2013). The transition towards a more sustainable company could have remarkably diverse approaches varying from strategic to practical: you can start focusing on strategic management and including sustainability goals in the long-term plans of development, focusing on inducing pro-environmental behaviour on employees, the importance of Key Performance Indicators (KPIs) and reporting, introducing an environmental management system, setting social and environmental rules and practices and KPIs to follow, etc.

Usually, this type of business transformation either comes from external pressure (creditor, legislation, competitors), or from internal reasons (shareholders' or management's interests and values, desire to obtain competitive advantage, aiming strategic leadership, etc.) (Haugh and Talwar, 2010). From previous research we can see that in most situations, sustainability is gradually implemented in a company, with the management's support and implication. The commitment to sustainability differs from one case to another, some companies only taking it up at declaratory level and organizing some random activities, or donate money for social and environmental causes, and others, which are committed to deep transformation of their business, include sustainability KPIs and goals in the development strategy of the company.

I did look for these pressure points (either external or internal), in order to design the transformational process and prioritize which steps should be made first, however, I could not find any internal, nor external pressure. In Romania, the country of the case company, the concept of sustainability is not as widespread as in the rest of Europe and its implications in businesses is only starting to appear now in the context of large retail companies. In the auto-industry, especially at a dealer level, it is almost unheard of, therefore there is no source of

external pressure. The particular situation of the studied company is the lack of management's interest, knowledge and belief into the transformation towards a sustainable business. Therefore, it makes the mission of starting a transformative process in the company to be almost an impossible one. Without management's support or interest is almost impossible to obtain systemic change, as there is no legitimacy and no mindset towards sustainability in operational actions. The top management agreed to offer me the role of CSR coordinator as they believed the importance of the sustainability perspective upon business in the future, however, their commitment to change seemed to be purely declarative (or maybe they did not fully understand the implications of the transformations towards a sustainable business). Therefore, my research is based on a case study which follows the transformation of management's response to the exposure of sustainability-related information (conceptual, empirical, and practical from best practices in other firms), CSR actions in the company and most importantly to stakeholders' views on the sustainable development of a company, and what matters to them.

Therefore, the research question for my Master Thesis is:

> How can stakeholders influence managements' commitment to sustainable development?

This case study aims to combine various literature streams and create a positive example to be followed for companies which find themselves in the same context: where there is a licker of desire to engage in a transformation towards sustainability, but there is no roadmap, nor real commitment from the management to do so. Management commitment to sustainability in organisations has been studied before (mostly based on the environmental side), however, there is a gap in literature on how the stakeholders' perspectives can influence the commitment of the management on sustainability. Therefore, this study will combine the literature stream of stakeholders influence with the literature stream of management commitment. Moreover, this case study is based on a medium sized company, so I intend to contribute to the very little literature found (Jenkins, 2004; Jenkins, 2006; Jenkins, 2009; Vo, 2011; Nejati et al. 2014)) on sustainability transformation and CSR in SMEs.

1.3   Structure of the research

In order to answer the research question, the plan is to use stakeholders of the studied company as a pivotal point in order to make the management realise, firstly, their existence, importance and acknowledgement. Secondly, using a materiality analysis and a materiality map, I intend to draw for the management a picture containing the other stakeholders' perspective on the responsibilities of a company and what is important for them, what matters for them in their relationship with a company.

Materiality relates to identifying and prioritising the most relevant sustainability topics, taking into account how stakeholders and management appreciate each topic and the effect the organisation could have on each of the topics or on the stakeholders. Materiality assessments are formal exercises aimed at engaging stakeholders to find out how important specific environmental, social and governance (ESG) issues are to them. The insights gained can then be used to guide strategy and communication, and help one tell a more meaningful sustainability story (Torelli et al. 2019). In this particular case study, I intend to use the materiality analysis to build a discourse which, presented to the management, could prove to them two important views for the company's future development and survival:
- importance of the company's stakeholders and how they feel about sustainability;
- Importance of sustainability transformation.

I will first present the case study company in the following chapter. Secondly, in the theoretical background chapter we will explore more the theory surrounding the stakeholders' perception and how it could influence managements 'commitment and also we will explore some of the previous research done on sustainability in SMEs.

Then, in the methodology chapter, I will describe step by step the rationale for the chosen methods for this research, as well as the data collection methodology for each step. The concept of materiality analysis and its use will be introduced. All the results for each of the steps in data collection will be presented and analysed in the chapter 'results and analysis'. The chapter 'findings and discussion' will bring together the research findings with the findings from the literature research, looking for ways to answer the research question. The research paper will end with the 'conclusions' chapter.

2 THE CASE COMPANY DESCRIPTION

2.1 Company history and description

There is a rather complicated and challenging history of this firm. The company was started in 1999 as a Car Dealership of Daewoo. The company was started by two brothers and their friend, but as the friend died, it became a pure family business, with more family members involved in various roles. Since 1999 the company has developed and grew bigger with more car brands in its portfolio. There were also smaller companies that were launched around the main one, so that each small company takes care of a different car brand. However, now, at the present moment there are 3 limited responsibility companies (Autonet SRL, Asko International SRL and Kaizen Auto SRL) administering 5 car brands, branded together as a big car dealership group: Asko Group. Asko Group is the umbrella that brings all the brands together, but it is only used as a branding method; the financial books are different between the three companies. The 5 car brands are now: Suzuki, Honda, Toyota, Kia, Mazda. This group is only located geographically in the capital of the country, Bucharest.

Asko Group is a family business because the people in charge of the business (decision makers and shareholders) are part of the same family (my father and my uncle). Moreover, there are more family members working in the company: my mother, another uncle and 2 cousins, and now, since very recently, my two sisters.

As many other fellow Romanians did, my father and my uncle seized the opportunity of an emerging free market in the era after communist fall, to open a new business, when many people were taking a leap to become an entrepreneur. They were serious and fair; therefore, the business survived all the changes it faced since the 90s until today. As it is described by EU (2015, SME definition), the company is a middle size business, with more than 60 employees, selling and repairing cars – a car dealership. The structure of the business is somehow complicated. Due to the success faced in the beginning of Autonet – the first company created- selling Daewoo cars at first, and then Suzuki, and also due to the increasing passion for cars, as well as for entrepreneurship, the two brothers decided to start a new business: Asko. In order to take advantage of an opportunity which had arisen, in 2014, the Bilciurescu brothers created a new firm, Kaizen, as a Toyota dealership. Also, in 2015, Autonet acquired a new car brand in its portfolio – Kia. And in 2019 Asko acquired a new car brand in its portfolio, Mazda. However, for the simplification of the case study I will refer to all three businesses as the family business or the business/the company/ the firm/ the group, even if the shareholders structure varies from on company to another, and also in-

volved family members vary. In Figure 1, a graphic representation of the 3 companies is presented as well as a detailed structure of shareholders and the brands each company represents.

Figure 1. Share-holding structure of Asko Group

2.2 Company organisational structure, details, and management structure

The company has always functioned by some informal and semi-clear guidelines created both bottom-up and top-down, but no by written procedures. As the company has a long history and there is a big group of employees who are working in the company from the beginning, many practices were developed in time, together with the employees or by the employees, and as they were the ones doing the job, there was never a need to formalise these procedures. There are areas in the business, such as the sales department, which have started to have a faster employees' rotation than in the past, employees changing quite often, and where the sales manager created some written procedures to facilitate the start of new employees. There is no formal, clearly established, transparent board of directors, but somehow everybody in the company knows how power is being distributed.

Until recent years the main manager of the group was also the main shareholder, Doru Bilciurescu (my father). A few years ago, in 2018, he decided to step down and he named a new general manager for the entire group, with two executive directors (one at each big firm), creating a sort of informal board. I say informal because there are some things which are being discussed together as a board and some things which are done separately and there is no clear and transparent decisional process. My father, Doru Bilciurescu is still very much inside

the business, but more as a counsellor rather than an executive. However, there is no big decision which does not go through him, therefore one could say he is more of an owner-manager. His brother, the other shareholder is not so much involved in the business with strategic managerial decisions. The current governance of the company and hierarchy is presented in the model in Figure 2.
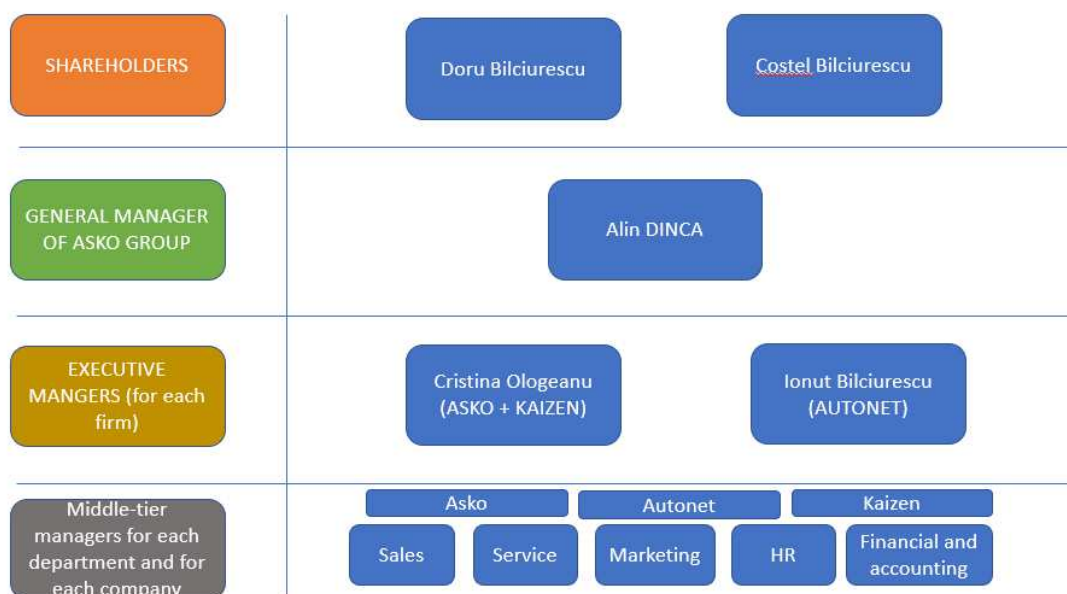
Figure 2. Governance structure of Asko Group

Alin Dinca, the general manager of the group, has been employed in the business for 19 years today, as well as Cristina Ologeanu – the executive director of Asko and Kaizen. Ionut Bilciurescu (my cousin) has worked for the company since he was 20, started as a sales counsellor and he is now executive director of Autonet.

The overall number of employees for the whole group is around 120, which places the company in the SME category. There are 5 locations in Bucharest for the group and based on the car brand sold market share varies quite a lot, being the best representation of Honda in the country, and the newest for Mazda, the last for Kia.

2.3   The structure of this type of business

A car dealership works more or less as a franchised store, independently owned, but following the rules and guidance of the automaker. Dealership profits mainly come from servicing, some from selling used cars, and little from selling new cars.

There is not too much flexibility in this type of business, as you are basically representing the brands you sell. Of course, there are some small steps you can do to differentiate yourself from other competitor dealers, however, in big lines the rules are set by the country managers of the automaker. In Romania,

most car brands function by the following model: there is the big (global) automaker with factories all around the globe, then there is a European representation and then a country representation. In Romania, the country representation for each brand is called the Importer (because it is the only one who can import that brand directly under a special licence). The importer has then in its management all the local dealers: they set the sales targets, the servicing&parts targets, the order of the cars is made through them and their system (most of the time) and in some situations the websites and the marketing materials are also provided by them. Toyota for example, is very well structured and they want to have control on every step you take, therefore they do not allow dealers to have their own website (so that all dealers have the same type of websites and a unified image to the public). Of course, depending on your performances, your size, your market share and so on, some things become negotiable as you gain more power, however, the role of the Importer is to prevent any dealer gaining too much power.

2.4   My role and involvement in the company

I started to work in this company in 2014 in the Toyota showroom as an office manager. I did this for almost 1 year, then I moved onto sales. I did not enjoy sales at all, and I realised the company had no solid marketing, so I basically started to do marketing, setting the grounds of the marketing department, which later became the marketing department of the whole group. Now I have started a new role as a CSR coordinator, role in which I want to set a roadmap for transformation towards sustainability for this company.

The reason for which I was permitted to have this new role as CSR coordinator in the company is mainly because the owner-managers were opened to hear out my plea for the importance of a sustainable business. I insisted that changing our business model is important in the era in which we live, but I realised that it is only me who is interested in sustainability. Firstly, in order to convince the management to create this position I had to sell CSR and promise that it will change the brand image of the company and it will bring competitive advantage. The management, nor the ownership (as the decision meetings are with the managers and the owners) did not know about sustainability or CSR, what it means, what it refers to, but they made fun saying that 'the employees of this company need to make money, not to go out and hug trees'. However, they accepted the CSR position with the promise of improved brand image, for better marketing of the company.

I realised it is exceedingly difficult to work in these conditions when the goal is to transform the company into a more sustainable one and I also realised I am all alone for the job. I have some very little management support, but I do not have their true implication and commitment for the change.

I might have approached the situation from a wrong angle. I came with big ideas, especially with a very pro-environmental behaviour and I think people have not understood what I aim for and I have not understood what they want. Of course, as managers and owners of the company they want to make money, but they are also humans, and they act and think as humans. I need to understand what it is they value, so I can get them on board with the transformation of the company into a more sustainable one, because sustainability is also about an equilibrium, about living better, about ethics, and these should all be aspects to aim for.

3 THEORETICAL FRAMEWORK

3.1 Corporate social responsibility in business - the SME context

3.1.1 How to integrate sustainability in business

The generations before us have left us with challenging decisions to make and interesting, but difficult times. The combination between population growth, excessive consumption and pollution is pushing the limits of the Earth; many activities firms do, contribute to ozone depletion, toxic spills, deforestation, resource depletion and greenhouse gas emissions; it is important that future generations have at least the same standard of living as we do, if not better, and that would not be possible without the existence of resources and on a polluted planet (Bansal, 2002).

Sustainable development is based on 3 pillars/principles: environmental, social, and economic. The environmental principle requires that society protects its environmental resources, the social principle requires everyone to be treated fairly (including future generations), and the economic principle requires an adequate production of resources for society to maintain a reasonable standard of living (Bansal, 2002).

Jansson et al. (2017) consider that businesses together with consumers carry the burden of environment's degradation and that they should be key players in the road to increase sustainability (environmental sustainability); therefore, they consider companies, especially Small and Medium Sized Enterprises (SMEs), to have an important role for a more sustainable development. Moreover, the public is no longer happy with companies focusing only on profit maximization (Eccles and Serafeim, 2012). This means that the moment has come for businesses to realise that past economic success is no guarantee for the future success, and now social and environmental motives are gaining more and more attention and legitimacy (Nejati et al. 2014).

SMEs have also started to recognize that they operate in a broader intricate adaptive system and begin to understand that they have roles and responsibilities to society at large, not only to their immediate owners; therefore, sustainability or sustainable development as an alternative approach to manage the organization, is becoming a major concern in the business area, also for SMEs (Imran et al. 2019).

Labuschagne and Brent (2005) write that business sustainability refers to "adopting business strategies and activities that meet the needs of the enterprise and its stakeholders today, while protecting, sustaining and enhancing the human and natural resources that will be needed in the future"; it refers to taking business actions which aim to meet the existing needs of the organization and its

members, while sustaining the human and natural resources which will be employed in the future; it's a long-term effect perspective (cited in Imran et al., 2019).

Corporate social responsibility (CSR) is the method through which businesses set the ongoing terms of general agreement between the business and society, which assumes that businesses do not only hold the responsibility towards their owners, but also to everyone who has a stake in the company (stakeholders) (Nejati et al., 2014). Deriving from the idea that business and society are truly interlinked, CSR can be defined as the responsibilities of a company towards society and the environment (Wood, 1991, cited in Torelli et al. 2019).

Something which was noted during the research and which could be confusing for someone unfamiliar with this field is the terminology used in the existing research field when referring to sustainability in business. Many times, the concept of sustainability overlaps with the concept of CSR or with environmental responsibility. There are different terms and in detail they refer to different smaller parts which belong to the entire big picture of sustainability, but viewed from a wide perspective in the business, they refer to the same thing - any action in the business which is meant to transform the business into a more sustainable one (either focusing on the social part or on the environmental part). Therefore, it should be mentioned that in this paper, whether the research referred to was about business sustainability, or CSR, or environmental responsibility or social responsibility, they were all considered similar concepts and treated the same in the dialogue.

Moreover, also regarding terminology, the people in the SMEs interviewed by Jenkins (2006), expressed difficulty in understanding the concept of CSR, as it was not a term commonly used in-house, even if most of them could relate it to the idea of having an awareness on the impacts of the business, and wanting to have a positive impact. CSR was defined informally in these companies, and depending on each SME, it could usually be broken down into component parts, such as: community involvement, work-life balance, environmental management, etc; Jenkins (2006) identified that some companies did not like to use the term because the word 'corporate' gives the impression that it implies a large company and does not apply to a SME. He concluded that the CSR strategies in SMEs should focus less on policies, procedures, and external elements and more on the practicalities of its internal elements (Jenkins, 2006). Zenisek (1979; cited in Vo, 2011) concluded that the term CSR means something to people in SMEs, but just not the same to everybody, leading to the realisation there is no universally accepted definition.

3.1.2 The triggers and pressure to engage in CSR?

Based on the information above, that society is no longer happy with companies only looking after profit maximization, one would say that there needs to be some sort of trigger to force or incentivize companies to also investigate and engage in social and environmental issues. This trigger can have different forms: it

could come from internal or external pressures on the company to change, the values and beliefs of the owners or of the managers, or from the perceived benefits which come from CSR practices like the desire to gain competitive advantage in the market, cost reductions, company image, etc.

In Whitehead's research (2017), we read about internal versus external drivers of sustainability, rather than pressure; the internal drivers arise from within the company and the most common are the managerial attitudes towards sustainability transformations (Belz and Schmidt-Riediger, 2010; Marshall et al., 2005; Neugebauer et al., 2015; Ras and Vermeulen, 2009; cited in Whitehead, 2017) and external drivers usually have a direct influence on the internal ones, therefore their intersection is important to observe. Most of the companies adopt sustainability initiatives due to regulatory pressures, media attention, innovations, business model development or stakeholder management (Maas et al. 2016). Also, there is a suggested idea that new sustainable business models can be developed to bring together profitability, social responsibility, and ecological sustainability (Loorbach and Wijsman, 2013), and help the company gain competitive advantage in terms of reputation and ability to attract quality employees and give them a high satisfaction and sense of belonging (Nejati et al. 2014).

When it comes to external pressure, many sustainability steps are taken under legal compliance (such as environmental legislation). Colwell and Joshi (2013) follow the teachings from institutional theory and conclude that institutional pressure fosters corporate environmental responsiveness by creating a sense of legitimacy around these actions (and social responsiveness in the same way), it creates a generalized perception that such companies' actions are 'desirable, proper, or appropriate' (Suchman, 1995, p. 574, cited in Colwell and Joshi 2013). The organizations which are predisposed to develop a healthy and symbiotic relationship with society and the environment, will perceive the institutional pressure as an opportunity for change, not as a threat; and when strategic issues are framed as opportunities, proactive action ensues (Colwell and Joshi 2013).

Businesses are encouraged now to go the extra mile, beyond only acting due to legal compliance and engage in projects and activities previously occupied by the public sector (support education, become involved in local communities, etc.) (Jenkins, 2006).

There are companies that engage in CSR either fuelled by legal compliance (institutional pressure) or by perceived economic or image opportunities which may arise; but there are also still many small business owners who doubt that investments in environmental improvements (or social) would result in benefits to their business, questioning their company's engagement in CSR (Nejati et al., 2014). Moreover, there are also many SME managers who consider not only that engaging in CSR does not bring any benefits (as it is not important to consumers, nor a potential source of competitive advantage, nor a marketing issue), but also that it could have an adverse impact on the financial costs of the company (Nejati et al., 2014).

There is also another category of triggers for CSR engagement, and this is the ethical part of it, which I would say, it is the most important, at least for moral reasons, as Carroll (1991, cited in Loorbach and Wijsman, 2013) also suggests. When you know you can do something better and there is a chance to have a positive impact on stakeholders (at least employees and customers if not even more) and on society at a small scale, it would be unethical not to consider it at least. Baumgartner and Rauter (2017) claim that the strategic decision can be grounded either in economic rationality or in normative-ethical considerations, and that the main reason to choose a sustainability approach is to reduce negative social and environmental impacts, while improving the economic performance of a company. Economic profitability should not end where social responsibility starts. Moran and Ghoshal (1996, pp: 45; cited in Engert et al. 2016) suggest a reorientation of business strategy "to reflect the fact that what is good for society does not necessarily have to be bad for the firm, and what is good for the firm does not necessarily have to come at a cost to society". In Jenkins's study (2006), most people from the interviewed companies justified CSR importance for the company through moral and ethical arguments, saying 'it is the right thing to do', or that 'everybody has a responsibility to do what they can', with a sense of integrity, well-being, and satisfaction. In these companies CSR was defined and implemented informally, and it was driven by the personal values of the business owner-manager.

3.1.3 What are SMEs?

SME stands for Small and Medium Sized enterprises, which are regarded by the European Union to be the enterprises with less than 250 employees (Nejati et al. 2014). Micro businesses have less than 10 employees and the annual turnover of more than 2 million euros; small businesses have fewer than 50 employees and medium businesses less than 250 employees (Vo, 2011). Of course, there are more criteria to define MSMEs (micro, small and medium sized enterprise), but taken together as a category of businesses, a more complete accepted definition would be 'enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million.' (European Commission, 2013).

While size is an important factor in the definition of SMEs, it does not make them homogeneous, as there are many other internal and external dynamics going on, portraying the uniqueness of each SME (Jenkins, 2004, 2009; Vo, 2011). Bolton (1971; cited in Jenkins, 2009) describes the SME behaviour in terms of the psychological characteristics of the entrepreneur, as usually, a small enterprise lacks formal management, therefore the personality of the 'owner-manager' will sketch the DNA of the SME and its approach to various trends or milestones along its development path. Moreover, it is not only about the owner-manager, but also related to the other employees and people in the business. As SMEs are formed of less people, individual opinions, and attitudes of employees and of the

managers are very important for the behaviour of the company (Jansson et al., 2017).

SMEs are an essential source of economic development and they play a major role in the economic system, representing around 90% of all organizations and more than 70% of all the global job offer, as estimated by the Organization for Economic Co-Operation and Development (Imran et al., 2019).

Many SME owners believe their company have little impact on the environment or on society (Vo, 2011), but the cluster impacts of SMEs cannot be ignored (Nejati et al., 2014). Even if SMEs rarely attract national or global attention and may not have a significant impact individually (Spence et al., 2003 cited in Jenkins, 2006), they constitute a significant part of the European economy. In UK for example, at the beginning of 2004, SMEs accounted for 99.9% of all enterprises and for more than half of the employment and turnover (Jenkins, 2006). The European Commission analysed in 2018 that in Romania there are about 500 000 SMEs which represent 99.7% of the total firms in the country (Ziarul Financiar, 2019). Apart from their significant contribution to the European (or even to the world) economy, MSMEs are thought to be responsible for around 60% of all CO2 emissions and for 70% of all the existing pollution (Parker et al., 2009, cited in Nejati et al., 2014).

3.1.4 SMEs vs. large businesses

From the text above it might result the conclusion that there is a unanimous agreement that ALL companies should engage in CSR and integrate sustainability in their 'lives' adding value for business as well as for society (Loorbach and Wijsman 2013), by redesigning the business, and changing the fundamental value system of the firm, processes and procedures or management philosophy (Jansson et al. 2017; Haugh and Talwar 2010). However, the story is not as simple as that. Indeed, there is an increased awareness and actions in this direction, of sustainability in the corporate sector, but this is valid for large corporations, not so much for SMEs (Jansson et al. 2017). Moreover, most of the existing empirical research in the sustainability area, is focused on large corporations, as it is seen as a macro-level activity, while SMEs have received little attention in this area (Van Marrewijk, 2003; Valor, 2005; Nejati and Amran, 2009 cited in Nejati et al. 2014; Jenkins, 2006; Wang, 2018; Imran et al., 2019; Vo, 2011). Therefore, CSR has traditionally been associated with large companies, and the conventional approaches are based on the assumption that large companies are the norm, advances to engage companies in CSR being simply scaled down to 'fit' SMEs (Jenkins, 2006).

Other than shortcomings coming from the lack of research in the SME field, there are scholars who argue that SMEs need more convincing business cases to engage in sustainability actions; the lack of commitment of SMEs in CSR may come from various reasons: they find no reason to engage in social and environ-

mental actions as they believe their impact to be minimal, or, they consider national and local governments to be responsible for leading such actions, or even larger companies, or, the company culture itself is an internal barrier (Jansson et al. 2017). Moreover, there are SMEs which do not consider CSR to be a core business issue, but rather a non-urgent, nor important one, and some SMEs that just cannot see or believe there are any business benefits (Nejati et al., 2014). Also, there are many managers who claim that the costs of sustainable development outweigh the benefits (Bansal, 2002). This can be because many benefits are 'intangible', and when it comes to SMEs, very few can actually experience hard cost savings, or direct impact in the financial performance (Jenkins, 2006) as it is promised by the literature focused on CSR in large corporations, and even fewer probably can measure or quantify these intangible benefits, like 'employee motivation', and its direct effects on the business.

Access to resource and information is a major challenge, being one of the biggest problems working against SME sustainability, especially in developing countries; also, together with the lack of information and knowledge, there is the general lack of financial resources and capability for innovation (Imran et al., 2019). From the perspective of a SME manager, to answer the 'why' question, would require many resources like time or human resources which might not be available; also, the required knowledge or financial capital (for example to pay a sustainability consultancy) might not be available either, so if there is no external pressure or legislative pressure, a business manager might not even consider asking the 'why' question. As Porter and Kramer (2006) also noticed, many companies are not aware that their business responsibilities should stretch so far, as to include sustainability issues.

As described in the subchapter before, SMEs are not a homogenous category; they tend to be quite unique, and they are definitely not 'little corporations' (Jenkins, 2006). SMEs function in different ways than large companies, they have different circumstances and competences: financial resources, organizational structure, management style, production capabilities (del Brio and Junquera 2003, cited in Jansson et al. 2017).

Even so, and with all the tests and challenges regarding putting the concept of sustainability in practice in individual firms, and even if many SMEs have very low degrees of understanding sustainable practices (Imran et al. 2019), sustainability is slowly permeating its way from large companies into all scales of business operations (Belz and Schmidt-Riediger, 2010, cited in Whitehead, 2017; Jenkins, 2006; Imran et al. 2019). This could be because SMEs have started to face strong competition from larger companies or be scrutinized by different stakeholders (Imran et al. 2019). Jenkins (2006) observes that the emphasis on the cumulated social and environmental impacts of SMEs, led to an increasing number of initiatives aimed at engaging SMEs in the CSR agenda.

3.1.5 How different types of SMEs react to sustainability

Attention to CSR has indeed started to be observed also in SMEs, however, it is an important research question to see why some SMEs are more committed to sustainability than others (Jansson et al. 2017). Depending on the type of SME (or its level of maturity) many classifications have been created by researchers and ways in which these might react to various challenges (like sustainability).

Based on the idea that proactiveness is connected to sustainable innovative practices in the SME context (Aragón-Correa et al., 2008), Jansson et al. (2017) distinguish between market-oriented organisations (MO) and entrepreneurial oriented organisations (EO). Janssons et al.'s (2017) conclusion is that both MO and EO can impact the manner SMEs deal with the sustainability aspect of their operations; for MO, the market is very important and the consumer is the main focus, therefore stakeholder pressure trigger SME to develop sustainability measures; EO on the other hand, is considered to have innovativeness, proactiveness and risk-taking, 'through the flexibility, foresightedness and ability to think in new ways, represents a resource that allow companies to see opportunities, and work with sustainability issues on a strategic level' (Jansson et al. 2017, p.72).

Roome (1992) and Hunt and Auster (1990) have suggested classifications of firms based on their degrees of proactivity in environmental management, which Henriques and Sadorsky (1999) linked to a more general categorization scheme developed in CSR literature by Carroll (1979): the reactive, defensive, accommodative and proactive scale, RDAP (Henriques and Sadorsky, 1999, p.88). Miles and Snow (1978, cited in Aragon-Correa et al., 2004) define a firm's proactivity the tendency to initiate change rather than react to events, and they also offer another classification which considers managers and their influence in terms of pattern features.

These classifications are important as they set a foundation for the process of transition to a sustainable business model (Visser 2014, cited in Lambrechts et al., 2021), which is also categorized in stages, very similar to the ones set from the models before, based on the degrees of proactivity of a company. This study also uses a model based on Long's et al. (2018; cited in Lambrechts et al., 2021) nomenclature to analyse the stage in the sustainability transformation in which the company finds itself in, but this will be described in more detail in the methodology part.

As we have seen until this point, there are many constraints that impact an SME's ability to respond positively to CSR challenges and act positively, like access to resources and capabilities, but not just as a response to the external environment (Imran et al. 2019), and the typology of the company. In the next subchapters we will apply a closer look to the insides of a company and examine what role do management values and management commitment have in the CSR of a SME and in the transformation towards sustainability.

3.2 Management commitment and management values in the SME environment

As it was already briefly mentioned in subchapter 2.1, but not thoroughly explained, the most common form of SME is the one in which the ownership and control lie with the same person (the owner is also the main manager of the company), therefore the personality of the 'owner-manager' designs the business model (Jenkins, 2006, 2009; Nejati et al. 2014). When it comes to CSR, this type of management, of course, gives a high degree of autonomy and legitimacy to the personal decisions made on how to use company resources and how to approach CSR related issues (Jenkins, 2006; 2009), and the owner's actions or inactions will directly impact the firms 'directions (Nejati et al. 2014). Therefore, I considered that for the purpose of this research it is very important to explore the importance of the owners-management values and commitment to environmental and social responsibility and the relationship between these and CSR. Even if the owner is not necessarily the main manager of the company, given the nature of small business few persons make all the critical management decisions of the firm (managers), therefore they are assumed to have the most comprehensive knowledge about the firm practices and strategies (Nejati et al. 2014); moreover, it is still believed that in a SME the owner's will and personal beliefs will set the direction which should be followed by the manager, in the situation in which they are 2 different persons (Jenkins, 2006). Taking this into consideration, I will continue to refer to the management, manager, or owner-manager in this chapter, as being the leading force of a SME.

Thus, it is true that shareholders-managers can have a significant impact on the firm's responsible practices, but this does not necessarily mean that the link is positive and in favour for adopting CSR, as shareholders might not have the same societal interests as other stakeholder groups (Nejati et al. 2014). If there are owners-managers to share Friedman's (1970) views on CSR, which he believes is unfair and a socialist practice and that the only social responsibility of business is to increase its profits (Mulligan, 1986), then the autonomy and legitimacy they have in a SME would not help in the sustainability transformation of the company. However, as Grant (2010, pp: 34; cited in Moltan-Hill 2015) observes: 'Profit is the lifeblood of the organization, but it is not a goal that inspires organizational members to outstanding achievement'.

3.2.1 Management's values, leadership, and relation with employees in the context of CSR

As SMEs are formed of less people than large corporations, owners-managers have usually close contact with most of their employees creating a blur in hierarchy, managers usually taking the role of co-workers with the other employees (Nejati et al. 2014) and individual opinions and attitudes of both employees and

managers are very important for the behaviour of the company (Jansson et al., 2017). Employees are also believed to constitute the most important internal stakeholder in SME and a valuable asset (Nejati et al. 2014). Their support is indispensable for the success of CSR practices, while their perception of CSR is affecting the organizational commitment, their satisfaction, loyalty, perceived organizational support, and organizational pride (Wang, 2018). Wang (2018) remarks that little is known regarding how positive attitudes towards CSR-oriented management can be best facilitated among employees, whereas Jenkins (2006) strongly affirms that CSR practices are much prone to success and could take a great leap forward if introduced by senior manager, whom in a SME, would commonly be the owner-manager; if they are to champion CSR in the company, the SME's owner-managers need to show effective, strong leadership to push such values (Jenkins, 2006). Peters and Waterman (quoted in Gray and Smeltzer, 1989, p. 66; cited in Jenkins, 2006) refer to champions as 'individuals within the organisation who pioneer new products or concepts and are given the freedom to try out these ideas'. Even when there are champions for CSR activities, and even if these champions are represented by the owner-managers of the SME, employees are still needed to buy in, for a successful transformation (Jenkins, 2006).

So, the champion role of an owner-manager in a SME is particularly important to promote CSR practices and for the organisation's commitment, but for them to become champions one might wonder what role their values play and how they might end up taking upon this role (Jenkins, 2006, 2009; Jansson et al. 2017). There appears to be a large body of research which has studied the environmental values, attitudes, and beliefs as an explanatory variable of sustainability practices (Burke and Gaughran, 2007; Cassells and Lewis, 2011; Kearins et al., 2010; Williams and Schaefer, 2013; cited in Jansson et al. 2017) and most studies show the importance of the values and personal ethical beliefs of the managers for developing more environmentally friendly practices and thus sustainability, without indeed showing the extent to which the positive attitudes turn into action leaving room for 'values-action gap', where firms do not necessarily actually follow the positive attitudes or values from owner-managers (e.g. Cassells and Lewis, 2011; Revell et al., 2010; cited in Jansson et al. 2017). In order to avoid this 'value-action gap', and for CSR to work in a company, more than just having an internal champion, top management (owner-managers in the case of SMEs) should really and truly be committed to the sustainability transformation. In a big company CSR needs the top's management commitment, but it is usually driven by champions at the middle-tier, whereas in a SME the owner-manager is usually both the driver and implementer of values (Jenkins, 2006). Further, we are going to explore the relationship between management's commitment to sustainability practices and the success of the CSR actions.

3.2.2 Management commitment

Eccles and Serafeim, (2012) believe that to become a sustainable company is very difficult in the situation in which any of these elements are missing: 'an organizational culture that includes strong capabilities for change, commitment to innovation and high level of trust'; moreover, they believe that to develop broadbased commitment to sustainability (as it is something to develop when companies are not really born with this idea in mind), companies need leadership commitment.

Management's commitment on firm-level initiatives and its outcomes is a topic which has been largely investigated and researchers have contended that management commitment does affect the organisational outcomes, which could be an important way for SMEs to gain organisational sustainability (Imran et al. 2019). Colwell and Joshi (2013) show that top management commitment can moderate the relationship between institutional pressures and corporate environmental responsiveness. Imran et al. (2019) call for attention on the positive connection between access to information and resources, and SME's innovative capability and management commitment (the higher the access to information and resources, the higher the commitment and greater capability to innovate). In the management and strategy literature, management commitment is very important for a firm's innovation outcomes: 'Management commitment plays an indispensable role in building capabilities, resource allocation, and helping the firm to gain a competitive advantage' (Chadwil et al. 2015 cited in Imran et al. 2019) and Kurtako et al. (2014; cited in Imran et al. 2019) believe that a lack of top management commitment to innovation is a common reason for business failure. This is all important, because top management has a fundamental role in actualizing organizational plans and strategy as well as the whole business model. Therefore, their decision encompasses resource commitment and firm changes or transformations (such as sustainability), leading to access to information, which further on leads to positive SME innovative capability (Imran et al. 2019).

Colwell and Joshi (2013) believe that long-term top-management behaviour is especially important and the key to building an organisational culture that values the natural environment and thus sustainability, because a sustained positive behaviour, through the resource allocation decisions and actions, will lead to an organizational culture of respect for the environment and society.

Erdogan et al. (2015) have a rather intriguing study on the relationship between the perceived management commitment to the environment and employee attitudes and behaviour; firstly, based on the existing literature, they distinguish between affective commitment (emotional attachment), continuance commitment (owing to the lack of alternatives) and normative commitment (owing to felt obligation) and decides that affective commitment is salient and proximal outcome of CSR (e.g. Chun et al., 2013; Turker, 2009; cited in Erdogan et al. 2015). The study is based on a deontic view and the authors assume that individuals are more sensitive to poor treatment of third parties when they are treated well themselves, theory which is in accordance with Bansal's (2002) belief (as a

metaphor) that people become aware of their surroundings and protect their natural environment only when they reach an acceptable standard of leaving and are not so critically tied to their basic needs for survival. The perceived organisational support (POS) refers to the degree to which employees perceive that the organisation values them, and Erdogan et al. (2015) found that the management commitment to the environment was associated with perception of organisational justice, only when POS was high; also with high POS, the management's commitment to the environment was perceived as more positively related to organisational commitment. Therefore, we learn that employees' attitudes are in direct relation to how management commit to and treat the environment, and that the reputation of a company seen as being a good citizen could wake positive feelings and engagement especially when the employees themselves are treated well ('when employees are treated well (high POS condition) they become more attuned to how the organization treats the environment'). However, opposed to this idea, Erdogan et al. (2015) found that employees may display fewer pro-environmental behaviours when management commitment to environment is high because they sense that the environment 'needs' it less, which could represent an especially important factor in the sustainability journey, requiring additional efforts from the management. My obvious question that arises from this is how would the management commitment to the environment be perceived if POS was low and employees had negative feelings for their own treatment; wouldn't they become critical and frustrated? As Erdogan et al. (2015) point out, this finding calls for further research to differentiate between different forms of CSR activities and also recognises the very complex interactive effects they can have on employees' perceptions.

The idea that employees may display fewer pro-environmental behaviours (in the situation they are also treated well) when the management is committed to the environment (Erdogan et al., 2015) is quite intriguing and fairly isolated from the common perception in this research stream that: leadership (or top management) commitment to sustainability (environment/social causes) is positively related to employee attitudes and 'eco-initiatives' for CSR practices, and perceived organisational commitment to sustainability (Wang, 2018; Aragon-Correa et al. 2004; Jenkins, 2006; Jansson et al. 2017). Moreover, in Aragon-Correa et al. (2004) study we read how in the situations of institutional pressure, managers exercise strategic choice undertaking environmental and social strategies, which are associated with their interpretation of the environmental/social issues seen either as threats or as opportunities. This is closely related to the fact that in SMEs, managers (and especially owners) have autonomy and can exhibit their personal beliefs through the exercise of managerial discretion, and mould the company culture based on their values, which are a powerful driver of ethics and standards (Jenkins, 2006). Literature shows that CSR can be the result of championing by managers, (in SMEs this being the owner-managers), and that if these executives take some environmental and social responsibility, it may offer greater opportunities for sustainability initiatives and commitment from the others, and

also for positive actions outside of the company (Jenkins, 2006; Aragon-Correa et al. 2004). However, if sustainability issues are considered unimportant by the top executives/top-managers/owner-managers and responsibility is assigned to someone lower down in the hierarchical structure of the organisation, outside of the dominant coalition, this individual would not have enough power, and CSR actions would not be as successful as they could be with the commitment of champions in the dominant coalition (Aragon-Correa et al. 2004). Aragon-Correa et al. (2004; p.972) describe this relation as follows: 'having responsible people who have high managerial discretion improves environmental commitment and, at the same time, high environmental commitment requires having specific people in charge and increases their importance'; their study's results clearly show that the internal management (top executives in particular) have a very important role and can greatly influence the organisation's environmental commitment if they take upon environmental responsibility, as part of the firm's dominant coalition; in this way an executive can gain discretion and this endows his/her actions and characteristics with greater impact.

In this subchapter we have seen that management's commitment to sustainability can influence employees' behaviours and an overall organisational commitment to sustainability, encourage pro-environmental actions and also has an influence on the external views of the company. Moreover, owner-managers' values and beliefs are an important aspect to consider when analysing factors that influence the transition towards a sustainable company and also their access to information and resources. In the next subchapter we will focus more on the other stakeholders of the company, their importance and how they could influence the organisation and in what ways.

3.3   Stakeholders

3.3.1 The importance of stakeholders for a business

How can stakeholders influence SMEs' social responsibility? It is a question asked in more recent studies (such as: Nejati et al., 2014), with very important implications for the CSR literature in SMEs. In order to answer this question, one would have to understand first what stakeholders are.

It is discussed that thinking about stakeholders is a very powerful instrumental tool which can be used to understand a firm in its environment and to broaden management's perception of its roles and responsibilities beyond profit maximization (Mitchell et al., 1997) and stakeholder theory could be especially useful in providing a framework in which SMEs and CSR cand be better understood (Jenkins, 2006). Nejati et al (2014, p: 2024) describe stakeholder theory as a 'systems-based view of the organization and its environment which assumes that

all stakeholders have an intrinsic worth that should be considered during managerial decision making ', and it could provide a basis for understanding why/if firms practice CSR as a result of stakeholders' perception, influence and demands.

In their work, Mitchell et al. (1997) build their salience model on a chronology of earlier approaches to define stakeholders ranging from very broad definitions (like Freeman's (1984) classic definition) to very narrow definitions (Clarkson (1994) who sees stakeholders as voluntary or involuntary risk bearers). Freeman introduced the word 'stakeholder' in the management literature in 1984 and he was the one to initiate a broader discussion in his book Strategic Management- a stakeholder approach (1984) (Zink, 2005). Freeman's (1984; p:25; cited in Henriques and Sadorsky, 1999) definition of a stakeholder: 'any group or individual who can affect or is affected by the achievement of the organization's objectives' is still widely used and its main focus has been to help managers to understand stakeholders and strategically manage them (Frooman, 1999). In order to develop such strategies and really understand stakeholders (Gonzales-Benito, 2010), Frooman (1999) argues that three questions should be answered about stakeholders: 'Who are they? What do they want? How are they going to try and get what they want?'. First question has to do with stakeholders 'attributes (Frooman, 1999; cited in Gonzales-Benito, 2010) and the pressure they exert on the company with regards to CSR. Different studies classify in different ways various stakeholders with the aim of finding out who they are, and how they are grouped together. Carroll (1989; cited in Frooman, 1999) distinguishes between generic versus specific stakeholders; Savage, Nix, Whitehead, and Blair (1991: p.61, cited in Henriques and Sadorsky, 1999) defined stakeholders as groups or individuals who 'have an interest in the actions of an organization and ... the ability to influence it'. Clarkson (1995; cited in Frooman, 1999 and Gonzales-Benito, 2010) distinguishes between primary and secondary stakeholders. Within the primary group of stakeholders, Buysse and Verbeke (2003; cited in Gonzales-Benito, 2010) distinguish further on between internal (employees, shareholders) and external stakeholders (customers, suppliers). Based on the environment literature, Henriques and Sadorsky (1999) differentiate among regulatory stakeholders (including governments), organisational stakeholders (those who are directly related to an organisation and have the ability to impact its bottom line directly, like: customers, suppliers, shareholders and employees), community (they can mobilize public opinion in favour or against a company) and the media (can influence society's perception on a company, especially in the situation of a crisis). Goodpastor (1991; cited in Frooman 1999) took Freeman's definition of stakeholders and observed that it implies two types of stakeholders: strategic (the one how can affect a firm; unidirectional relationship, viewed from the firm's advantage) and moral (the one who is affected by the firm; bidirectional account of the firm and stakeholders, balancing interests). Fernández Gago and Nieto Antolín (2004) classify environmental stakeholders according to the stakeholder attributes distinguished by Mitchell et al. (1997): power, legitimacy, and urgency. The most comprehensive work to date is probably that of Mitchell et al. (1997) (Frooman, 1999).

They built on 'the principle of Who or What really counts', focusing attention on salience in the manager-stakeholder relationships, identifying urgency, legitimacy and power as the three key attributes of a stakeholder, arguing that in various combinations these three become indicators to the amount of attention management needs to give to that stakeholder.

To answer Frooman's (1999) second question about stakeholders: 'what do they want?', many authors have generated various lists of stakeholder interests, like Wood (1994) who created various categorization schemes for the stakeholders. Regarding this, Frooman (1999) draws attention on the fact that stakeholder theory is actually about managing potential conflicts emerging from divergent interests, which means that if managers and stakeholders were largely in agreement, there would be no conflict, therefore nothing to manage, and no concern for the stakeholders. Waddock et al. (2002, cited in Gonzales-Benito, 2010) conclude that in terms of social responsibility stakeholders usually demand: transparency and accountability, integrity, respect, and standards, which are all very important drivers for sustainable development strategies, meaning that not only stakeholders want to influence company's behaviour, but they actually manage to do so. A more recent way to understand what stakeholders want is by performing a materiality analysis and obtaining a materiality matrix which brings out very clearly the issues important for all stakeholders (Whitehead, 2017). This will be discussed more thoroughly in the following chapters.

Frooman's (1999) third question 'how are they going to try to get it?' is about the ways in which stakeholders could create strategies to influence the company in order to obtain what they want. This is one of the main focuses of this current research (I want to see if stakeholder's perception on sustainability could influence in any way the commitment of the management on the cause), therefore it is an especially important topic. This third question is basically the main focus of Frooman's (1999) - Stakeholder influence strategies - paper. He uses resource dependence theory (the idea that it is the dependence of a firm on environmental actors for resources that gives those actors leverage over a firm) to propose two different dimensions for stakeholder influence strategies: withholding strategy ('those where the stakeholder discontinues providing a resource to a firm with the intention of making the firm change a certain behavior'; Frooman, 1999 p.196) and usage strategy ('those in which the stakeholder continues to supply a resource, but with strings attached'; Frooman, 1999 p.197). In either case, withholding or usage, the stakeholders demand that the firm changes some behaviour and they use the resource relationship with the firm to leverage their demand; This can happen either by the direct manipulation by the stakeholders of the resource flow to the firm (direct strategy) or they could find allies to do that (indirect strategies); the stakeholders would choose their strategy based on the balance of power in the relationship company-stakeholders (power is a central determinant in Frooman's research and it is agreed that it stems from the dependencies of the two parties one on another) (Frooman, 1999). It is important for managers to know their stakeholders and know how these may try to influence a company, so that they can strategically plan their actions. However, little attempts have

been made in literature to identify if there are contextual and internal characteristics of a company that can determine the degree of stakeholder pressure perceived by the company (Gonzales-Benito, 2010). Gonzales-Benito (2010) have a study that focuses on stakeholders and managers, in which they are looking for variables that could explain the way in which a company reacts to environmental stakeholder pressure. They break stakeholder environmental pressure into: pressure intensity (the energy and intensity used by the stakeholders to demand actions from the company) and perception capacity (the predisposition and willingness of managers to know the demands of stakeholders, which sometimes my not explicitly be communicated to the company, meaning that certain amount of effort could be necessary) and the base for their research is the fact that independent of the actual intensity of stakeholder pressure, managers might perceive this pressure differently (based on their behaviour and perception capacity, out of various reasons including: lack of understanding of the issues, manager's values, managers' environmental awareness); this implies that 'the extent to which a company meets its stakeholders' demands (stakeholder salience) depends on both attributes of the stakeholder (power, legitimacy, urgency; see Mitchell et al., 1997) and characteristics of managerial behaviour, such as values and beliefs' (Gonzales-Benito, 2010; p.168). Moreover, a manager's perception of a stakeholder is also critical to the manager's view of the stakeholder's importance (Mitchell et al., 1997), not only to how they perceive de pressure exercised by that stakeholder. Out of the variables which could affect and characterize perceived stakeholder environmental pressure studied by Gonzales-Benito (2010) includes the role of managerial values, and this is important to mention because as we have previously seen, the support and commitment from top management is very important in the development of proactive environmental strategies and overall CSR actions. Managers' beliefs and attitudes establish most times the degree to which they actively participate in achieving sustainable development imperative, and the environmental and social strategies in a company depend on whether managers interpret these topics as challenges or threats; same topics could be interpreted differently from one company to another, depending on the managers; therefore, the effect of stakeholder environmental pressure (and we will assume that for social issues is the same) will not depend only on the intensity of the pressure, but also on the way it is perceived (Gonzales-Benito, 2010). The managers who are aware and value social and environmental issues are more opened and more inclined to listen to stakeholders' opinions on these topics; this could lead to the fact that managers with greater awareness (environmental or social) would perceive the stakeholder environmental and social pressure to be higher, because they could overrate the explicit pressures but could also put more effort into identifying inexplicit pressures (Gonzales-Benito, 2010). Therefore, if a company wishes to make environmental and social issues a priority, it may want to have managers who are aware and value these issues and who react positively to stakeholders who represent the values the company wants to follow (Henriques and Sadorsky, 1999).

3.3.2 Stakeholders in SMEs

Stakeholder theory is an important part of research in the CSR literature, and there is an inherent acceptance that all businesses have stakeholders, but similar with the general CSR literature, it focuses mainly on large companies, not acknowledging the fact that cultural differences, operational modes, managerial practices and almost everything else is abruptly different in SMEs, compared to corporations (Jenkins, 2006). Due to its size and to the way it operates, a small company might be more intuitive and less engaged in carefully planning its stakeholder relationships, which are usually characterized to be more informal, personal and based on trust (Jenkins, 2006). Therefore, despite the close relationship between SMEs and their stakeholders, and despite the high dependency of SMEs on their key stakeholders for survival, the role of the stakeholders' pressure to foster sustainability has been underestimated (Nejati et al., 2014). Gonzales-Benito (2010) believe that a larger company receives much more stakeholder pressure on CSR (due to their geographical expansion, but also due to the number of people they reach with their products), internally and externally, and that they are usually the main target of environmental and social claims from regulators, communities, media and consumers; this forces corporations to engage in identifying stakeholders' interests and scanning the competitors 'behaviour. Their study (Gonzales-Benito, 2010) proves that company size is positively related to the intensity of the stakeholder environmental pressure (and it probably happens the same way for social issues).

   The relationship with stakeholders is different in a smaller company. Jenkins (2006) found that very few small companies actually use the term 'stakeholders' internally, and even fewer try to identify these stakeholders and try to prioritise their importance. On the other hand, considering the nature of SMEs and how they are much closely linked to their stakeholders, due to their smaller size, stakeholders' perspective is an important asset for managers as it encourages harmonious commercial and social relationships (Post et al., 2002; cited in Nejati et al., 2014). Nejati et al. (2014) discovered that also in SMEs stakeholders can encourage (or put pressure) to practice environmental (and social) responsibility; in their study, the key stakeholders for SMEs are considered to be the employees and customers and responding to their demands could create collaborative partnerships by establishing high-trust relations with them, which, in the end, would result in the stakeholders' welfare and financial improvements for the company (Nejati et al., 2014).

   When it comes to CSR implementation in small firms and community involvement, employees are considered to be the major stakeholder group and have most influence in fostering responsible business behaviour, because they have a relative high power and salience level in SMEs, compared to other groups, and they are at the same time part of the same local community which they probably care for (Clarkson, 1995; Freeman, 1983; Kotler and Keller,2006; cited in

Nejati et al., 2014). As we have earlier seen from Erdogan's research (2015) even if employees pay attention and show concern for how third parties are treated (social and environmental issues), their reactions are stronger and will positively depend on how themselves are treated inside the company by the management. Therefore, if management wants to engage in CSR practices, they need to expand their understanding of the relationship with their employees and understand the degree to which employees perceive that the organisation values, cares for and is committed to them (through recognition, quality of relationship with managers, employee supportive practices, etc.) (Erdogan et al. 2015).

3.4   Summary of the key literature

This study is applying principles from various literature streams, all regarding the integration of the sustainable development concept in the business environment, thus the Corporate Social Responsibility of a company. Besides learning what business sustainable looks like, we have also seen which are the main triggers or incentives or overall (internal/external) pressure that makes a company adopt CSR practices or even including CSR in their long-term strategy.

The first main focus of this research is the differentiation between Micro and Small Size Enterprises and large corporations and their difference in interpretation and implementation of CSR strategy or activities. Jenkins (2004; 2006; 2009) provides a great base of research on this subject of CSR in small companies.

Stakeholder theory has been used as an important factor which could facilitate a framework for SMEs and CSR to be better understood (Jenkins, 2006), to explain how SMEs relate to their stakeholders. Moreover, stakeholder influence is an important part of this study together with management's reaction to this influence and their internal commitment for CSR practices. Therefore, there are small parts of knowledge from the strategic management literature stream and also from organisational behaviour literature stream, coming together in the understanding of how a sustainable transformation could start for a SME. In the literature streams related to sustainability, the topic of integrating sustainability into strategic management seems to have started to obtain a consensus formed around the idea that corporate sustainability should be part of a company's strategy formulation (Engert et al., 2016; Baumgartner, 2017; Orsato, 2006). As many years have been spent in research on deciding whether companies need to integrate corporate sustainability or not in their strategic management (Maas et al. 2016; Engert et al 2016), the focus should be moved on to how this can actually be done in practice, and which are the barriers and challenges that are usually met during the integration (Engert et al., 2016). This is the main aim of this study

– to understand, in practice, how to obtain a clear commitment for a true transformation towards a sustainable business (a long-term sustainability strategic view).

Taking into consideration the organisational management of a SME, depending on the different stakeholder groups and their various levels of powers and interests, and also on the management's values, beliefs and information level, the influence stakeholders pose over a small company can vary greatly from one case to another, having lots of variables playing a role in this process. The sustainable transformation of SMEs will depend largely on business owner/manager understanding both the importance of sustainability to their operating environments and also understanding which are the benefits to employees' welfare and to the firm (Marshall et al. 2005; cited in Whitehead, 2017). By highlighting the degree of stakeholder concern for environmental and social issues to the owner-managers of a SME, I believe it can contribute to managerial understanding of these issues' importance, which would engage the management and commit them to the cause (initiate transformation), while also identifying areas where potential benefits could be achieved (which is in accordance with Whitehead's study, 2017).

4 DATA AND METHODOLOGY

In this chapter I will explain the research design of this study, the methods applied and the entire process of data collection, as well as the methods used for data analysis.

This study aims to achieve better understanding of management commitment in regard with business sustainability (CSR) and of the dynamics between management and the other stakeholders of the company. As it was mentioned in the first chapter, the exact research question is: 'How can stakeholders influence managements' commitment to sustainable development?' and it brings together research on 'stakeholder influence' with a vast stream of research on 'management commitment'. The gap in literature and the need for this study comes exactly from the intersection of these two streams and from the idea that stakeholder influence could have an instrumental role in a company's engagement process in CSR practices.

4.1 Research design

The study focuses on the specific organisation, presented in chapter 2, therefore the chosen methodology is case study specific. One of the most important skills of a case study researcher is to define the appropriate research question, which is typically being done by being in a constant dialogue with empirical data (Stake, 1995, 2000; cited in Eriksson and Kovalainen, 2008); To formulate a specific question in a case study requires to have some ideas about what you want to study and then becoming familiar with the uniqueness of the case.

This is exactly the line of steps which were followed in my research: as I was assigned with a new role in the company, CSR coordinator, I started to ask myself 'how to transform this company in a sustainable company?', question that was the foundation from which I started this research study. Becoming more and more familiarised with the situation in the company is what led to the final research question: the openness for the subject, the level of knowledge, the available resources (time, financial, human etc), employees' attitudes, management behaviour etc. This research question appeared when I realised that introducing CSR practices in the company, not to mention introducing it in the long-term development strategy of the company was no simple task, and definitely not for one man to achieve. Such transformation needs some sort of an engine to ignite the process, engine which could be represented either by desire to change or by the pressure for change. The desire for change would have to come from the decision people inside the company, the ones who are sketching strategies and future plans, and the ones who oversee the survival and welfare of the company

(shareholders and the main managers). For this desire to come naturally, sustainability should have been part of the education of this people and one of their main values or beliefs. Regarding the pressure for change this could be either internal (shareholders, management, employees) or external (legislation, competition, investors and creditors, global car brands or other stakeholders).

I realised that whatever this trigger would be, I would need the management' real commitment to make some systemic changes and get other employees on board. In the case company the management is also the leadership of the firm, and employees look up to them and want to follow them. So, the following step was to ask myself how I could obtain the management's real commitment to CSR, and not just a declaratory level of engagement. I considered my context, the idea that I care about sustainability because I know about it; my entire academic background is on sustainability and environmental management, therefore I have a lot of information about it and I have been exposed to this concept for a while, whereas for the managers in the company it is a fairly new concept which I introduced to them very recently. Therefore, they might need to follow the same steps I followed and get exposed to information regarding sustainable development and CSR. However, time does not wait in place, so a faster method than just hitting them with a bulk of information from time to time, was needed.

The research literature streams consulted at first were very, very vast, but ideas were narrowed down after, having accomplished a first version of a through description of the case; after this, the researcher is more entitled to try and figure out the most interesting research question; this is why the research process is described as a continuous dialogue of theory and empirical data (Eriksson and Kovalainen, 2008). Knowing the management of the company I understood they operation methods, and which are their main focuses when conducting business: they care about their employees and the business is customer-centric, because happy customers is causally related to positive financial bottom line. Therefore, I thought about approaching the stakeholders of the company (employees, customers, and the others) and see what they think about sustainability and the role of a company, as this would be something that the managers would pay attention to.

Gerring (2004) defines a case study as 'an intensive study of a single unit with an aim to generalize across a larger set of units', while being critical to other 'vague' or 'incomplete' case study definitions found in literature and also of the 'often-maligned' methodology of case studies. Bergen and While (2000 cited in Taylor et al. 2015) are also agreeing with Gerring's (2004) opinion that case studies have been poorly defined, leading to the lack of confidence in the trustworthiness of the method.

A case study offers the researcher the opportunity to understand and describe the case of interest and obtain in-depth, meaningful and context-constituted knowledge (Taylor et al., 2015) therefore, providing the opportunity for the researcher to analyse the complexity of business-related phenomena in their con-

texts (Eriksson and Kovalainen, 2008; Farquhar 2012), and it allows the production of detailed and holistic knowledge, diverse and complete, avoiding overly simplistic research designs, being based on the analysis of multiple empirical sources (Tellis, 1997; cited in Eriksson and Kovalainen, 2008).

Case studies can be categorized in different types based on the methodological approach, on the 'thing' that is studied, on the sort of context (Taylor et al., 2015; Gerring 2004), resulting in more approaches to a case study such as: exploratory, explanatory, descriptive, evaluative, intrinsic, instrumental (Taylor et al., 2015). Eriksson and Kovalainen (2008) differentiate between two types of case studies: intensive and extensive. This study qualifies for the intensive case study category, based on this categorisation, because its aim is to understand this case from the inside and from the perspectives of the people involved, providing a holistic contextualized description (whereas in an extensive case study the research is more focused on the issues that could be studied, not on the individuals) (Eriksson and Kovalainen, 2008). Contrary to the belief that intensive case studies could not be used to elaborate theory, 'Dyer and Wilkins (1991; cited in Eriksson and Kovalainen, 2008) argue that classic case study research is theoretically informed and capable of developing theory. However, the key interest is in the case itself, not in the pre-given theoretical propositions'.

Another aspect which qualifies this study for an intensive case study research is the dynamic design characteristic, looking at the perception of management over time (Eriksson and Kovalainen, 2008), and in different situations, after presenting them new pieces of information and gradually exposing them to the concept of sustainability and stakeholders' perception. Taylor et al. (2015) offer a list of attributes for a 'good' case study research, some of them being described above: the clear identification of the case being studied, the clear description of the context, the clear boundaries of the research (the limitation of the study on the company, timeframe, and the research questions), the rationale for the use of case study research and the justification and appropriateness of the methodology (which will be discussed further on).

The results of this research would probably vary with each case company, however, the main aim of intensive case studies is not necessarily to produce knowledge which could be generalised to other contexts, but to explore and understand how the chosen case works, and which are the chosen's case unique or critical features, because it is the uniqueness of the case that justifies the appropriateness of the case study approach (Eriksson and Kovalainen, 2008). However, there are probably some ideas which could probably be replicable for more SMEs which find themselves in the same situation, such as: the process, the main steps to follow, or the reasoning.

Traditionally, case studies research has a 'qualitative spirit', methodologically connected to interpretative, ethnographic, and field-research traditions, empha-

sizing interpretation and the understanding of the case, based on the specific cultural context and sense-making processes (which are opposing the experimental, quantitative and deductive research) (Dyer and Wilkins, 1991; David, 2006; Ghauri and Gronhaug, 2005; cited in Eriksson and Kovalainen, 2008). However, case study research should be understood more as a research strategy or approach, rather than a method, as quantitative data can also be used to construct a case (Simons 2009, cited in Taylor et al., 2015); like Eriksson and Kovalainen (2008) clearly explain, there is hardly any limit on the empirical data used in case study research, and the common divide between qualitative and quantitative materials should not be an issue in case study research (Stoecker, 1991; cited in Eriksson and Kovalainen, 2008). Even if there are some authors who consider qualitative research 'somewhat suspicious' and see it more as a complimentary method to the quantitative research techniques, rather than a standalone method itself (Eriksson and Kovalainen, 2008), I could not have imagined performing my research and find answers to the research question on a purely quantitative based methodology. Based on Corinne Glesne (cited in Eriksson and Kovalainen, 2008), each researcher tends to choose the methodology which is most congruent with their worldview and which is more familiar, therefore a bias towards the methodology could appear; for this reason, the decision should be based on an analysis of what you want to know in your research.

In this study, both approaches were used, as I believed them both to be appropriate in order to answer the research question. There are three different ways of combining quantitative and qualitative research: triangulation, facilitation and complementarity (Hammersley,1996; cited in Eriksson and Kovalainen, 2008). I believe the most appropriate way to combine the two approaches in this research is facilitation which implies that quantitative research could be used to facilitate qualitative research or vice versa (Eriksson and Kovalainen, 2008). Here, in this study, the materiality research (results from survey data, quantitative) is used to trigger management's response which is then measured in semi-structured interviews (qualitative data); also, complementarity can be considered, because both methods can be used side by side to enrich the case description. This would be discussed in more detail further on.

Moreover, data triangulation is also used as a research strategy, by combining multiple methods in the data collection to facilitate a more comprehensive understanding of the case study research (Carter et al. 2014). Four types of data triangulation are identified in research (Carter et al., 2014; Wilson, 2014), but this study uses most the method triangulation/mixed-methods research (Bekhet and Zauszniewski, 2012), or commonly called just data triangulation, by combining different data collection methods, such as participant observation, interviews, which are qualitative methods, as well as quantitative methods (questionnaires). Data triangulation has been proved to be very efficient, offering a better understanding of the studied subject, by providing more comprehensive data with increased validity (Bekhet and Zauszniewski, 2012).

Figure 3 brings together in a clear picture the research methodology, the type of data used, all the steps of the research and their main goal, as well as the

methods for the collection of data, with the timeframe of the entire research. As mentioned before, this is a longitudinal intensive case-study, which focused on changes in the management's perception and commitment to CSR over time.

No.	Actions in the company as CSR coordinator	Data collection steps	Aim of this step	Interaction with management	Qualitative data colected described	Quantitative data collected described	Dates and time frame
Part 1	Introducing sustainability to management	Initial discussion for the CSR job creation	Introduce the CSR position in the company; mark the start of the transformation twords a sustainbale business	One-to-one discussion with Alin Dinca - general director	observations (notes)	no	10.02.2020
		Initial presentation on sustainability and CSR - for all the top management	Introduce the concept of sustainability and CSR; marks first internal exposure to CSR practices.	First Group meeting 3 top managers: Alin Dinca, Cristina Ologeanu, Ionut Bilciurescu ->Presentation (aux. material)	observations (notes)	no	11.09.2020
		CSR Self assessment table for management	To present in more details how a sustainable company would look like (the type of issues which should be considered) - and to point which is the actual level of the company	Online questionnaire to the 4 participants (3 top managers, 1 shareholder). 2nd meeting with the 3 top managers after completing questionnaire.	observation (notes)	1-5 scale questionnaire for CSR self-assessment BNQ model	28.09.2020
Part 2	Working on a strategy with management for sustainable developemnt	Stakeholder identification and evaluation	To introduce the idea of stakeholders; make management think outside of the scope of the day to day business	3rd meeting with the 3 top managers: Alin Dinca, Cristina Ologeanu, Ionut Bilciurescu	Discussion (similar to focus group) Observation (notes)	Salience model - yes/no Questionnaire 1-10 scale - power/interest model	22.10.2020
		Materiality analysis management	To introduce the sustainability dimenssions and topics to the management and understand their perspective over these	4th meeting with the 3 top managers and 1 shareholder	Discussions Observation (notes)	1-5 scale questionnaire for materiality analysis 1-10 scale extra question	28.09.2020
		Materiality analysis stakeholders	To collect responses from stakeholders and understand their perspective on the dimenssions and topics of sustainability	no	no	1-5 scale questionnaire for stakholders	01.12.2020 - 14.01.2021
Part 3	Sustainable developemnt strategy based on materiality	presentations of final results of materiality to management	To confront the management. Show them the perception of the stakeholders versus their own perception.	5th meeting with management and shareholders ->presentation, materiality map, materiality analysis results (aux. material)	Discussion (similar to focus group) Observation (notes)	no	23.03.2021
		Management interviews	To understand better their perception. To see if there was anything in their understanding and perception which has changed after the presentation and after being exposed to discussions on sustainability.	4 Interviews with: Alin Dinca - general director Ionut Bilciurescu - executive director Cristina Ologeanu - executive director Doru Bilciurescu - shareholder	Theme semi-structured interviews	no	24.03.2021 - 30.03.2021

Figure 3. Description of the research methodology and steps followed in data collection

As it was mentioned before, the aim of this research is to check how stakeholders could influence managements' commitment to CSR practices and this represents the main research question, however, I also wanted to observe the change in management's perception regarding sustainability over the time of the research. Imran et al. (2019) believed that access to resources and information is one of the major challenges against sustainability in SMEs. Therefore, the whole idea of this study was to gradually provide information on sustainability to the management, culminating with presenting them the stakeholders' perspective on sustainability (through the materiality analysis) and observe their behaviour change towards this subject.

In order to collect the data I needed for this, and present the results in a well-structured, organised way, I marked three main parts for this research, based on the definition of the CSR action taken for the firm: Part 1 - Introducing sustainability to management; Part 2 – Working on a sustainable development strategy for the company; Part 3 – Development of the strategy based on the materiality analysis.

The qualitative data collection method of participant observation was used throughout the entire research process. As an employee of the company and the leading person for all the CSR steps conducted in the development of a sustainability strategy for the company, I could not have been anything else than a participant in the process, collecting empirical data on this research. Given the

timeframe for which I have been employed in the company (around 7 years), being accepted as part of the culture, in order to assure that the observations are of the natural phenomenon, was no issue (Eriksson and Kovalainen, 2008).

For a better structure of the rest of the chapter, I will divide the research methodology and the data collection in the three parts presented in the table above, based on the 3 large actions performed in the company as a CSR coordinator. For each part, I will explain the choice and the aim of each action and I will also describe the data collection process during each action.

4.2   Part 1. Introducing sustainability to management

Part 1 – Introducing the concept of sustainability to management marks three actions performed inside the company, which were also occasions for data collection:
- Initial discussion with General Director for the introduction of the CSR role in the company.
- Initial presentation on sustainability and CSR for all the managers.
- CSR self-assessment of the company, by all managers.

4.2.1 Data collection process and reasoning for the choice

Initial discussion with general manager

Without being aware at that moment, my data collection process actually started when I had to pitch to Alin Dinca, the general director of the company, for the creation of a new position for me, CSR coordinator. It was the first time when I introduced to him the concept of a sustainable business and how we could transition our business model to sustainability through CSR.

For this pitch, I created a short presentation in which I described what CSR means, some successful stories of best-practice actions from other companies and which was the sustainability direction of each global brand the company represents. It was the first moment when I introduced the idea of a sustainable company, and the start of data collection for my research, through the method of observation. As Hair et al. (2015) describe, collecting observation data through systematically recording observations of people, events, or objects, is an 'unobtrusive' process, meaning that respondents are unaware of their participation in a research, and they do not know their behaviour is being observed. At that moment I did not know exactly what my research question was going to be, I only had a general idea that I wanted to find a model for the business transition towards sustainability. The management team and the owners of the company

were in perfect knowledge and agreement of the fact that I was going to do my Master Thesis on a case study based on the company.

Once I started the new position, being in the company every day, allowed me to observe employees' awareness (including the management) of sustainability issues and any eco-behaviour or pro-environmental actions (I focused on the environmental part more, as it could be considered further away from the scope of the business).

In the first few weeks my job was to develop some CSR plans - the first projects I had on my mind (which was also an opportunity for a breakdown of CSR aspects, to make the general understand better what CSR is about). Alin, the general director decided I should start with a waste management audit and plans for a separate collection scheme (out of all the action plans I suggested) and that was my focus for a few months. In this process I learned more about the company's position towards environmental issues.

Presentation on sustainability for all managers

In September 2020 I had the first meeting with all the 3 top managers of the company. The meeting happened so late, because due to Covid19 pandemic, the company was in furlough for a few months.

At this meeting I presented them with the results of the waste management audit which I completed as part of my job and I took advantage of the opportunity to make a formal presentation about sustainability and CSR. The members who were present were: Alin Dinca (general manager of the group), Cristina Ologeanu (executive director for Asko) and Ionut Bilciurescu (executive director for Autonet). The subjects of the presentation were:

- What is CSR and what does sustainable development in a company refer to? (social and environmental issues which can affect the business, and the importance to think about them for a long-term strategy).
- Benefits of CSR for the company (brand differentiation and competitive advantage, cutting costs, innovation, customer engagement, employee engagement, long-term strategy etc), translated into business performance.
- Common CSR practices (environmental sustainability: e.g. recycling, energy and water efficient use, resource consumption etc; improvement of human capital, community involvement; social and ethical marketing; activism; donations).
- Introducing the subject of my thesis in the shape of the desire to conduct a materiality analysis and matrix.

The data collection method at this meeting was again through observation of the management's reaction and responses to the information received. These observations were recorded through the notes I made during and at the end of the meeting.

CSR self-assessment of the company

As every complicating systemic change must start from somewhere, after some informal discussions with each manager, and the observations I had gathered, I decided to do a self-evaluation of each manager for the level of maturity of the company. From the literature review conducted I learned that the level at which a company finds itself in the sustainability transition can tell a lot about how managers might react to sustainability issues and how they perceive stakeholders and their interests (Lambrechts et al., 2021). Moreover, the use of self-diagnoses and self-assessing CSR questionnaire is a common practice in studies in SMEs (Coppa and Sriramesh, 2013; Maas and Reniers, 2014; Murillo and Lozano, 2006; cited in Nejati et al., 2014). So, I decided that learning about the level at which managers consider the company to be at, would aid a lot in the future of the research.

Therefore, to conduct this analysis, I followed the guidelines of a public tool created by BNQ (Bureau De Normalisation du Quebec), a representation of the Canadian government. The tool – 'Sustainable development – Guidelines for the Implementation of Principles for Management of Enterprises and other Organisations' was created to facilitate the implementation of the principles of sustainable development in organizations in the following steps:

- Determine the position of the organisation in its process of incorporating principles of sustainable development;
- Based on first step, determine future actions;
- Select activities which constitute the plan;
- Determine the stakeholders associated with each issue.

(BNQ, 2011)

I found the choice of this tool appropriate for this case study, as it was intended for any type of organization, regardless the size or the industry. Also, the steps presented in the guidelines were very clear and the starting point, to determine the position of the organisation in the present on the road to sustainable development, made sense. The guidelines are created based on the idea that management motivation already exists, and they are looking for help to better understand sustainable development and to implement activities (BNQ, 2011). However, in the case study I mainly used the tool to assess the perception of the management regarding the current position of the company and to assess their position in relation to the tool and the questions for the assessment.

The self-evaluation chart makes it possible to evaluate overall whether an organization's practices are in line with sustainable development (BNQ, 2011). The chart (presented in appendix 1) is composed of 4 categories to be assessed: governance of the company, economic aspect, social aspect and environmental aspect which contain 21 issues involving sustainable development management in an organization. The evaluation was done by choosing for each issue the level (on a scale from 1 to 5) of where the company found itself (1- 5 represents the breakdown of the levels of maturity). In short, the levels are as follows:

> Level 1 – Little or no concern (The organization has not yet initiated its reflections on the issues – no framework or policy)
> Level 2 – Reactive (The organization has initiated its reflection – it is under development).
> Level 3 – Accommodating (The organization has integrated management practices – in force.)
> Level 4 – Proactive (The organization is seeking to stand out in its sector)
> Level 5 – Generator (the organization is the industry reference).

In order to collect the answers from the management, I sent an excel spreadsheet in Google Drive with the form for the self-evaluation, one created for each manager where they could grade each of the topics, based on their own appreciation. This represents a quantitative form of collecting data, based on the guidelines and model from BNQ (2011).

I then invited the management to a focus group meeting in which we discussed the evaluation form, the grades given, and the overall result. I also graded each topic in a separate self-evaluation form. I decided to do so, as I have extensive knowledge on the governance and policies of the company, so I know which topics have been in focus along the years and at the same time I also have a deeper understanding of sustainable development and of what each of the topics referred to. Therefore, I decided that my answers should reflect a very realistic picture of the company in the present moment.

The purpose of the focus group meeting was also to observe the managements' attitudes and perceptions towards the subject of sustainable development actions in the company. For this purpose, notes were taking during the meeting and also after the meeting, based on the observations, and this constitutes the qualitative way of collecting data for this step.

4.3 Part 2. Working with the management on a strategy for sustainable development.

Part 2 – Working with management on a sustainable development strategy, comprises three actions performed:
- Stakeholder identification and evaluation
- Materiality analysis – management perspective
- Materiality analysis – stakeholder perspective

All these actions led to working closer with the management and they resulted into a first draft for a sustainability strategy for the company.

4.3.1 Materiality analysis and matrix

Materiality is a concept which comes from the field of financial accounting and has been developing in the area of corporate sustainability and sustainability reporting in recent years (Zappettini et al. 2014) being the central theme of the Global Reporting Index (GRI, 2011; cited in Whitehead, 2017). In the financial context, materiality is used to determine whether an item is significant enough to be included in the financial report and the formal definition of this is given by the International Accounting Standards Board (IASB, 2010, p. 17): 'Information is material if omitting it or misstating it could influence decisions that users make on the basis of financial information about a specific reporting entity.' (Zappettini et al. 2014; Whitehead, 2017). Moreover, a clarification was given by IASB (2013, p.145) on how materiality should be applied in financial reporting: 'disclosure of immaterial information can impair the understandability of material information that is also disclosed' and this is very relevant for the clarity of sustainability reporting as well, thinking that communicative effectiveness, can be diminished where information that is not material is included in the report (Zappettini et al. 2014). GRI (2011, p.3) G4 guidelines state that material topics are 'those topics that have a direct or indirect impact on an organization's ability to create, preserve or erode economic, environmental and social value for itself, its stakeholders and society at large', where 'impact' refers to 'the effect an organization has on the economy, the environment, and/or society, which in turn can indicate its contribution (positive or negative) to sustainable development' (EY, 2018).

In short, a materiality analysis is a method used to identify and prioritize the issues that are most important to an organization and its stakeholders (Youmatter, 2020), or the ESGs (environmental, social and governance) issues as EY (2018) puts it. A materiality assessment is a formal exercise aimed at engaging stakeholders to find out how important specific environmental, social and governance topics are to them. The insights gained can then be used to guide strategy and communication, and help a firm tell a more meaningful sustainability story. One of the very important aspects in CSR is the engagement of the stakeholders and the communication aspect; a CSR strategy implies that the companies take action on the social, ethical and environmental effects (accountability) and communicate to their stakeholders about these, disclosing information, being transparent; nonfinancial reporting has become the way in which companies communicate their CSR initiatives to their stakeholders, and for this the concept of materiality must be considered and applied (Torelli et al., 2019). Therefore, the concept of materiality has been used especially for reporting CSR purpose. However, just as Overall (2017), I believe that materiality assessment can be most useful if designed to inform both reporting and strategy, and its role in this research is for strategy purposes. From a strategy development standpoint, the goal is to prioritize what an organization can or should do; what is in its power to change and which are the tools or the innovations necessary for that (Overall, 2017). Font et al. (2016, cited in Torelli et al., 2019) also state that a materiality analysis is an

essential process for ranking issues, and it allows an integrated approach in defining a sustainability strategy. I believe that a company needs to have a strategy and change something in their business model before they start to report, because if not, what would they report on, the old business model and their regular way of doing business presented in a glowing light?

Based on the GRI definition and guidelines of performing a materiality analysis, but also on case studies from big companies like Unilever, KPMG, Deloitte, in order to understand and prioritize which are the most important topics for an organization and its stakeholders, it means to conduct an analysis importance to stakeholders versus business impact (in G3 the focus was on the inward impact – impacts of the topics ON the company; in G4 the focus is outward – impacts of the company ON the topics; EY(2018)). However, there are several researchers who focus on the differences between what is considered material by management and what is considered material by stakeholders, the goal being to achieve the highest level of correspondence between the interests of all stakeholders (Torelli et al., 2019). This is exactly the goal of this research. I want to confront stakeholders' perception (what is considered material by stakeholders) with managements' perception (what is considered material by management) and find the interest points between them.

There is no accepted formula for performing a materiality analysis, there are only sets of best practice principles which should be applied when undertaking a materiality analysis (Whitehead, 2017; Terrafiniti, 2021) and examples from different business cases which have previously used this analysis.

Chia-Wei et al.'s (2013) study proposed a materiality framework based on FMEA (failure models and effects analysis) – to establish the evaluation criteria and construct a model of materiality analysis of risk priority numbers, and ANP (analytic network process) – to determine the related weight of the criteria, to obtain reliable consensus for developing a comprehensive and systematic methodology to determine priority material issues in a company. Their model is based very much on the idea that a materiality analysis should focus on the business impact, which is related to risk, however, the purpose of this research is more exploratory into understanding the relevant issues along the firm's chain, and how these issues are seen by management versus how they are being seen by the rest of stakeholders.

KPMG (2014) created a 7-step practical guide on the materiality analysis process, relevant for any organisation, and it is a good tool to start a materiality analysis.

4.3.2 Data collection process and reasoning for the choice

Stakeholder identification and evaluation

A company which wants to engage in sustainable development must understand the need of information on the part of management, investors and all stakeholders who can affect the company's long-term performance, or be affected by it (Torelli et al., 2019).

For this process, first action in line was to learn who are the stakeholders of the company and what role plays each of the identified groups and then understand what is important for these groups in their relationship with the company.

Therefore, for the third meeting with the management I created a list of stakeholders, based on my previous knowledge of the company, on checking the online resources of the company, and based on research on similar companies. We discussed this list together and we decided whether to add or remove any group of stakeholders. We also identified some individual special stakeholders which are part of a bigger group and we discussed their case. All the data regarding the evaluation of the stakeholder groups was collected in the third meeting through quantitative methods. During the meeting notes were also collected based on the qualitative research method of observing the subjects

After a clear picture of the stakeholders of the company, I used two models for the evaluation of the stakeholder groups. I decided to do so in order to test the logics of the results. First, I used the salience model developed by Mitchell et al (1997) to evaluate the position of each of the stakeholder groups. Together with the management we evaluated the urgency, legitimacy, and power of each of the stakeholders, based on a yes/no answer model for each of the attributes, and the characteristics they possess in the relations with the company were decided.

The second model I used was the Influence (Power)/ Interest matrix (Johnson and Scholes, 1999; cited in Nguyen and Mohamed, 2018) which developed from Mendelow's power/dynamism matrix (1981). The Power/Interest matrix is a model which is used by most companies that do CSR reporting, as it is a good tool, teaching how to communicate with their stakeholders. For this model, the managers had to answer 2 questions for each stakeholder group: 'what is the level of influence(power) that stakeholder group has on the company?' and 'what is the level of interest of this stakeholder group towards the company?'. Each question could be answered with a number from 1 to 10 and the way in which the questions were answered was: for each stakeholder group each manager gave one grade to each question, and the final grade was represented by the average between the 3 answers.

Materiality assessment

The second step for the strategic planning is the evaluation of the stakeholders' interests and the management's perception. This is done through the materiality analysis, which shows what is material for a company. The purpose and scope of the materiality analysis used in this study, as I mentioned before, is to confront

management's opinion with stakeholders' opinions on sustainability in the relation with a company. Therefore, the materiality analysis includes on one side the management and on the other side the stakeholders.

For this step I followed the 7-step practical guide created by KPMG (2014), more as a guide in a process, than as a step-by-step rule.

The steps are the following:

Phase1: Defining the purpose and scope of materiality.

Phase 2: Identifying the potential material topics.

Phase 3: Categorizing potential material topics.

Phase 4: Gathering information about the impact and importance of topics.

Phase 5: Prioritizing material topics based on the strategic importance to the business and the stakeholders.

Phase 6: Testing the materiality result with key internal audience.

Phase 7: Seeking stakeholder's feedback on the reported material topics.

(KPMG 2014)

To identify the potential material topics, I did a lot of research and compiled information from other companies' CSR reports, the SDGs and academic research into a list of topics which could be relevant for the company. To determine the salience for each of the topics, I confronted my list of topics with topics found in the materiality analysis examples found from the auto-industry, which also gave me information on their relative importance based on their impacts characteristic for this industry. To establish the final number of topics, the relevant ones for our company, to categorize them, and to discuss their strategic importance with the key internal audience, I organised a new meeting with the management. The purpose of this meeting was to come up with the final list of topics and to evaluate their interest/perception towards those topics. There were chosen a total number of 30 topics, all related to sustainable development, divided into 4 dimensions: corporate governance, economic and services, social and environmental.

Governance		
1	**Business ethics and anti-corruption**	The company should operate with a high level of ethics and abiding existing legislation.
2	**Security and data protection**	The company should ensure the security and protection of all company data.
3	**Corporate governance and compliance**	The company should have bodies capable of managing the organization in a responsible, transparent, equitable and inclusive manner.
4	**Dialogue with stakeholders**	Company should identify stakeholders and establish a dialogue with them in order to respond to their main concerns.
5	**CSR governance and strategy**	Integrate environment and social concerns into the processes and policies, the culture and organizational structure of the company.

6	Sustainable development of the market and the supply chain	The company should promote fair business practices and develop healthy and sustainable relationships along its supply chain and with its partners.
	ECONOMIC AND SERVICES	
7	Profitable growth	The role of the company is to ensure it has a profitable growth from one year to the other.
8	Long-term relation with customers	Building a relationship with the customers to create high-level loyalty for your company.
9	Customer satisfaction	Provide customers with a pleasant experience, taking their expectations into account and regularly measuring their satisfaction.
10	Transparency and responsible communication	Report on decisions taken and activities carried out, through regular communication practices and based on the best reporting standards.
11	Digitalization	Integrate digital technologies into activities and offers to significantly improve the customer experience taking into account the new expectations of customers.
12	Customers' expectations	Company should adopt policies and process to integrate expectation of customers within the strategy of the company.
13	Improved quality of services	Company should aim for a continuous improvement of the services offered.
14	Innovation and new mobility concepts	Company should consider changing megatrends in the auto market and offer valuable solutions to the mobility needs by diversifying its business model towards a new model: mobility as a service.
15	Electrified mobility	Company should transit towards an electrified fleet and contribute to a new infrastructure.
	SOCIAL	
16	Fair working conditions and compensations	Minimum wages that ensure a decent standard of living for workers and their families and contribute to tackle the incidence of in-work poverty.
17	Health, safety and wellbeing	Create a safe and healthy work environment, where employees can thrive and maintain a good work-life balance.
18	Trainings and talent development	Ensure skills management in response to the training needs of employees. Implement a talent management policy to attract, retain, develop, and retain employees.

19	**Equal opportunity and Integration**	Giving employees the same opportunities for employment, pay, and promotion, without discriminating against particular groups.
20	**Create social value**	Contribute to the sustainable development of the country, by cooperation and supporting causes of local communities.
21	**Education**	The company should be aware of its responsibility towards its stakeholders on long-term education on the subjects in which it is specialised in.
22	**Responsible driving and traffic safety**	The company should engage in the promotion of responsible driving and traffic safety activities.
23	**Respect for human rights**	The company should ensure it does not break any human right.
	ENVIRONMENT	
24	**Positive impact on bio-diversity**	Company should consider issues related to bio-diversity loss an do its best to engage in conservation activities to achieve a positive impact.
25	**Reduction of CO2 footprint**	The company should take all measures to reduce its CO2 footprint and contribute to the global mission of reducing greenhouse emissions to slow down temperature raising.
26	**Efficient use of water and energy**	Thoroughly save water and energy and monitor consumption at retail store and offices.
27	**Efficient waste management**	Implement prevention, sorting, recycling, and reuse measures for waste generated by the activity.
28	**Pollution and emissions prevention.**	Company should implement prevention methods for any type of pollution (air, water, soil).
29	**Environmental management protection standards on the supply chain.**	The company should extend its care and awareness towards its suppliers as well and implement a selection mechanism for them based on their responsibility towards the environment and the society in which they operate.
30	**Environmental protection standards in operations and long-term development strategy**	Integrate standards and measures for environmental protection in all operations and departments of the business.

Table 1. The sustainability topics and dimensions studied.

Materiality analysis – management perception

In order to leave my research possibilities opened for future ideas, I decided to take advantage of the meeting with the management and look for the

answer to more questions, not just the ones to perform the materiality analysis, related to the identified topics (the ones in the above list):

- ▪ 'On a scale from 1-5 what is the importance of the following topics in your relation to the company?' – this is the main question for the materiality analysis.
- ▪ 'On a scale from 1-10 how much influence you think each of the topics could have on the operations of the company?'
- ▪ 'On a scale from 1-5 which number do you think reflects most the current situation of the company for each of the topics?'

The second question is based on a different scale than the other two because multiple item scales provide a more accurate estimate of the true value of the construct, enables evaluating the reliability and validity of a measure and puts another perspective on the other two questions. The three managers and 1 of the shareholders (Doru Bilciurescu) were asked to answer the three questions above, for each of the chosen topics in the 4 dimensions. All the data on managers' perception was collected during the 4th meeting with the management through a questionnaire (for each of them to answer). This questionnaire is a quantitative method of data collection and it can be found in appendix 2.

Materiality assessment – stakeholder perception

The idea behind confronting management's perception versus stakeholder perception, needs the same subject to be confronted, therefore, the stakeholders were asked about the exact same 30 topics divided into 4 dimensions as the management. To reach as many of the stakeholder groups as possible, a questionnaire was created in Google Forms (it can be seen here: https://forms.gle/9GWUjxKn7t2rTpY99) and sent to all the contacts for which the company was covered by a GDPR agreement.

The questionnaire for the stakeholders was the main data collection method for this step and it is a quantitative method; it included 5 questions in total: 3 questions intended to collect sample demographics (sex and age) and descriptive data – their relationship to the company (to assign them to the stakeholder group they belonged to). To measure their perception an all the 30 topics, the respondents had to answer only one question (same question for each topic), based on a 5 points Likert (1932; cited in Joshi et al. 2015) scaling:

- ▪ 'On a scale from 1-5 what is the importance of the following topics in your relation to the company?' – this is the main question for the materiality analysis, and it is the same question managers answered to.

The final question in the questionnaire for the stakeholders was an open question:

- ▪ 'Do you think it comes under a company's responsibility to put in the effort and their financial and human resources to create wellbeing and welfare in the community and for environment in which the company operates?'

The open question was asked as an explanatory addition to the results and to add more value to the answers. The responses of the open question cannot be included in the materiality analysis, however, they could be of great interest to the management, to give them a more humane taste of the stakeholders' perception on sustainability and their expectations from a company.

The answers were collected over a period of 2 weeks, online. The contact methods of the stakeholders were: email, Facebook, and LinkedIn. The survey was sent to 75 employees, 40 representatives from the importers, 168 competitors, around 30 other partners, creditors, NGO representatives, insurance companies, all these through email. The company allowed me to have a paid boost to a post on Facebook, asking the followers of the page (customers, potential customers, media, auto-community, and any other stakeholder) to answer the questionnaire.

4.4 Part 3. Sustainable development strategy based on materiality.

The last part of the research, defined as an action in the company, is the actual development of a strategy based on materiality. This was entirely based on the comprised results into the materiality analysis: management' perception versus stakeholders' perception. Therefore, this is where the process of facilitation, discussed above, comes into action. I used the quantitative data collected through questionnaires from management and stakeholders to create a basis from where to start the qualitative data collection through observations (in the final meeting) and interviews.

4.4.1 Data collection process and reasoning for the choice

Presentation of the materiality analysis to the management

A fifth meeting with the management was organised on the 23rd of March 2021 with the goal of presenting them the results of the materiality analysis. I conducted all the possible statistical tests which would be relevant for the management to see. The meeting was a good way to discuss on any questions they had about the results and to collect qualitative data through observations (notes were taken during and after the meeting).

Management interviews

The last step in this research, which also weighs the most in the process to answer the research question, is represented by interviews conducted with the 3 top managers and the one shareholder, who were part of all steps in the data collection were and who represent the management side in the materiality analysis. Therefore, there was a total of 4 face-to-face, theme interviews conducted right in

the days after the presentation of the results of the materiality analysis, between the 23 of March and the 30th of March. Theme interviews are a form of semi-structured interviews in which the researcher asks more specific questions on the opinions and views of the interviewee, based on the selected beforehand themes and in which people's interpretations and the meanings they give to things are highlighted (Kananen, 2014; cited in Kaipainen 2015 – master thesis; Puustinen,2013). This type of semi-structured interviews were considered for data collection because it is a flexible method and it gives the opportunity to ask individual questions, with the opportunity of solving possible misunderstandings during the interview, while at the same time, following the same objectives and narrative for each manager, so that the responses can easily by codified into themes. The theme semi-structured interviews use questions to guide the discussion, but there are no 'readymade' answers, and the interview is more like a discussion (Puustinen, 2013).

The selection of the interviewees was very straightforward, as the 4 participants were the focus throughout the whole research. The interviews were digitally recorded, and notes were taken; all the discussions were all in Romanian. The time for the interviews varied between 25 minute to 1hours and half.

The selection of questions was based on the 'emotionalist' approach, focusing on the participants authentic experiences on their exposure to information on sustainability, and also focusing on their perceptions, conceptions, understandings, viewpoints and emotions created by the results of the materiality analysis (Eriksson and Kovalainen, 2008). The themes followed in the interviews were: the overall understanding of the concept of sustainability, the idea of sustainability in the case study company, impacts of the results from the materiality analysis and personal values and beliefs. There were around 20 main questions prepared for the interviews and most of the questions were open-ended questions, but the entire interview was a mix of open-ended, closed, exploratory, clarification questions, etc. The list of the questions divided into the 4 themes can be found in appendix 3.

5 DATA ANALYSIS AND RESULTS

For an easier understanding to the reader of a data fluidity, this chapter will follow the exact same structure as the previous chapter, being divided in the 3 phases based on the action conducted in the company.

5.1 Part 1. Introducing sustainability to management

In this part, the results presented are represented by the observations gathered from the meetings conducted for this part and the result of the CSR Self-assessment questionnaire.

5.1.1 Initial discussion for the CSR job creation (10.02.2020)

My observations from this discussion are only referring to the openness of the general director to the subject, as it was a one-to-one discussion. First, I need to acknowledge the fact that the openness to have this discussion could be a result of three factors: his vague interest and curiosity for the idea of sustainability in business, my involvement and commitment into the firm as an old employee, or the fact that I am the daughter of one of the shareholders (so it could have been perceived as an obligation). Whichever was the combination between these factors, it got me into the room to pitch my plan for the company to start engaging in CSR, with me as a coordinator. At that point I did not know that meeting was going to be a part of my research, so the notes taken were only from memory, therefore not so fresh. The general director seemed interested to the idea of CSR, mainly because he saw it as an opportunity for a better branding and promotion of the company, or at least that was the one thing he got out of my pitch, therefore, given my experience in marketing, he agreed to the idea. The concept of sustainability was fairly new to him (he heard the word before but could not really define what it meant). I believe he said something like: 'it sounds like it's something nice to have, as long as it has no extra cost'.

5.1.2 Initial meeting on sustainable development (11.09.2020)

This was the official introductory meeting with all the 3 main managers in which I held a presentation. The presentation was divided in two parts: in the first part I talked about efficient waste management (as this was the first project in the firm, as part of my job) and I described the audit I did for the existent waste management system. The second part of the presentation was about the concepts of sustainability and sustainable development and how this is translated in business

through CSR. I had to mix the two subjects in the same presentation, as it was exceedingly difficult to obtain a meeting with all three managers. This could be because of the fact they were terribly busy indeed, or because they did not consider these subjects to be relevant or important for the present or near future of the firm.

In the first part of the presentation, in which I described the real issues with the waste management in the firm they were very attentive and interested, but I felt that as soon as I started to talk about theoretical, conceptual things like sustainable development I lost their attention (which could have been noticed by the fact that they weren't really looking at the slides anymore; they were on their laptops and phones, checking emails and replying to messages). Of course my intention was to keep the presentation as clear and tangible as possible, so I tried to exemplify (from studies and best practices from other companies) why it is good to think about CSR and include it into the strategy of the firm, however one manager said that 'all of these are only working on paper, not in the real life' and then he said he will maybe believe that CSR activities could increase productivity in a car service, by making people happier and more fulfilled at the work place, if I show him another car service in another country in which such results of CSR activities can be observed with clear direct connections to the activities performed.

My last presentation slide was a collection of critical and sceptical phrases thought by managers who are adverse to change or against sustainable transformation and all the managers admitted that they did think during the presentation about half of those phrases (example of phrases: 'don't forget we also need to make money', 'you're not going to be able to convince people of such ideas', ' let's deal with things like this another time, we have more important issues to focus on right now', ' we are too small for such initiatives', ' it sounds like it's going to cost a lot of time and money',' we are not ready for such ideas', 'we don't have the right employees for this', ' why change if things work just fine the way they are now?', 'we are too back in time in Romania for such ideas' etc.). I chose to finish my presentation in this way just to show that all the above are normal reactions for people when faced with change, in order to minimize the negative reactions. The managers confessed that many of those phrases did indeed crossed their minds during the presentation and that they did not really trust what was presented to them to be something feasible, or do-able, nor even too important.

5.1.3 CSR Self-assessment questionnaire and meeting

For the CSR Self-assessment on the maturity level in the sustainable development of a company each manager answered their own spreadsheet in which they had to grade each of the 21 topics on a scale from 1 to 5, where each grade on the scale had its own definition. I compiled the answers from all the managers, including my own in the same table, and then I counted how many answers there were for each grade on the scale for each topic (figure 4.).

		Cristina						Andreea						Ionut						Alin				
		Nivelul 1	Nivelul 2	Nivelul 3	Nivelul 4	Nivelul 5		Nivelul 1	Nivelul 2	Nivelul 3	Nivelul 4	Nivelul 5		Nivelul 1	Nivelul 2	Nivelul 3	Nivelul 4	Nivelul 5		Nivelul 1	Nivelul 2	Nivelul 3	Nivelul 4	Nivelul 5
Strategie	1.1		X				1.1	X					1.1			X			1.1		X			
	1.2	X					1.2		X				1.2		X				1.2			X		
	1.3	X					1.3		X				1.3		X				1.3	X				
	1.4	X					1.4		X				1.4		X				1.4		X			
	1.5	X					1.5	X					1.5		X				1.5		X			
Economic	2.1			X			2.1				X		2.1				X		2.1				X	
	2.2			X			2.2				X		2.2				X		2.2				X	
	2.3	X					2.3			X			2.3			X			2.3			X		
	2.4		X				2.4			X			2.4			X			2.4			X		
	2.5		X				2.5	X					2.5			X			2.5		X			
Mediu	3.1		X				3.1		X				3.1		X				3.1			X		
	3.2	X					3.2		X				3.2		X				3.2		X			
	3.3	X					3.3		X				3.3	X					3.3		X			
	3.4	X					3.4		X				3.4	X					3.4	X				
	3.5	X					3.5			X			3.5	X					3.5			X		
	3.6	X					3.6			X			3.6			X			3.6	X				
Social	4.1	X					4.1			X			4.1			X			4.1		X			
	4.2	X					4.2		X				4.2			X			4.2	X				
	4.3		X				4.3		X				4.3		X				4.3		X			
	4.4	X					4.4		X				4.4	X					4.4			X		
	4.5	X					4.5		X				4.5		X				4.5		X			
Total		14	5	2				3	11	5	2			4	7	8	2			4	9	6	2	

Nivel 1	25		strategie	niv 2
Nivel 2	32		economic	niv 3
Nivel 3	21		mediu	niv 2
Nivel 4	6		social	niv 1

Figure 4. CSR self-assessment data collection

The result of the CSR self-assessment was that the company is situated now at level 2 – Reactive, which means that the company has initiated its reflection on sustainable development, which is true, because we have only recently initiated reflections on sustainability, once I started in the CSR position. 'A reactive organization reacts only if there is an emergency. The reactive company has a management of loss control. When problems arise, management tries only to avoid infringements. At this level, Sustainable Development (SD) is perceived as an expense or, at best, is paid by its customers (appearance of SD, greenwashing). The company's culture is driven by a logic of short-term financial results. The lack of communication and follow-up are characteristics of reactive management. This means that the company is being drawn into other urgent matters. Responsibilities related to inaction are rejected and stakeholders are only heard in crisis. The company merely "puts out the fires' (BNQ, 2011).

In the meeting following the self-assessment, the second meeting part of the research, the managers were a bit curious to see what the result of the assessment was and what was the level of the company. They were a bit disappointed of the result because the description of the Reactive level had somehow a negative tone attached, however, they agreed that it was realistic. One of the managers did not consider relevant to think about issues like the ones from the assessment, as they were outside the boundaries of day to day financially directed matters.

5.2 Part 2. Working with management on a strategy for sustainable development

This part represents the thickest set of results and data obtained both from managers and stakeholders as it includes: the stakeholder identification, the stakeholder prioritization (based on the 2 models: salience and power/interest), the

meeting with management for the final topics establishment and the overall materiality analysis.

5.2.1 Stakeholder identification and evaluation

This step was conducted during the third meeting with the management (only the 3 top managers) and the maps and results were compiled after the meeting and sent as a report to the management. The meeting was fairly short as I announced from the start, announcement that had as a reaction from one of the managers the sentence: 'oh, thanks God'. Moreover, the meeting was scheduled for 09:00; we all gathered in the room at 09:00, however, the actual meeting started around 09:30 as all the managers had some other urgent matters to solve. To mark the start of the meeting one of the managers had a funny sarcastic comment: 'ok, how do we save the world today?'. There was very little interest for the meeting (as I understood they were all stressed about a big project the company is part of), however after the initial hiccups with the start of the meeting, the managers engaged in the discussion and were present and efficient. From their attitudes and non-verbal language, I understood that they were a bit bothered by the exercise, considering is time-consuming and they all had better, more important things to do.

The list with all the stakeholders we considered for evaluation, resulted from discussions starting from a sketch list I designed beforehand. The stakeholders chosen for evaluation can be observed in Table 2., and they were divided into main stakeholder groups and specific actors belonging to each group.

Stakeholder group	Stakeholder subgroup/ specific actors
Shareholders	Constantin, Doru, Florentina (Dragos),Andreea, Alin, Cristina
Management	Alin, Cristina, Ionut
Employees	Division based on departments
Customers	B2C
	B2B
Competitors	on the same car brands
	on other car brands
Creditors	banks
	Own capital
	Leasing
Strategic partners	accounting, IT and ERP system, lawyer, health and safety
Suppliers	services
	products

Importers (car suppliers) (National representation of the brand)	Divided on each brand	
Global representation of the brand	Toyota, Suzuki, Honda, Kia, Mazda	
European representation of the brand	Toyota, Suzuki, Honda, Kia, Mazda	
Normative authorities	local	
	national	
	European and global	
Local CONTROL authorities		
Authorities with big risk impact		
Local community	people around our physical locations and the ones targeted by our marketing	
NGOs	environmental, social, customer and employer protection	
Media channels	magazines, news, Facebook	
Specialty Universities	Polyethnic - mechanics, transportation	
Possible future employees		
Possible future customers		
Car communities - forums		
Competitors for alternative services	car sharing, car rental, other tech solutions	

Table 2. The identified stakeholders

Only stakeholder groups (named also simply stakeholders in the rest of the paper) were evaluated, not individual actors.

For the first evaluation model, the salience model based on Mitchell et al. (1997), management evaluated (with a yes/no answer scheme) for each stakeholder group which of the three attributes they possessed: power, legitimacy, urgency, in order to determine the category they belonged to: definitive, dormant, discretionary, dependant, dangerous, demanding or non-stakeholders. After knowing each stakeholder group's attribute a salience map was created, and this can be seen in Figure 5.
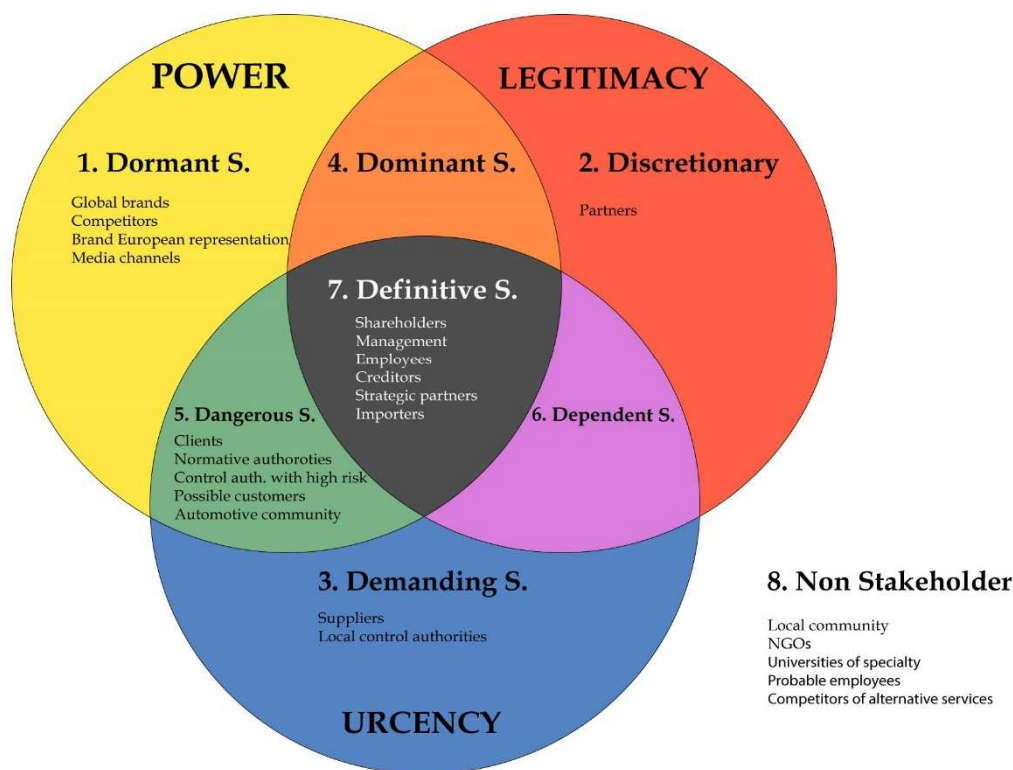
Figure 5. Stakeholder salience map based on Mitchell et al. (1997)

Definitive stakeholders, the ones believed to be most important because they possess all three attributes, are also the biggest group in the salience analysis are: shareholders, management, employees, creditors, strategic partners and importers. The ones who only possess power out of all attributes, are called dormant and these are: global and European representation of the car brands, competitors and media. The dangerous stakeholders, the ones that have power and also urgency are customers, normative authorities and big risk impact authorities, possible future clients and the auto community. Stakeholders who only possess the urgency attribute are called demanding stakeholders and are represented by suppliers and local control authorities. A big number of previously identified stakeholders were evaluated as non-stakeholders by this model: local community, NGOs, universities, possible future employees, and competitors for alternative services.

The second evaluation model used, the power/interest analysis. The results were represented by the grades on a scale from 1-10 given by the management to each stakeholder group regarding the 2 questions asked (related to the power and interest a stakeholder could have regarding the company). To obtain the map, the results were compiled by obtaining the average grade obtained by each stakeholder group (between the 3 grades given by each manager). The

Power/Interest map is divided into 4 areas representing different communication strategies to those stakeholder groups part of the areas: monitor (minimum effect), keep satisfied, manage closely, keep informed, and this can be observed in Figure 6.
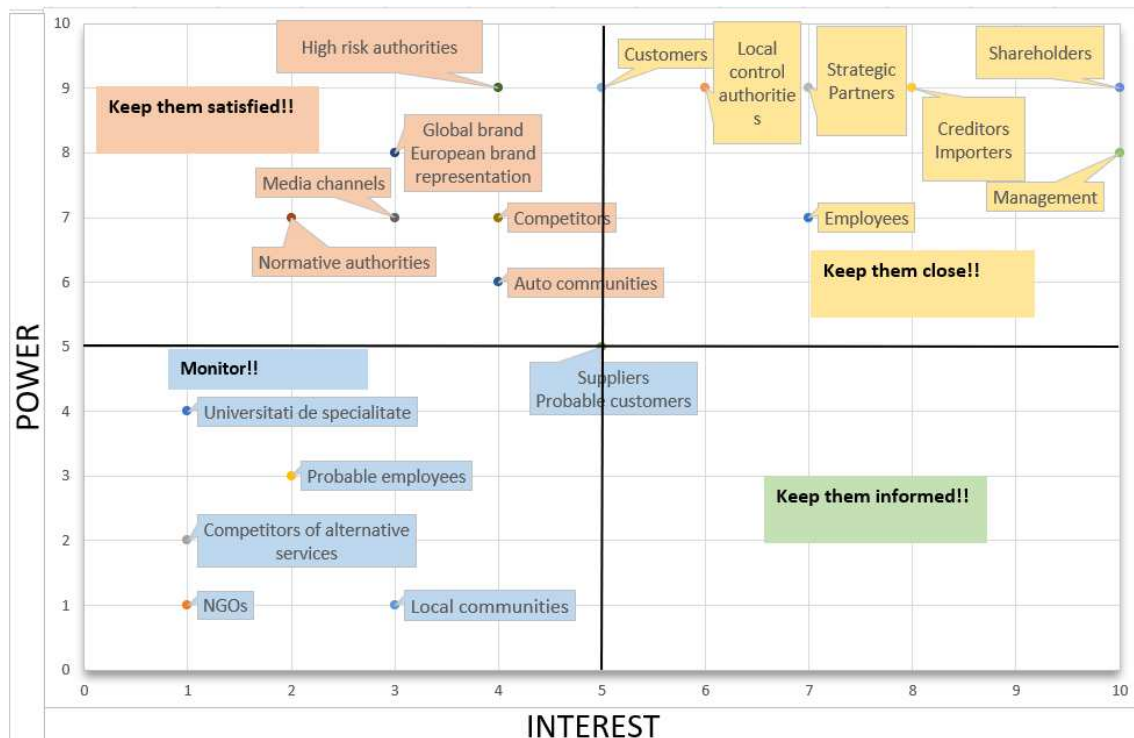
Figure 6. Power/interest stakeholder map

5.2.2 Materiality assessment – management meeting

The first step in the preparation for the materiality assessment was to establish the final list of topics to be evaluated and this was done through discussions with the management during the 4th meeting with the management in which a very interesting discussion was launched during, starting from one of the manager's question: 'tell me again, how does this, what we are doing now, help us in our business?'. In the meeting we were discussing the topics to be included in the analysis, like business ethics, innovations and pollution and emission preventions, and one of the managers got frustrated and said that 'all these ideas sound really nice, but it it's not the type of problems we have here; we have daily simple, urgent problems, like an employee who can't reach work anymore'. A debate started during this discussion between the managers, on the existing problems in the company, only one of them saying that 'it is true; we should pay attention some time to long-term perspectives, not just to the day-to-day issues'. What arose from the conversation was that there is a big problem with employee rotation and a lot of difficulty to find people. Also, there is a big financial pressure on the company and there is a big gap between new employees with less aptitudes

but very high expectations and old employees with high knowledge and caped salaries. A very interesting observation was the fear managers have to bother the employees – they said and they all agreed, that they believe if we start talking about sustainability and 'evolved, fairy-tales like this' to the employees and start asking them about environmental protection and their opinions on these sort of topics, we could only make the angry because we fill our time with such things while they can barely afford to live a decent life. One of the managers declared he heard one employee make a comment: 'there are more people in this company pushing papers around (referring to managers and people in offices) than the ones who actually do the work (referring to people who work in the service)'. From the observations made during this 4th meeting is also the fact that managers were more engaged, and opened to talk about the subject, even if it was mostly to complain about how difficult the present situation is; it was an advancement from the previous meetings.

The topics selected for further evaluation were 30 topics in total, divided into 4 categories: (6 governance), (9 economic and services), (8 social), (7 environment) and they are presented in Table 3.

During the 4th meeting, the data on the managements' perception was also collected as described in 4.3.2, through questionnaires, but its analysis could only be carried out after also obtaining data from the stakeholders.

5.2.3 Materiality assessment – stakeholder questionnaires

The data collected from the other stakeholders was collected through the means of the questionnaire (https://forms.gle/9GWUjxKn7t2rTpY99). The descriptive data of the questionnaire respondents are as follows:

Stakeholder Group	No. Of respondents	Percentage out of the total
Management and shareholders	4	Not counted
Employees	65	49.6%
Importers	18	13.7%
Customers and potential customers	22	16.8%
Creditors, strategic partners, suppliers, insurance companies	8	4.6%
Other stakeholders (competitors, media and auto-communities)	19	14.39%
Total	**136**	

Sex of respondents (without management and shareholders)	
Women	38.8%
Men	61.2%

Age groups (without management and shareholders)	
18-29	27.7%
30-45	56.9%
46-55	13.1%
56-70	2.3%

Table 3.Structure of questionnaire respondents

The open question had 88 answers: 52 from employees, 12 from customers, 11 from importers, partners, suppliers, creditors and 14 from competitors and other stakeholders.

An important mention is that throughout the entire analysis management and shareholders are taken together as a category (referred to as management throughout the paper), due to SMEs characteristics and how relationship and governance are different to separate between them.

5.2.4 The materiality analysis

Materiality matrix

Data from the management responses was compiled together with the data from stakeholder responses. A materiality matrix helps visualize the results of a materiality analysis. To obtain the materiality matrix with stakeholder perception on the X axis and management perception on the Y axis, an excel spreadsheet was used. All the 30 topics were written in rows and were separated in the 4 different dimensions by colour codes (governance- blue, economic and services- red, social – yellow, environmental – green). Next to the topics were created two columns: one for the management's grades and one for the stakeholder grades. The values in the columns were represented by the average score for each topic given by the stakeholders – in the stakeholder column (on a 1-5 scale) and given by the management – in the management column (on a 1-5 scale).

The compiled results into a XY axis – the materiality matrix – looks like this:
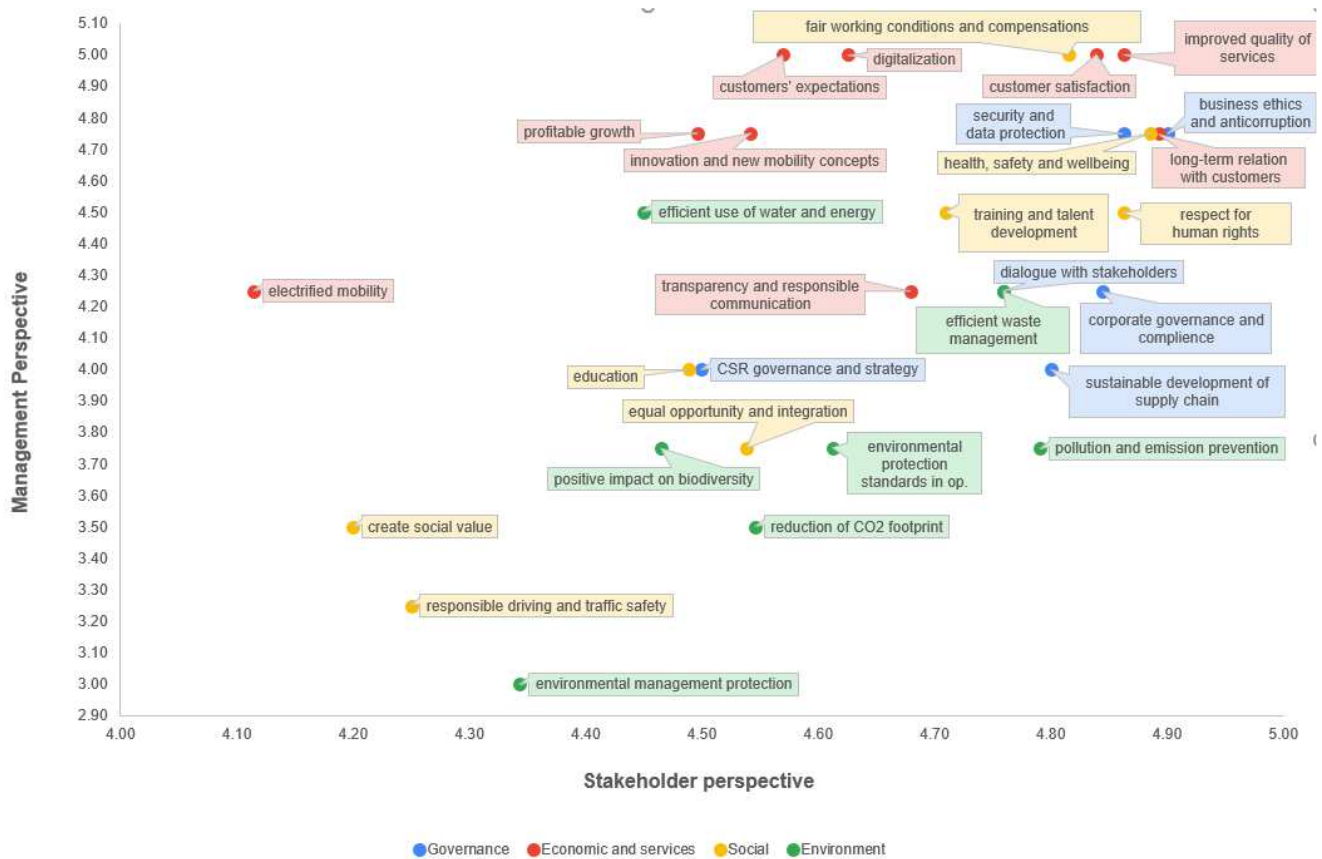
Figure 7. Materiality Matrix

The importance of the topics increases to the right for the stakeholders and to the top for the management, meaning that the ones in the top right corner are the ones found to be most material by everyone. It is easily observable from this map that all the environmental topics are lower for both groups. The two environmental topics which are higher for stakeholders on the map are: pollution prevention and efficient waste management, which are two topics that have been very present in media lately, whereas the most important environmental topic for the management is efficient use of water and energy, which is easily correlated to financial correlation.

The most important dimension for management is the economic and services, which is probably normal for a business that runs based on the bottom line.

Management versus stakeholders analysis

In order to make the results more visible and focus on the difference in perception between the management and the stakeholders for each topic, I transformed the data (the average results of management, and the average results of stakeholders) into percentages and compiled the results again for each dimension.
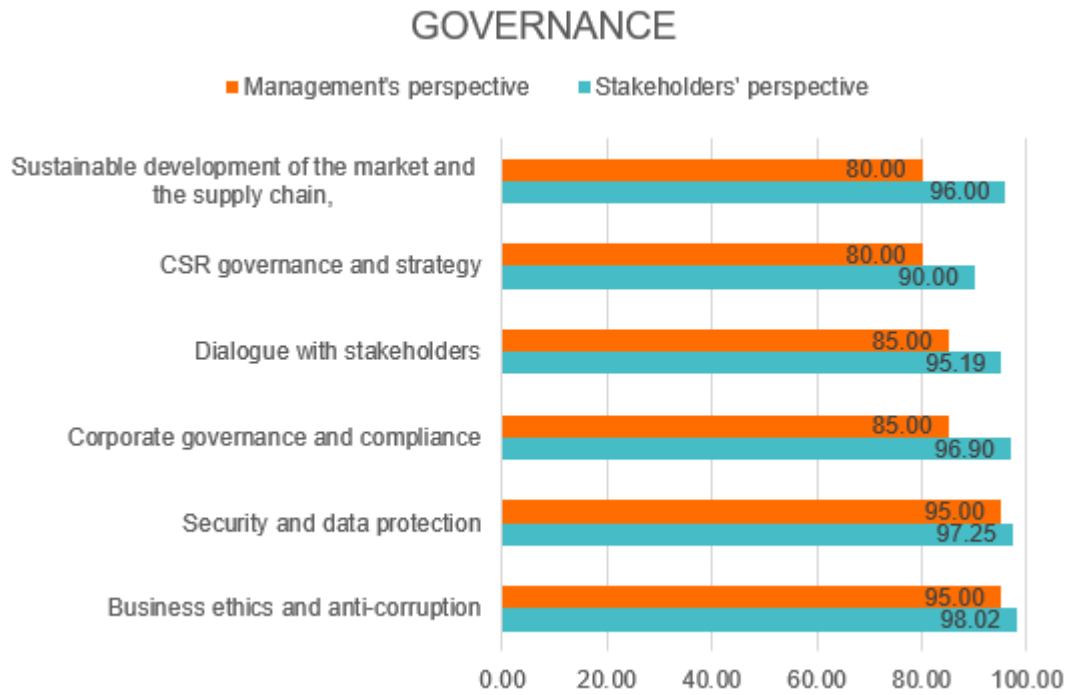
GOVERNANCE

Figure 8. Governance dimension. Management vs. Stakeholder perspective

ECONOMIC AND SERVICES
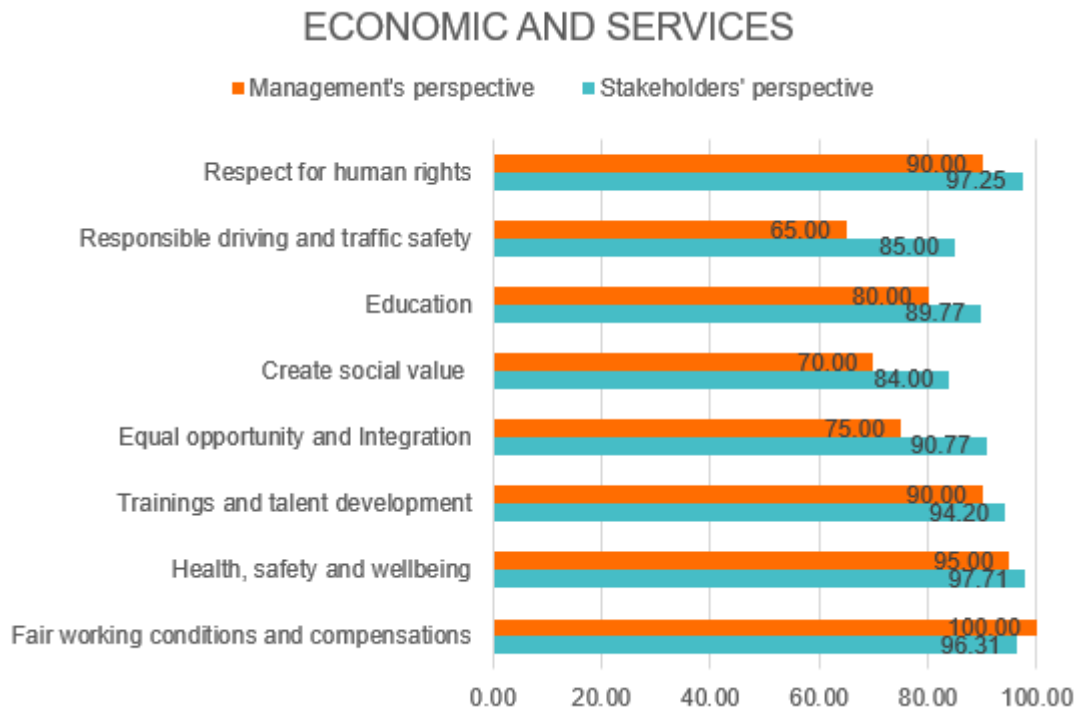
Figure 9. Economic and Services dimension. Management vs. Stakeholder perspective
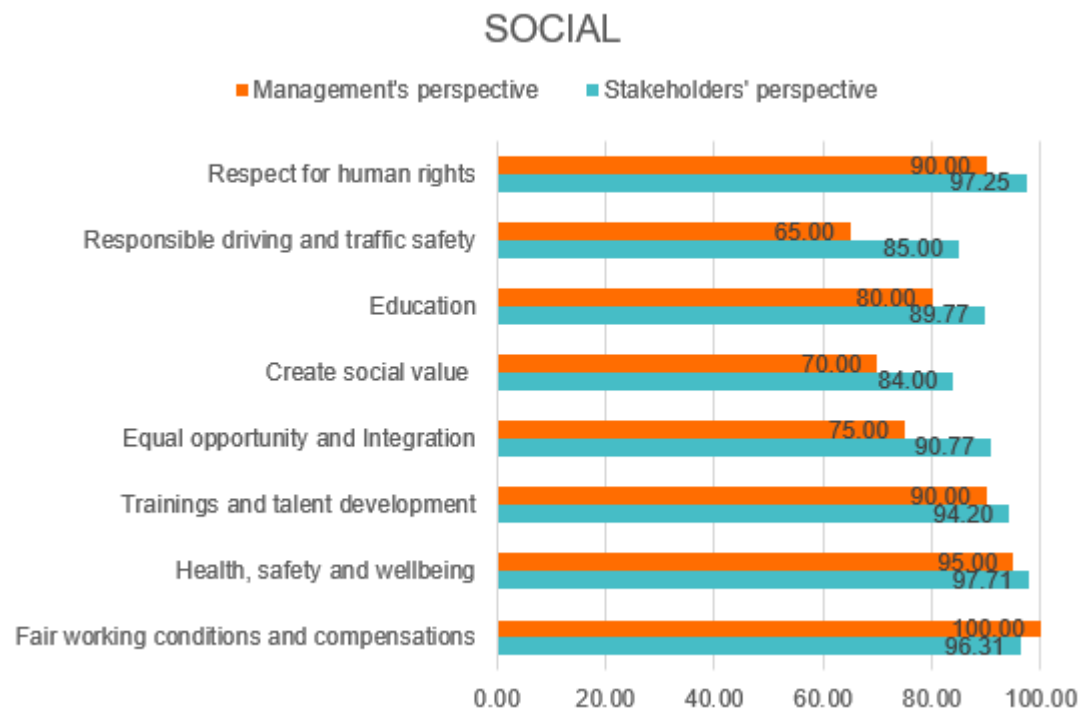
Figure 10. Social dimension. Management vs. Stakeholder perspective
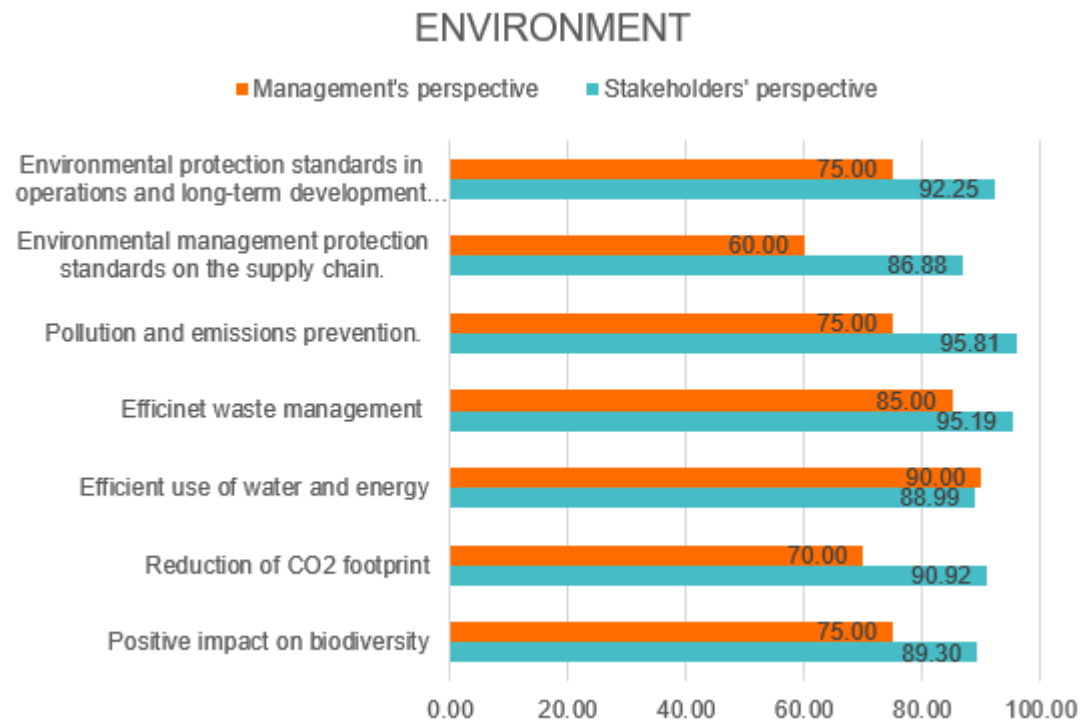
Figure 11.Environment dimension. Management vs. Stakeholder perspective

<u>Analysis of material topics for each stakeholder group</u>

As stakeholders belonged to various stakeholder groups, each of them with different stakes in the company and different relationship, I thought it was necessary to see the analysis on each of the topics for each stakeholder group. Management category remains the same for this analysis (it includes shareholder's response as well). As the number of respondents varied greatly, having no representatives responding from the local government, or from normative authorities and so on, I decided to group the stakeholders for this analysis based on their salience (obtained from the model in the chapter before). Therefore, as there was a considerable number of respondents representing the employees, and they are also a definitive stakeholder, they represent one category in the analysis. Another definitive stakeholder, with many respondents are the importers, but these were grouped together with strategic partners, suppliers, and creditors in the same category, as the relationships with the company are quite similar. Customers also represent a category in the analysis as they are a definitive stakeholder, even if the respondents were not so many (therefore the sample might not be entirely relevant for this stakeholder group). The last category in the analysis is for 'other stakeholders' and this includes all the other respondents not mentioned before: competitors, auto-community, media and the ones who declared themselves as 'other stakeholder'. They were all grouped together as they are not definitive stakeholders.

   The analysis was done by grouping stakeholders in the 5 categories mentioned above and obtaining the average grade of each category for each topic. This analysis shows the differences between certain stakeholders. For example, from each graph is clear which is the management perception, and which is the employees' or the customers' perception on the topics. For each topic, every stakeholder group is represented by a column. The results are as follows:
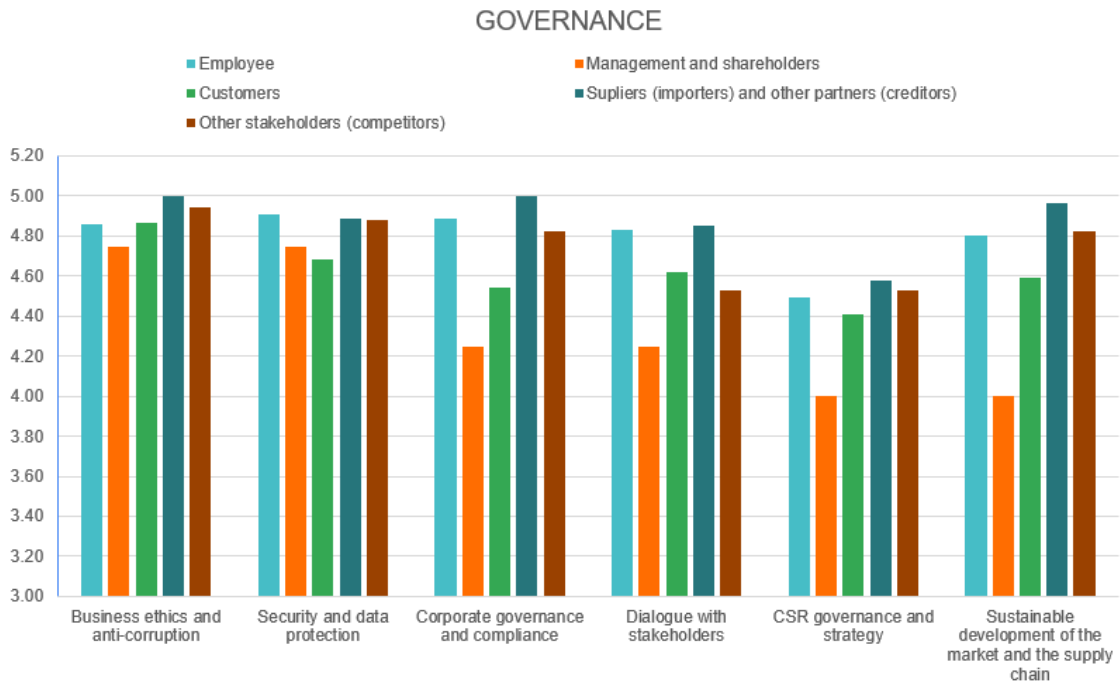
Figure 12. Governance dimension. Perspective of each stakeholder group
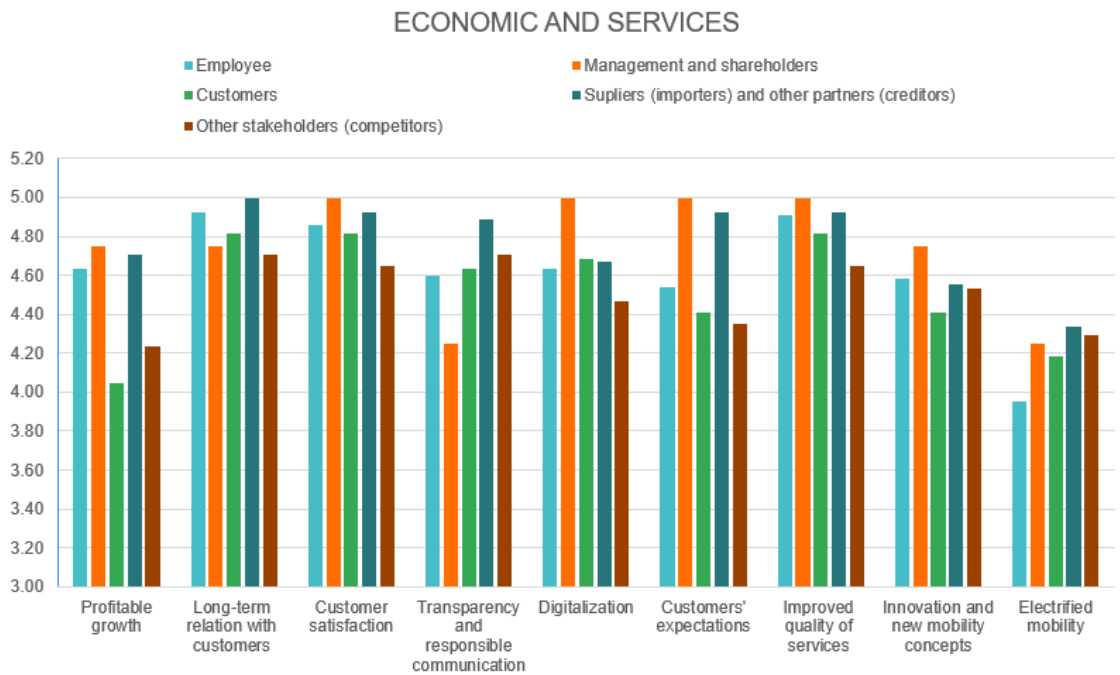
Figure 13. Economic and services dimension. Perspective of each stakeholder group
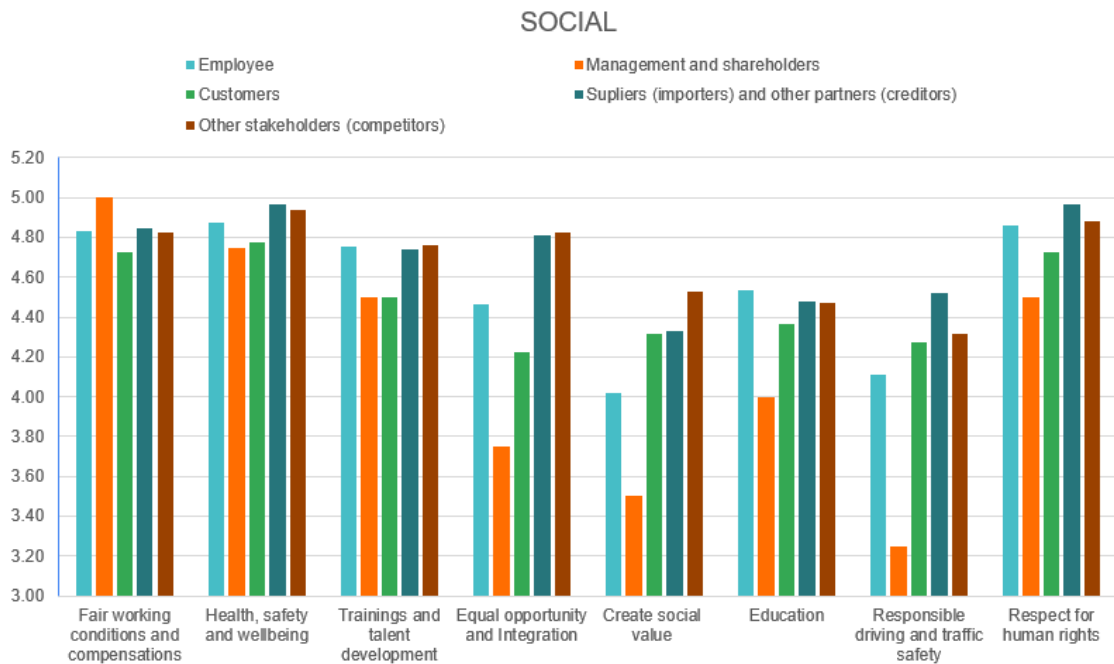
SOCIAL

Figure 14. Social dimension. Perspective of each stakeholder group
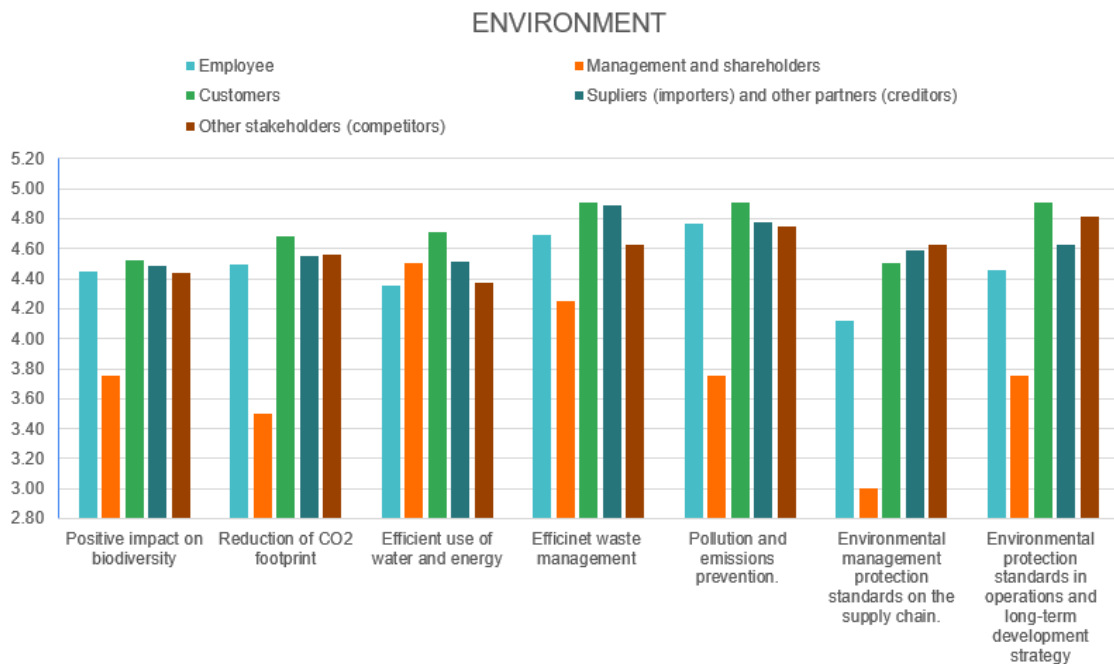
ENVIRONMENT

Figure 15. Environment dimension. Perspective of each stakeholder group

Present moment versus desirable future

Using the answers collected from the managers to the question: 'On a scale from 1-5 which number do you think reflects most the current situation of the company for each of the topics?' I was able to compile results and obtain an analysis which compares what is the actual level the company finds itself at, in relation to each

of the topics and which is the level that represents the desire of management and stakeholders for the future of the company, for each topic. For this analysis the data used was the managements' responses with the reflection on the company in the present and a combination between management and stakeholders' perception on the topics (I compiled together the grades from the management with the grades from all stakeholders and obtained the average grades). The management and stakeholders' perception of the topics was believed to show the desirable future, because the question they all answered to 'On a scale from 1-5 what is the importance of the following topics in your relation to the company?' calls for an idealistic answer. This question is about one perceives to be important, not about how it is in reality. Therefore, assuming that things are not how everybody would want them to be, it gives the opportunity to analyse how much is left in order to get there. What the analysis shows can be seen in Figure 16. Each dimension keeps the colour codes as before and for each of the topics, the present evaluation on that topic is represented in the lighter colour, while the desirable future is in the darker colour.
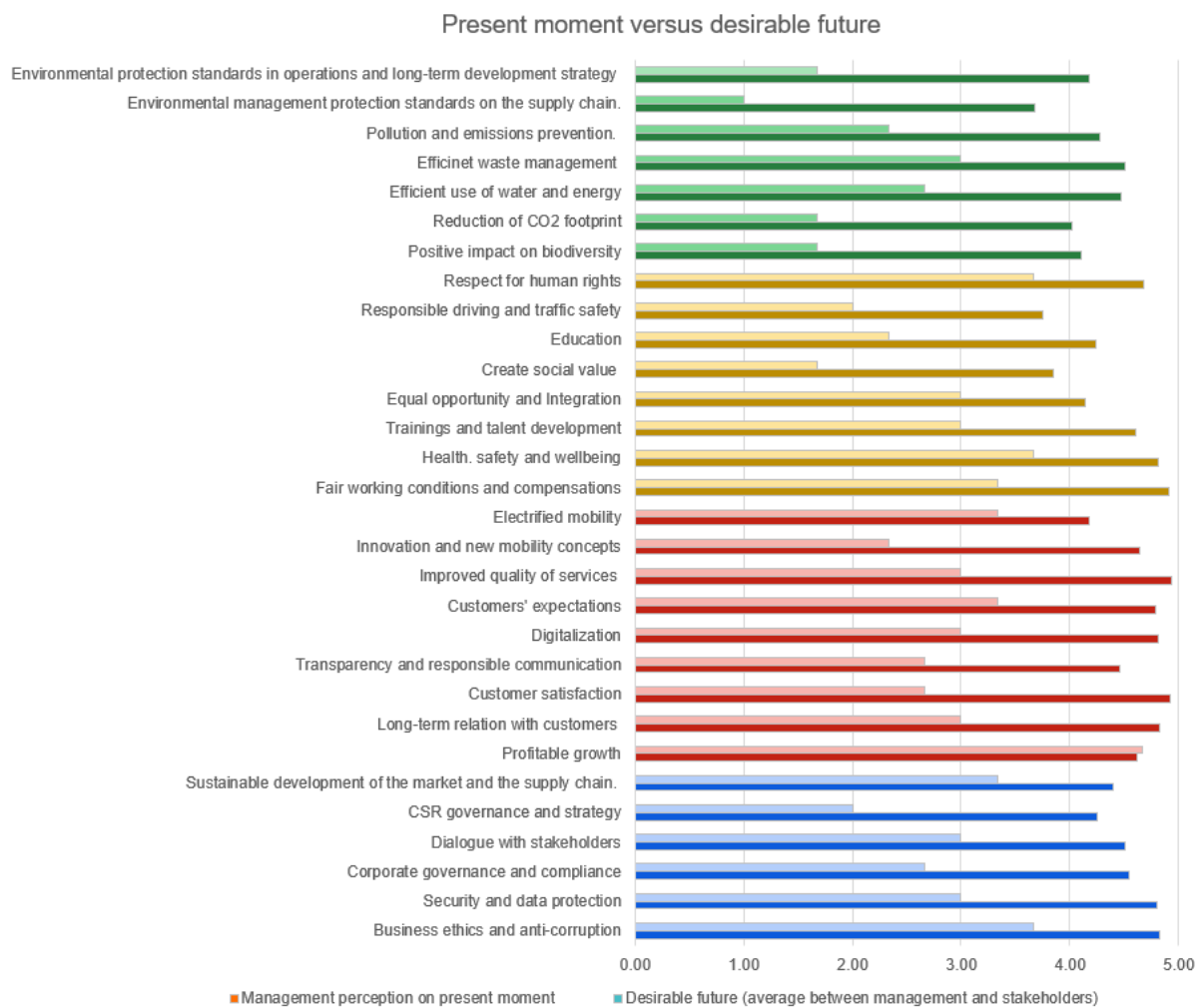
Figure 16. Present moment vs. desirable future

Prioritization of topics for the sustainability strategy

Based on this analysis, I calculated to see which topics have the biggest difference between the future and the present and with that data I created a heat map to extract the topics with the biggest difference. This resulted in a suggested prioritization in the order of topics to be addressed by the strategy of sustainability.

Priority scale	Order of Priorities in CSR strategy	Dimenssion of the topic
1	Environmental management protection standards on the supply chain.	Environment
2	Environmental protection standards in operations and long-term development strategy	Environment
3	Positive impact on biodiversity	Environment
4	Reduction of CO2 footprint	Environment
5	Innovation and new mobility concepts	Economic and services
6	CSR Governance and strategy	Governance
6	Customer satisfaction	Economic and services
7	Create social value	Social
8	Pollution and emissions prevention	Environment
9	Improved quality of services	Economic and services
10	Education	Social
11	Corporate governance and compliance	Governance
12	Long-term relation with customers	Economic and services
13	Digitalization	Economic and services
13	Security and Data protection	Governance
14	Efficient use of water and energy	Environment
15	Transparency and responsible communication	Economic and services
16	Responsible driving and traffic safety	Social
17	Trainings and talent development	Social
18	Fair working conditions and compensations	Social

Table 4. Priorities for CSR Strategy

Observations

One of the questions asked to the managers was: 'On a scale from 1-10 how much influence you think each of the topics could have on the operations of the company?'. The answers on this question were not being used as part of this research.

5.3 Part 3. Sustainable development strategy based on materiality

5.3.1 Presentation of materiality analysis results to management

All the graphs and information above, together with the interpretation were presented to the management during the 5th meeting, on the 23rd of March 2021. At the meeting there were present the 3 top managers and the participating shareholder into the study. Again, during this meeting I had the role of the presenter, but also the role of the observer, and from my observations, the vibe at this meeting was completely different than at the meetings before. This could be because this was the first meeting in which the shareholder fully participated; at the ones before he did not fully participate (I obtained the data on different occasions). This could also be a result of the fact that the over-time exposure of the management to the subject of sustainability got them to become more opened. They were curious about the results of the analysis and they always engaged in the conversation. There have not existed any more negative comments and sarcastic jokes and I got everyone's full attention throughout the entire meeting. Moreover, discussing all the results in detail and going through all the questions many interesting debates started, and precious information arose. Seeing stakeholders responds, the managers said that they probably answered the question with a sort of a negative bias holding over their head (because for them, being involved in the company, caught in the day-to-day problems, was very difficult to completely detach and imagine how the ideal situation would look like, without being influenced by the knowledge of how difficult the process to get there would be).

One of the results that shocked very much the management was the employees' answers for all the topics and their perception which seemed to value environmental and social issues a lot. The managers were dazzled about this. After the presentation of the present versus future analysis, I showed them the topics from the heath map, which turned out that they should be prioritized and, in the presentation, I also created example of small actions we could take, related to each of those topics. For the positive impact on biodiversity, I suggested increasing the green areas and water bodies at our locations (where possible), engaging in planting activities with different NGOs, or even committing to the idea of planting a tree for each car sold, creating Asko Group's forest in this way. Managers were very excited by these suggestions, so discussing these actions took over the conversation. While they were excited about these ideas, they completely did not believe in the employees' real interest in such ideas, therefore, as a test of their theory, they decided that we should organise a CSR action to plant trees together with an NGO. This idea is a recurrent theme in all the interviews and all of them mention it, as a turning point.

During the meeting, all participants stated that some of the issues we discussed are worth of attention and that we should plan our strategy choosing the

actions which do not require a considerable number of resources (human, financial, time consuming) and at the same time, have a big impact.

5.3.2 Interviews with managers

After having presented all data and results from the materiality analysis on the meeting, I gave a bit of time to the managers, for information to settle and then I organised the interviews. With the interviews recorded, information was transcribed and then translated into English. As these were theme semi-structured interviews, the answers were first grouped in the themes they belonged to, as during the interviews the questions were asked in a mixed order. There were 4 initial themes or categories for the questions (as well as for the answers) in the interviews:

- The overall understanding of the concept of sustainability
- The idea of introducing sustainability in the case study company
- Impacts of the results from the materiality analysis.
- Personal values and beliefs

All the answers from all managers were gathered in the same document under each pair question, and each manager got a different colour to represent their answer. Inside the text with the answers to each question there were some themes which appeared, other than the beforehand established ones. The themes were colour coded and moved in a different document with each set of data placed under its theme. Then, data was coded, to find similarities or differences between the answers. The general findings of the interviews will be presented in this subchapter, divided into the themes which appeared.

For some questions, managers did not really answer the actual question, however, the answer to that same question got out somewhere else and in other form during the interview; so, I would say there were no questions which were left un-answered. It was very interesting to see how managers had very different answers even about the company's vision, or they understood questions in very different ways, which made me realise how different they are as people who manage the company. This led me to think that if their personal values and beliefs was the one factor on which sustainability was based on, then there would probably exist very few chances in engaging in sustainability, as there is little common ground between the values of the 4 interviewees, however, it was found that these complete each other.

One common theme was managers' trust in the ability of the company to adapt to changes and be well, as well as their identification with the company. All managers talked about the stability of the company and its capacity to overcome challenges and staying in business because it has a responsibility. The company was described as a living organism which is alive thanks to the people who form it, which developed naturally and had to evolve into the mature company it is now, having a long history and perfected services over time. Even if the managers have

this trust in the company, the discussions arose about the uncertainty of the market and how all the changes happen so much faster than before. These concretize a fear which some of the managers seemed to have. They talked about the capacity of the company to innovate, and about the openness to do what it takes to survive as a company, even if it would mean to change the area of activity, two of them on a positive note, and one with negative tunning. A discussion about differences in generations and how the gap is getting bigger and bigger revealed a deep and hidden frustration. Two of the managers especially talked about the pressure put on the company by this gap in between generations, gap in education, expectations, perception of the world and how it works, loyalty and commitment. One of the managers said that the newer generations come and say '*loyalty equals stagnation, and stagnation equals capping, I can't stay in the same place for long*', and he took this as a new challenge trying to change his perspective and stop judging, while the other manager was really frustrated by this issue and said that '*it's just not fair; I am general director now, but since 2005 I worked in sales; it took me 13 years to get here; and now people come at job interviews and ask me about development opportunities, while they haven't proven anything*'. They both agreed that the newer generations do not have the same professional values as them, but all that matters is how you approach this challenge.

Most of them identified their vision, or better said, identified themselves with the company, however, especially the ones who identified with the company said that they have personal values which they had to compromise or contradict inside the firm. Two of the managers talked about the fact that they had to be colder and apply a barrier in relationships with their employees so that they keep objective towards them and give them constructive, professional feedback. The participant shareholder claimed that the vision which guided the company is his vision: he wanted to create a long-term business that would be left as inheritance for the future generation of his family. He also said that at one point in time he had to compromise on his personal values because he started the business with a friendly capitalism in mind (making money was not the ultimate goal but making friends and having good relations as well), but in order to let the company develop and prevent it from dying he had to apply a real capitalism and engage in the gold rush which drives the capitalist world.

The way in which managers understood the concept of the sustainability was separated into 2 common themes. Two of them described sustainability as a system which needs to produce added value or which is at least on zero (what goes in, equals what goes out). Sustainability was described by them as: '*A system which can go by itself and which produces more than it consumes. That is to add value. Taking everything into consideration: all the resources and everything that goes in*'. They both talked about the difficulty for doing such measurements: '*There is certainly a lot of immeasurable added value. Well, I like numbers, that's how I am. Let's say you tell me: look, it can also mean that people are happier. And I tell you, yes, that's right, and it's important for people to be happier at work. But you have an indicator which will measure this month by month and see what happiness influences positively and what*

happiness influences negatively? It's too complicated, too subjective and almost impossible'. The other two managers described sustainability from the perspective of the impact created and based on the three pillars of sustainability. One description was fairly short, with few details: *'Sustainability means that all your actions are sustainable in terms of the environment, resources, fresh air and so on. If you do something that bothers everyone around you, then that is no longer sustainable'*, while the other description was exceptionally long (around 2 pages) and metaphoric, but in short it referred to circularity and development: *'In fact, sustainability means evolution based on adapting to what the environment offers you and understanding. That is, it is ideal to look ahead, but to get information from the past. I see things in a cycle, in the idea that there is no perpetuum mobile. You always must supply energy to get a finished product. And somehow, I think that sustainability has always been felt by people, that is, even when it comes to crop rotation'*.

The theme about the introduction of sustainability in the case company revealed that it was almost impossible for all the managers to idealize and describe sustainability in a company, leaving aside the work which is necessary to get there. All managers mentioned the increased effort in order to have a sustainable company. Ionut, the director of Autonet talked about the transition of the company towards a sustainable company as: *'Work, extra work. I'm not mean, it doesn't mean extra work in vain. It's an extra effort that needs to be put in, by every employee, and I think that's why it is difficult to implement'*. They all considered that sustainability equals work and added effort, financial and educational effort, education being a strong pre-requisite needed for sustainability. Alin, the general director of Asko Group unveiled his deepest fear when it comes to the introduction of sustainability concept: *'On the one hand what scares me the most, is not the financial part, but the block of education that we have to deliver, and education takes time. First of all, you have to transfer that know-how in everyone's language and capabilities of understanding. Therefore, you have to give people a final benefit, which cannot to be utopic; they have to understand, what is their benefit in the language they speak – money; so that is why you get 2-3 pennies on the aluminium container when you recycle it. By giving them a benefit, you actually give them a purpose other than an idealistic one. So, I'm a little scared of the time that education will take, because it's not necessarily the cost, but the effort that the organization has to make through its people, and the costs associated, because there are certain things that involve costs'*. Besides the work required, the other characteristics of a sustainable company mentioned were transparency, the long-term happiness and wellbeing of the people (inside and outside of the company), with educated personnel, well-structured and 'clean' (one of the managers, Ionut, described it: *'very clean, both physically and in documents, and in operational procedures. And profitable, of course.'*). Leaving aside the managers' perception that sustainability means work, when they were asked how important they would say the role of sustainability in the company is, and if they were willing to invest in the sustainability transition (time, money, human resource), they all agreed that slowly moving the wheels towards this sustainable transition is important, even if they

had different reasons for this (2 of the managers described that using 'the sustainability story' the company could differentiate itself from the others and gain competitive advantage; the owner-manager acknowledged he believes it is important because regulations are changing a lot in this direction, and if we are not prepared for them it will cost the company much more; and the last manager said that the transition towards a sustainable company is important because this will be the future, and we have to take small steps in this direction so that we do not lose the start). In terms of the resources which they are willing to invest, they all mentioned that the existence of my position in the company is definitely a start, as well as the fact that they were willing to listen to me and offer me their time for all the meetings. They were not so willing to talk about investing financial resources, except maybe little budgets for good CSR projects, but they seemed willing to invest time and learn more about sustainability. The managers said that after the materiality analysis I conducted, I should choose 1 or 2 actions for each direction of sustainability (governance, economic, social and environment) which would not require big financial effort but would have a large positive impact for that direction.

Regarding the materiality analysis, a recurrent theme was the employees' action-value gap: how there is a huge difference between what they say they want and what they actually do especially when it comes to the environment. The three operational managers were frustrated about the results of the recycling scheme introduced in the company, the fact that the employees do not make any effort to respect the indications for the separate collection of waste and they throw everything in the general waste recipient, not to mention that they do not clean the plastic containers before throwing them. The employees' answers were interpreted by the managers as idealistic in the sense that the employees answered what sounded good in theory, but they did not commit to their answers, without realising that they need to put in effort, in order to get to the ideal picture. They all wanted to test the engagement of the employees in environmental activities with the 'planting trees action' the company organised for them, but managers were quite certain it would not have any success. The same action-value gap was considered regarding customers, as managers declared that they do not see their customers paying more for the company's services, just because it operates in a more sustainable way than the others.

Another theme connected to the materiality analysis was the conclusion of the managers on their perspective in the analysis: after seeing the results, they all declared that they did not answer in an idealistic way to the questions, but on the contrary, they took into consideration all the required effort needed so that the company could reach a high level for those topics of sustainability, therefore eliminating the action-value gap. They all mentioned that their thinking is focused on making money and this was preventing them to answer the questions solely based on their personal values. Therefore, they mentioned that their answers were influenced by their roles in the company and the pressure that goes

with their job description, which is making sure the company survives and prospers by making profit.

All the managers declared that seeing the results of the materiality analysis and seeing how different the stakeholders' perspective was to theirs, did not have any influence on their already formed perception of sustainability and the role of a company. The managers did not feel that the stakeholders' answers changed their approach towards sustainability or their future plans. The owner-manager motivated this by the fact that the results were expected to be different between managers and stakeholders, as the position is also different: '*there is a divergence in answers; you cannot expect your customers or other stakeholders to have a desire for your company to make profit; they are not financially involved*'. Ionut, one of the managers expressed his frustration regarding the fact that perspectives between management and stakeholders were different because stakeholders did not take into consideration what the company already does in terms of sustainability, because they did not know or cared about it. He said that the company is already much more responsible than the other players in the auto-market.

These results will be discussed in detail in next chapter as well, as these interviews were the main method to answer the research question, and together with findings from theoretical background and the data from observations they draw a whole big picture.

6 FINDINGS AND DISCUSSION

6.1 Summary

This chapter brings together the results of this research with the knowledge from the literature review performed, in order to answer the research question: 'How can stakeholders influence managements' commitment to the sustainable development of the company?'. Other relevant findings are also presented and discussed.

As a reminder, since the introduction of the CSR role in the company, managers' behaviour has been observed, culminating with the individual interviews in which they were directly asked about their values and beliefs, what is their opinion on sustainability in business and how willing would they be to engage in the process, and also if they think their perception has changed based on the materiality analysis which reflects the stakeholder perception. The answers from the interviews were used together with the observations taken throughout the entire research period.

6.2 Stakeholder perspective and stakeholder influence

Jenkins (2006) believes that by using stakeholder theory it is easier to understand CSR (sustainability) in the context of an SME, while Mitchell et al. (1997) argue that stakeholder theory is an important tool to be used with the purpose of expanding the perception of management on the roles of a business which should be beyond profit maximization and should also include social and environmental factors.

Nejati et al. (2014) wanted to see if firms practice CSR as a result of stakeholders' perception, influence and demands and Frooman (1999) set out the understand in which way could stakeholders influence a company. Gonzales-Benito (2010) discovered that the way in which a company meets its stakeholder's demands (shown by stakeholder perspective), depends greatly on the attributes of the stakeholder and the characteristics of managers (values and beliefs; the way managers interpret the demand). In this study, in the case study company, I wanted to observe the direct relation between the perspective of the stakeholders (their demands) and the influence these may have on management's commitment to sustainability (based on the values of managers and how they perceive stakeholders). Stakeholders' perception was measured through the materiality analysis conducted for the 30 sustainability topics chosen, regarding the perceived role of the company in relation to those topics.

In literature it is somehow accepted that all companies have stakeholders, however, in day-to-day life, businesses do not conceptualize everything. In the case study, I found the same situation described by Jenkins (2006), the formal term 'stakeholder' had never been used before, managers were not really aware what it meant, and also, they never considered formally identifying stakeholders and prioritizing them. Of course, informally they did know they have employees, customers, creditors, suppliers, and shareholders, however, they never considered to place them under the same umbrella of the word stakeholder. Therefore, I first had to introduce the term to the management and simplify the analysis as much as possible for it to be understood. Even if they did not have previous knowledge of the term stakeholder and what goes under its umbrella, management described the relationship with stakeholders personal, many of them being built over many years (with employees, with importers, with some suppliers and some customers, partners etc), and even if they never engaged in carefully planning the relationship with stakeholders, these were the centre of how they performed business, creating harmonious commercial and social relationships (Nejati et al. 2014), especially the relationship with employees and relationship with customers as these were perceived by managers as 'the closest to their hearts', which is in accordance with Nejati et al' s research (2014). Through the stakeholder analysis performed together with the management they just defined in formal terms what they already knew; they knew who their stakeholders were (even if they were not using this term to name them) and who were the most important ones, with most influence over the company. The manager's view of the importance of a stakeholder is important as well as the perceived pressure exercised by the stakeholder (Mitchell et al., 1997), which can be used to foster sustainability in a company (Nejati et al., 2014). In the case study company, no pressure from stakeholders has been identified before performing the materiality analysis, nor after presenting the results to the management. Managers were mainly surprised by the stakeholders' perception, especially due to the action-value gap, without perceiving it as pressure for them to act on. However, they all could sense that this pressure for change and become a sustainable company will be coming in the near future from customers, employees and legislators and that they should be ready to meet their expectations. One of the managers did also acknowledge that: *we should probably ask our colleagues for their opinions more often, not just assume how they think as we have been doing so far, and get a clearer picture of how things really are, not how we assume them to be'*.

The lack of perceived pressure is probably in accordance with Gonzales-Benito (2010) who believe that larger companies are the target of environmental and social claims from regulators and the community, leaving some time for smaller companies to prepare for when these claims would be applied to them also. In Romania, this is 100% true, as the law demands only for big companies (over 500 employees) to report on non-financial issues (social, environmental, on employees, human rights, anti-corruption), therefore, mostly very large companies are reporting on sustainability (Boiciuc, 2020).

Therefore, from the evaluation and identification of stakeholders as well as from the materiality assessment, management learned the formal way to categorize stakeholders and that also shareholders are a type of stakeholders, but most of the information was already known in an informal way (Jenkins, 2006). The management did acknowledge the power of the stakeholders and already knew how they could influence the company; however, they did not identify any pressure from stakeholders regarding sustainability, at least for the present moment. Regarding the materiality analysis, managers were expecting the results in perspective to be different between them and the other stakeholders, as the positions are different and it was normal for them to place the economic issues on top of the rest, as their main goal is to seek the continuity of the company and its financial success. Where the difference was very big in perception between management and stakeholders, managers explained that this happened because compared to the other stakeholder, when they answered the questions, they also took into consideration all the work which was associated to reaching those high grades realistically. Therefore, when asked directly if they think that seeing the stakeholders 'perspective on the sustainability topics, changed their perspective on sustainability, all managers said no. They were expecting the difference in perspective and they could explain why the results of the materiality analysis were the way they were.

6.3   Management values and management commitment

As Frooman (1999) explained, knowing who the stakeholders of a company are, what they want and how much power they have, is very important for strategical planning related to ways to react to stakeholder pressure. Even if a manager's view on a stakeholder's importance is crucial, as well as the pressure from the stakeholders (Mitchell et al. 1997), Gonzales-Benito (2010) believed that managers' beliefs and attitudes are important to the way pressure is perceived, and also to the degree to which they are more opened to sustainable development. This is why many of the interview questions with the managers were about their views of sustainability and how they integrate it in their personal life.

As in most SMEs where ownership and control lie with the same person, this is also true for the case study company. The control lies with the main shareholder Doru Bilciurescu (who was part of the research) and even if in the last years he has been trying to create a sort of an operational board to run the company, formed of the other 3 managers, the final word and decision always lies with him. As himself said: *the vision by which Asko Group was guided, is my own vison'*. The decisions are taken together between the four people participants in this study, but he just has the final word. As mentioned in the previous chapter, all managers identify themselves with the company and are proud of the fact that they helped grow the company and left their mark on how the company operates. Therefore, there is autonomy and legitimacy on choosing how to approach CSR

issues (Jenkins, 2006, 2009), so the personality and beliefs of these four people would design the firms' directions regarding sustainability (Nejati et al., 2014) as it also happened in the past with other challenges and transitions. As I mentioned in the first part of this paper, there appears to be a large body of research which has studied the environmental values, attitudes, and beliefs as an explanatory variable of sustainability practices (Burke and Gaughran, 2007; Cassells and Lewis, 2011; Kearins et al., 2010; Williams and Schaefer, 2013; cited in Jansson et al. 2017) and most studies show the importance of the values and personal ethical beliefs of the managers for developing more environmentally friendly practices and thus sustainability.

Managers described themselves as reactive, which is also the level of the maturity of the company obtained from the CSR self-assessment. This means that they only react to outside stimulus, and try to fix problems which arise, always getting drawn into the urgent matters. One of the managers said: *'Yes, we are reactive. Although we might hide an intrinsic desire to do good, sometimes I do not understand the extra effort which is required for this good'*. As they all agreed, they are too caught up in the daily routines, their jobs, and in the pressure to keep the company alive when things are changing so much (the workforce market, technology and also people's backgrounds, education and personal values). That is why they only react to whatever is most urgent.

However, the fact that something is urgent or not, is relative and is also based on personal values and beliefs. As Gonzales-Benito (2010) discovered, managers with greater awareness on environmental and social topics are more inclined to pay attention more to how stakeholders refer to these topics and might also perceive the pressure to react as more urgent.

Managers admitted that before my research they have never considered the impact the company has on its stakeholders and on the environment and that the concept of sustainability was something they heard about but could not really explain. Alin, the general director said: *'Considering the impact the company has, things have started to become clearer when you started this project. I have some good sense and an emotional routine to do things the right way and be fair, but I never looked further away than having happy customers and obey laws. We had zero initiative regarding sustainability, we only collected the waste separately in the service when it became compulsory, we became opened to hybrid cars when the importers forced us. We cannot say that we pioneered in any field'*. They also admitted that they did not grow up with this type of 'sustainable education' in mind. They grew in a world in which they had to work a lot to be able to satisfy their basic needs and requirements for life and with money as their main drive and as Bansal (2002) believes, people become aware of their surroundings and start thinking about their natural environment and community, only after they reach an acceptable standard of living and are not so tied to their basic needs for survival. Asked about their children during the interviews, as most parents would probably say, managers mentioned they want to create a better world for their children to grow up in and they want to make sure that their children would not have to start where they started in their lives, struggling to satisfy the basic needs in Maslow's pyramid.

The fact that education (manifested as access to information and resources) is very important for fostering a sustainable business model, is also consistent with Imran's et al. (2019) corelation: the higher the access to information, the higher the commitment of the management and the capability to innovate. Managers from the case study company were caught in this reactive business model and made direct contact with the concept of sustainability in the first presentation I provided, when I introduced the concept, the benefits for the company, and some CSR examples. As it was noted in the observations made during all the meetings with the management, a change in their behaviour happened during this research. At the beginning they were very reticent to the subject, giving the sensation that it was a burden for them to spend time in those meetings and that they always had something better to do. They did not engage too much in the first meetings and they were also sarcastic towards the subject. Their behaviour changed towards the last meetings, where it was observed that they engaged more in the discussions, contributing to the debates, and looking for ways to continue with the process. I believe this change happened because during the research period, managers were getting in contact more with the subjects of sustainability, they were informed on a theoretical level, and presented with examples of best practices from other companies in the country. At the time of the research, big retailers in Romania started to promote intensively their CSR actions and their sustainability strategy on most media channels (radio, TV, online). In the past year, many job roles were opened in big companies for CSR representatives and also some independent media channels conducted investigations on environmental topics in Romania and gained a lot of attention. So, the social context has also been favourable for the exposure of the managers to the concept of sustainability. Also, in December 2020, I introduced the office recycling scheme in the company, which created many arenas for discussion on the topics of recyclables (between employees, between managers and employees, at the lunch break, customers asking people in the company about the logistics etc.). In the interviews all the managers mentioned recycling as their example of how they integrate sustainability in their personal and at-work life.

Therefore, as Imran et al (2019) declared, access to resource and information is a major challenge regarding the lack of commitment of SMEs in CSR as well as the lack of financial resources and capability for information, or the idea that sustainability is not an urgent matter (Nejati et al., 2014), which was consistent with managers behaviour and interview answers. Chadwil et al. (2015; cited in Imran et al. 2019) believe that management commitment is a prerequisite for building capabilities, resource allocation and innovation and it is also a prerequisite for the implementation of CSR practices for sustainability (Jenkins, 2006). I believe that in order to obtain management commitment to CSR, an important prerequisite is education and the favourable context for managers to gain insights on sustainability.

In order to understand their grasping over the concept of responsibility, I also asked the management who do they believe would be the main actor in so-

ciety to be responsible for initiating change on sustainable development. The answers differed a bit, but I could group them in two themes. First, authorities (local, or national – the government), through the creation of a framework in which sustainable development is 'the new normal', through education and facilitation of processes. Second, NGOs, as they are the ones to form public opinions and the ones who are connected to the understanding of more systemic issues, of which the public might not be aware; one of the managers said that: *'every individual cannot take on his shoulders the burden of all problems in the world, even if he might want to do right by them'*.

In the case company, obtaining management's commitment is still a work in progress. During the interviews they declared that their commitment to sustainability started with giving me some of their time, so I could talk to them about this subject. They mentioned they are willing to be more opened and invest some more of their time to understand this concept better and gradually introducing some CSR actions. One of the managers said: *'If I put 5% of my time, I could promise I would start to think about what I should change in my behaviour or what I should pay more attention to so we could make progress in this process. I would like to put 5% of my time, which is approximately 2 and a half hours per week to focus on sustainability'*. However, neither of them was too willing to invest financial resources in sustainability, or at least not at the moment, which could mean that I caught their attention on the subject, they believe it is interesting, they are willing to learn more about it, but they are not willing to commit financially for this transition to sustainability which they do not fully understand yet. As mentioned before, the managers asked from me to find some actions for each dimension of sustainability explored in the materiality analysis, that would have a big social or environmental impact, but very small financial implications. This is in agreement with Jenkins (2006), who concluded in his research that SMEs should do what they can, where they can, with a sense of integrity, focusing more on the practicalities of its internal elements. I believe that once the managers will have more information on the subject, they will start to see the benefits of this transition and will be ready for a bigger commitment, but this will only come gradually, with time.

6.4   Sustainability in SMEs

Some of the reasons for the lack of engagement in CSR activities for SMEs are the adverse financial impact it could have, the lack of benefits to result from this engagement or purely the belief that it is not a company's role (Nejati et al., 2014). Even if CSR is largely spread in the world of corporations, and less in the SME environment (Jansson et al. 2017), some of the SMEs that engage in CSR do it either encouraged by legal compliance, for the perceived economic and image opportunities or for ethical reasons (Carroll, 1991; cited in Loorbach and Wijsman, 2013). Regarding the introduction of sustainability in the case study company, one of the managers explained that *'we always wanted to do things the right way.*

Our mistakes are purely mistakes, not steps taken for doing intentional harm to the environment or the community or to any of our stakeholders. However, I have never thought further away than just following the laws'. This is in accordance with what Porter and Kramer (2006) also noticed, that many companies are not aware that their business responsibilities should stretch so far, as to include sustainability issues.

As in Loorbach and Wijsman's (2013) research, out of the reasons outlined by the managers in the case study company for engaging in CSR activities for sustainability, were compliance to the future legal compliance, the perceived image opportunity which would help gain competitive advantage and thus bring economic benefits and also some ethical reasons (as one manager said: *'we always wanted to do things the right way'*). However, even if the ethical reason was mentioned by the managers, two managers also showed frustration related to the low degree of implication from the state; they believed that the government should support SMEs which engage in sustainability by doing the extra effort to be responsible and do the right thing, by cutting down taxes, or by creating frameworks in which SMEs are encouraged to be sustainable. This is probably because managers associate sustainability with extra effort done by them or by the company and they feel the need to be awarded for that extra effort. From the interviews it resulted that the most important reason for the investment in sustainability is the perceived improved image managers would want to attract by showing people that the company is different from the rest, while monetizing the efforts done. Alin, the general director declared: *'we also have to monetize the efforts we are doing: by being customers' first choice in the market, not because we have low prices, but because we are different and we are involved in the wellbeing of community, and that is why we have bigger prices […] To build a visible sustainability story that we could also be proud of'*. Managers explained this type of thinking in a very smart way; Alin said he understands that social and environmental issues are big problems that require systemic thinking and many actors involved: *'traditional business thinking is a paradigm which will require a long time to be changed. We are only one player in this paradigm and cannot bring true change alone. However, we can step outside of this paradigm, think differently, and until the majority will start to do the same, we will have this element of differentiation. And this is something I find easier to understand and accept as it has faster results for us, compared to the time required for starting to observe the benefits of social and environmental actions'*.

In the same way as with the personal values, a company would start paying attention to its surroundings once it is on a floating line, not struggling to survive (Bansal, 2002), or, when they are forced by the legal framework. This makes the financial context of a company a prerequisite for sustainability, together with owner-managers beliefs and values, with access to information (education) and innovation capability, and with the political socio-economic context in which the company operates.

7 CONCLUSIONS

In this master's thesis the focus was on a specific company, Asko Group, with a main focus on its operational managers (and owner-manager). The plan was to look for a change in management's perception on sustainable development and see if the company's stakeholders could influence the managers' commitment to sustainable development. The research and data collection was performed over a long period of time (over one year) during which the behaviour and attitude of managers has been continuously observed. The research and data collection was divided in 3 clear parts, clearly described in chapter 4 (in Figure.3), and discussions with managers, in which they were informed about the findings for each part, were part of each step of the research. Throughout this period, managers were constantly informed on sustainability related themes such as theory on sustainability, best practice examples and activities performed by other companies, as well as all the information provided for each step in the research in which they were directly involved in the process of obtaining the results (the CSR self-assessment for the maturity of the company, the identification and evaluation of stakeholders, the identification and evaluation of the materiality topics as well as the managers' perspective for the materiality analysis). Data collection process ended with the individual interviews with managers.

It was found that management's perspective and commitment to sustainability has gradually changed along the study, however, not as a direct consequence of stakeholder influence. At the beginning of the research managers could not really define the concept of sustainability and they had no idea what CSR meant, not to mention the lack of examples of actions which could be done to have a more sustainable company. Therefore, better said, I believe that their perspective on sustainability did not change, but it has been building up since the start of this research based on the access to information, on the perceived benefits of using CSR for image purposes and retention of customers and based on the perceived future pressure from legislation. A process of development has started for the managers and their willingness to change, and their commitment to sustainability is still a work in progress. Even if all managers declared that they believe that seeing stakeholders' perspective on the sustainability topics did not change the way they feel about sustainability, I believe it was still a very important tool to put things in perspective. However, this does not mean that replicating this research methodology on a different company would lead to the same results and to no direct correlation between the stakeholders' influence and managements' commitment.

Like Imran et al. (2019) I believe that the lack of access to resource and information is a major challenge, being one of the biggest problems working against SME's sustainability. Also, this study has many common findings to the ones of Jenkins (2006), related to the lack of formal collection on CSR data in SMEs,

but its existence in informal ways and with no idea of the connection to sustainability.

7.1   Managerial implications

This study brought together two main literature streams: stakeholder influence (through stakeholder theory) and management commitment, and the purpose of the research was to study if there is a positive unidirectional correlation between stakeholder influence and management commitment to favour sustainable development.

This study provides valuable insights for the managers and business practitioners about the prerequisites for the creation of a favourable context in which sustainable development could flourish (education, access to resource and information, financial stability, etc.).

For the managers and ownership of the case company, since the beginning of the research, they received valuable information regarding the concept of sustainability, and all the meetings that were part of this research increased their knowledge and awareness over this concept. Also, the relationships between management and stakeholders have been evaluated and formally defined, giving management the opportunity to learn and use their previous knowledge on their stakeholders to create a thorough analysis on the salience of stakeholders as well as the salience map.

For other managers and business practitioners, this research is a step forward in creating a better understanding of the not so familiar topic for SMEs, sustainable development, and for putting that knowledge into good use in working life if they desire to. The methodology from this research can be replicated and used in another SME in order to test the level of maturity of their company, identify and prioritise stakeholders, understand the barriers which could exist, study the managers' values and beliefs, understand what the company's stakeholders desire and see if their perspective influences the management and lead to any change in the company.

Managers' and owners' commitment is an important and powerful tool which could become handy in understanding a company's reaction in the face of transformation towards sustainability. As mentioned before, the sustainable transformation of SMEs will depend largely on business owner/manager understanding both the importance of sustainability to their operating environments and also understanding which are the benefits to employees' welfare and to the firm (Marshall et al. 2005; cited in Whitehead, 2017).

7.2   Trustworthiness of the research, limitations, and suggestions for future research

Assessing the rigor of a conducted study is a big challenge for a qualitative research, but it represents an integral part of a research process to prove its scientific nature (Eriksson and Kovalainen, 2008). Adopting explicit evaluation criteria increases the transparency of the research and makes it easier to observe the limitations of the research (Eriksson and Kovalainen, 2008). Trustworthiness is usually assessed through validity and reliability for quantitative studies, which are difficult to assess in qualitative studies as there are no established metrics (StatisticSolutions, 2021; Eriksson and Kovalainen, 2008). There are other four criteria used for qualitative research: credibility, dependability, confirmability and transferability (Stenfors et al., 2020). Kihn and Ihantola (2015) however, describe that the validation and evaluation of a qualitative study can be done both through the classic criteria that comes from quantitative research (validity, reliability and generalizability) and through trustworthiness alternative criteria (dependability, conformability, credibility and transferability) based on Lincoln and Guba (1985). In this study the latter evaluation criteria was found easier to apply.

This research is an intensive case study which used a mix of quantitative and qualitative methods, however, the quantitative methods were mainly used for facilitation and data triangulation (triangulation of methods), to construct the case and for completeness purposes (Carter et al. 2014). In order to answer this study's question, the research relied on a relativist ontology, suggesting that there are multiple realities (referred to as perceptions) (Eriksson and Kovalainen, 2008); the materiality analysis is grounded in the fact that perceptions are different between stakeholders, and from the interviews it was easily noticeable that perceptions were different also between the individual managers. However, the answer itself to the question was quite straightforward, based on a rigorous defined qualitative methodology, as the research question was related to the direct influence of stakeholders' perception on management's commitment, and the answer to this question revealed itself clearly from the interviews.

Credibility refers to the research findings being plausible and trustworthy (Stenfors et al., 2020) as well as to the familiarity with the topic and sufficient data collected to merit the claims (Eriksson and Kovalainen, 2008). The methodology chosen was well explained and justified for every step of the research as well as the process of data collection. The amount of data collected for this research is huge and it included various collection methods as observations over time. I believe that reading this paper, any researcher would come close to my interpretation and agree on the same answer to the research question (Kihn and Ihantola, 2015). Participant member reflections was partially used as well, as participants were informed on the preliminary findings of each stage of the research (Stenfors et al., 2020), through presentations, informative focus groups and discussion meetings.

Dependability refers to the extent to which the research could be replicated in similar conditions (Stenfors et al., 2020), evaluating the logical, traceable, and carefully documented research process (Kihn and Ihantola, 2015). Every step of this research has been carefully documented, notes have been taken all along the research and gathered together with the other data for evaluation. All steps and data collected are traceable and could be confronted. This research could be replicated in the exact same way in another SME, with results varying based on the case company studied. As mentioned in the methodology chapter, the main aim of intensive case studies is not necessarily to produce knowledge which could be generalised to other contexts, but to explore and understand how the chosen case works, and which are the chosen's case unique or critical features, because it is the uniqueness of the case that justifies the appropriateness of the case study approach (Eriksson and Kovalainen, 2008). Even if it was not the main goal of the research, to produce generalised knowledge, I believe that the structure of the methods applied at all steps can be replicable to other company also.

Conformability criteria requires for a clear link between the data and the findings (Stenfors et al., 2020) in ways easily understandable by others (Kihn and Ihantola, 2015). All findings in the results and analysis chapter and also in the discussions chapter are linked to quotes from the interviews with management and also all the findings related to the notes taken while observing management, were clearly presented and associated to their findings.

Transferability refers to the possibility of transferring findings to another setting or context (Stenfors et al., 2020) by showing a degree of similarity between this research and other studies to establish some connection to previous results (Eriksson and Kovalainen, 2008). This research is based on a gap in literature, mainly combining two well previously researched literature streams (stakeholder influence and management commitment) and trying to find a corelation between them. Parts of this research are easily found in literature such as: the concept of CSR in SMEs and how SMEs react to the concept of sustainability (Jenkins, 2004, 2006, 2009), barriers of sustainability in SMEs (Imran et al.,2019), the role of managers values and beliefs and management commitment in the context of CSR in SMEs (Nejati et al. 2014; Jenkins, 2006; Jansson et al. 2017), stakeholder theory and stakeholder influence (Mitchell et al., 1997; Frooman, 1999; Gonzales-Benito, 2010). However, the exact same study on the correlation between stakeholder influence on management commitment regarding sustainability, could not be found previous to starting this research (therefore, the gap in literature on the subject).

The study has a number of possible limitations which restricted the extent of the research. The biggest limitation of this study, and probably a limitation to any other similar case studies, was the lack of research on CSR in SMEs. Most research is focused on very big companies and there are very few studies on smaller companies (Van Marrewijk, 2003; Valor, 2005; Nejati and Amran, 2009 cited in Nejati et al. 2014; Jenkins, 2006, Wang, 2018, Imran et al., 2019). Jenkins (2006) discov-

ered that CSR has been traditionally associated with large companies, and advancements to engage SMEs CSR have simply tried to scale down the same methods from large companies, which do no 'fit'. Because of this, there is a lack of assessment methods for SMEs, lack of information, lack of a framework which they could use to set the grounds of a healthy 'CSR strategy'. Moreover, there are no tested and approved research methodologies – actions, step by step, which could be implemented with knowledge of previous best practice. There are very few best practice examples from SMEs to be used by managers as guidance for implementing CSR. Moreover, the benefits of implementing CSR in a company are also taken out from the research on large companies, and they do not make a convincing case for SMEs; in the case study company, implementing sustainability actions such as better waste management, methods to reduce energy use or water use, for cost reduction purposes was not viable as the company has already performed most of this steps because they have always tried to keep costs down, continuously working to find ways for doing so. I believe that more research on sustainability/CSR in small companies would have brought more opportunities and tools to be used in this study, helping to gain managers' confidence and engagement (they have always asked for what other similar companies are doing, or how CSR actions have improved the smaller businesses in other countries).

Secondly, as it was mentioned above, I believe that the political and socio-economic context is very important and it could favour the transition of a company towards a more sustainable company, or it could prevent it. From the manager interviews it arose the fact that managers feel that the government does not support SMEs in any ways, not to mention that it does not provide them with a framework or tools to develop and do business in a more ethical way. This is a demotivating factor for the enthusiasm of managers to CSR and an explanation for why they all associated sustainability with increased effort. This was more a limitation towards the result of this study; I believe that with a better context and some availability of information and tools for SMEs that want to introduce CSR or even some financial aid, managers would have been much more receptive and committed to this change.

A possible methodological limitation could be my own bias towards the company or the management. The fact that I have known the managers and the company for so long, might have contributed to their perception and openness to the 'CSR story'. It is possible that, without the right champion for CSR, other managers would not be so opened and willing to spend some of their time on something they do not know anything about.

I believe that the materiality analysis which is widely used in large companies as a basis for CSR strategy or for CSR reporting is not a sufficient tool for finding out how important specific topics are for stakeholders and what they really want or believe. However, there is no clear methodology for performing a materiality analysis, which leaves room for each company to choose how they reach the results for a materiality matrix. It is better to say that using only questionnaires (in this study) for the materiality analysis was limitative and difficult

to use to draw a real picture of the stakeholders' views on the topics. The main criticism from the managers was the observed action-value gap in the results of the materiality analysis, which could have probably been minimized with the use of some focus groups or some short interviews with an extended sample of people.

For future research, the lack of literature of CRS in SMEs should definitely be addressed as well as the development of framework or methods for the introduction of CSR in SMEs. Environmental management systems or social systems like the ISO standards or the guidelines from the GRI are cumbersome for small companies which have limited human resources and very little financial resources. Also, for the creation of a favourable context that encourages sustainability in business, I believe that education is urgently needed to change the paradigm of what business as usual means. Moreover, the use of materiality analysis for CSR should be further studied and a methodological guide should be published to help companies to perform this analysis, but also to standardise and assure a minimum level of reliability for these analyses.

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APPENDIX 1 – SELF-EVALUATION CHART

Theme and Issue	Description	Level 1	Level 2	Level 3	Level 4	Level 5
1.1 Vision, Mission and Values	*For the organization, the vision describes what it would like to be the ideal for the future. It is a source of timeless inspiration and provides clear benchmarks to support decision-making. The mission of an organization is a general statement that describes the "raison d'être"-its market, its product-and frames discussions on strategic choices. Values guide the attitudes and the behaviours of all collaborators of the organization.*	The vision, the mission and the organizational values are not clearly defined.	The vision, the mission and the organizational values are partly defined and are fragmentarily reflected in the organization's management without addressing issues related to sustainable development.	The vision, the mission and the values are clearly defined in a founding document and are reflected in the organization's planning and management. The documentation presents a resulting first reflection on the challenges of sustainable development by incorporating some principles.	The vision, the mission and the organizational values incorporate the principles of sustainable development. The organization ensures that these principles are reiterated in other organizational documents with ethical content (code of ethics, organizational policies, sustainable development report). The organization initiates a reflection on the interests and concerns of the stakeholders related to the organization.	The principles of sustainable development permeate in the organization's vision, mission and organizational values. The organization assumes its responsibilities towards stakeholders and is an inspirational source to society in general.
1.2 Organizational Strategy	*Strategy is the fundamental frame of reference from which an organization can maintain continuity while voluntarily managing its adaptation to a changing environment in order to have a competitive advantage.*	The organizational strategy is not clearly defined.	The organizational strategy is updated periodically following exceptional external events.	The organizational strategy is formalized and periodically stated in objectives, dashboards, and in short- and medium-term indicators.	As part of its thinking for seeking a competitive advantage, the organization integrates in its strategy the objectives and stakes that are in line with the sustainable development.	Sustainable development is the core element around which the organizational strategy is built.
1.3 Business Ethics	*Business ethics cover several interrelated levels: the organization's work, the politico-geographical context in which it operates, the moral quality of the transaction types and of the organization's business environment.*	The organization has no document describing its organizational ethics (e.g. code of ethics, code of conduct) or has not yet initiated reflection on this matter.	The organization has a document describing its organizational ethics, but its content reflects current laws and regulations only. However, this document has little influence on the organization's decisions.	The organization has a code of conduct and a defined organizational ethics that, together, strive to stimulate all members of the organization to adopt a more ethical behaviour (management of issues of conflict of interest, corruption). The organization is committed to compliance with international commitments and treaties (Universal Declaration of Human Rights, the principles of the ILO, United Nations Global Compact, etc.).	The organization ensures that the document describing its code of ethics is a "living document." It is reviewed periodically to ensure its consistency with stakeholder expectations and with other founding documents of its organizational culture (e.g. mission/vision/values, code of ethics, organizational policies, sustainable development reports).	The organization makes ethics a constant concern in all its activities, operations, decision-making processes and in its relationships with stakeholders. It shows great awareness of its economic, environmental, social and moral responsibilities towards society.
1.4 Responsibility with regard to Products and Services	*Responsibility with regard to products and services is the organization's commitment, on the one hand, to design quality products and services that minimize the consumption of resources as well as the negative impacts on the environment, on the health and safety of the community, its workers and its customers, and on the other hand, to ensure a transparent communication that is ethical and respectful of the rights to information (access and privacy) of its stakeholders.*	The organization has no structure that identifies or monitors client satisfaction with respect to the quality and safety of its products and services. For example, it does not have a system to manage and monitor complaints or returns on products or services. Complaints and returns are merely processed individually.	The organization has a few management practices that strive to better understand client needs. For example, it has a simple management system to process and monitor complaints or returns of products or services. In recurring cases, measures are taken on an ad hoc basis to ensure it does not happen again.	The organization has an organized quality management system to monitor complaints and returns in all its forms (e.g. ISO 9001 or other). A non-compliance review of returns is conducted periodically. Also, clear policies govern the implementation of guarantees. The organization seeks to make its products eco- efficient; however, a lack of expertise slows down the process.	The organization knows the impact of its products or services life cycle on the environment, the community and the health and safety of its clients. Concrete, responsible and sustainable actions are carried out by the organization (e.g. eco-design [from cradle to cradle]). Client satisfaction and impact studies are conducted periodically.	The organization has integrated the principles of eco-design in all its products and services. It is transparent in pricing and in communications. Through experience sharing, it participates in discussions on management with its business activity sector and the community.
1.5 Governance	*The governance of the organization is a set of laws, regulations or practices that define the boundaries of research and development authority from the responsibilities of those who are in charge of sustainably guiding the organization. Guiding the organization means making and managing decisions that have a*	Information on the composition as well as the appointment procedures of governing body members are non-existent. The organization has no independent members on its board (board of directors or advisory board). Generally, decisions are made by limiting the advisory process.	Information on the composition as well as the appointment procedures of governing body members are not disclosed. Depending on the importance of governance-related decisions, the organization calls on external consultants on an ad hoc basis.	Information on the composition as well as the appointment procedures of governing body members are clearly defined. The organization has a board (board of directors or advisory board) that meets regularly.	The organization adopts "best practices" of governance and initiatives that go beyond the requirements contained in the codes of conduct. It has a board (board of directors or advisory board) comprising one or more independent members. The organization advocates transparency and demonstrates a genuine desire to reconcile the interests of all stakeholders	The organization puts forward a genuine culture of governance. For example, it has a board (board of directors or advisory board) predominantly made up of independent members. The leaders conduct themselves in a manner that is consistent with the organization's mission and values. This culture operationalizes itself

Theme and Issue	Description	Level 1	Level 2	Level 3	Level 4	Level 5
2.1 Profitability Control	This involves having a set of indicators and practices that make it possible to evaluate the economic and financial situation of the organization.	The organization does not have an appropriate strategy enabling it to consider improving its capital structure.	The organization has a budget. Monitoring and control mechanisms do not provide a clear financial situation of the organization. Liquidity crises are occasional.	The organization uses a projected budget and integrates concepts of management accounting (e.g. cost price). Dashboards comprising the main economic and financial data relevant to the management of the organization exist. It is possible for it to identify financial situation. There are no more foreseeable liquidity crises.	The organization uses a projected budget and conducts a variance analysis. It has cost accounting by product and by service. Its cost-benefit analyses include the costs and the social and environmental benefits of its projects. A reflection on the internalization of the environmental costs is well underway.	The organization uses a projected budget and periodically conducts a flexible variance analysis. It takes into account the economic, social and environmental costs and benefits (triple accounting) of its activities. It uses innovative dashboards that include economic, social and environmental data and takes into account their externalities.
2.2 Sustainability of the Organization	This involves evaluating the capital structure of the organization. Its objective is also to evaluate the potential for internal and external growth of the organization in the long term	The organization does not have an appropriate strategy enabling it to consider improving its capital structure.	The capital structure of the organization is presently unfavourable and does not permit it to consider new investments in the short term.	The organization has a capital structure enabling it to consider equipment renewal.	The organization has a capital structure enabling it to consider equipment renewal. The organization has a capital structure enabling it to consider new growth levers. It incorporates the concerns of the stakeholders in its criteria for internal growth.	The organization uses sustainable development as a lever for growth and long-term innovation. It consults and integrates the issues of its stakeholders and territory (environmental constraints) in its criteria for internal and external growth.
2.3 Investment Practices	This issue highlights the central criteria driving investment decisions.	The organization does not have criteria for investment decisions.	The criteria for investment decision of the organization are primarily linked to notions of profit.	The criteria for investment decision are defined. The measures used are purely financial (net present value [NPV] and the payback period). According to economic outlooks, investment in research and development is more or less prioritized.	There is a formal investment policy including financial and extra-financial criteria that are also applied for investment decisions regarding the employees' pension fund. When applicable, research and development, eco-design and knowledge production are investment priorities.	The investment policy takes into account externalities, sustainable development issues and stakeholders' concerns. Partnerships with organizations, universities or other public research laboratories are signed.
2.4 Purchasing or Procurement Practices	This involves developing research and setting up a procurement policy that sets sustainable development criteria for the selection of suppliers and other subcontractors, as well as setting up a partnership strategy so that the organization and its suppliers undertake responsible actions in the social and environmental sector.	The organization has no purchasing or procurement policy. It considers that the costs related to purchasing or procurement are only one of the expenditure items or that they are not a sufficiently large share of its turnover to put forth an optimization effort.	The organization has rules or a basic framework aimed at buyers and offering users general principles based on profitability.	The organization has a purchasing or procurement policy. It focuses on the quality/price ratio. At comparable value, it takes into account the assessment of the sustainable development practices of its suppliers. With respect to its internal operations, it essentially optimizes logistics (procurement, distribution chain).	The organization has set up a responsible purchasing policy (eco-product, fair trade, solidarity purchases) enabling it to select the suppliers and subcontractors from social data (International Labour Organization, Universal Declaration of Human Rights) and environmental data (GHG reduction, eco-design, eco- efficiency). This policy clearly defines the norms, control mechanisms and transparency requirements of its partners. All employees know and apply these criteria in their research and purchasing decisions relative to products and services.	The organization has set up a responsible procurement or purchasing policy based on a support and continuous improvement logic of its suppliers. The stakeholders are a focal point with which the organization invests, innovates and creates a ripple effect extending its sustainable development practices to the entire supply chain and distribution of the organization. Transparent, the organization is audited and it audits its suppliers using an independent firm and discloses the results.
2.5 Impact on Local Development	This involves assessing the impact the organization has on local development, be it related to wealth creation, improvement of the community's quality of life or direct job creation on the one hand, and to the participation of the organization in regional economic development on the other hand.	The organization provides employment in the locality.	The organization occasionally donates to a few local agencies (or acts as sponsor).	When relevant, the organization integrates and favours local suppliers. It makes regular donations to a few local organizations (or acts as a sponsor).	The organization favours the development of social reintegration or social economy initiatives. It favours and facilitates the physical involvement of salaried workers in local community life (cultural, sports, integration, etc.). Its philanthropic actions follow a clear and consistent strategy in relation to its issues and strategic directions.	The organization initiates and participates in comprehensive programs related to land-use planning and to cultural and heritage development. An example of this is active participation in the implementation of an agenda 21. Its philanthropic and sponsorship practices incorporate obligations to reduce environmental impacts and create social benefits for organizations receiving the funds.

Theme and Issue	Description	Level 1	Level 2	Level 3	Level 4	Level 5
4.1 Raw-Materials and Waste Management	*The management of raw materials entails setting up a system that manages their controlled use, but also the reduction, reuse, recycling, recovery and disposal of waste generated during the product or service life cycle.*	The organization has no log or no mechanism to monitor the consumption of raw materials and waste management throughout the production process.	The organization has undertaken initiatives to reduce the consumption of raw materials and recovery of waste. The organization does not have a management system for raw materials and waste.	The organization has a structured management system to optimize the consumption of raw materials, collection and processing of waste and a minimization of landfill. It opts for the eco-efficiency of products and values manufacturing by-products (e.g. energy recovery). The organization has developed indicators to monitor the performance of raw materials and waste.	The efficiency of the organization's production systems or services creation systems is part of an ongoing improvement process (e.g. ISO 14001, etc.). It develops or funds a program to reduce the use of raw materials (eco-design, product and service life-cycle analysis).	The organization integrates the eco-design into its business strategy. It constantly looks for new and environmentally responsible replacement materials. It assumes responsibility in terms of materials used and the recycling of its products at the end of their life cycle. It encourages its suppliers to do the same. This innovative strategy enables the organization to put forward new business models in its business activity sector (e.g. dematerialization of products).
4.2 Energy Management	*The purpose of good energy management is to reduce energy consumption costs and its environmental impact without necessarily compromising comfort or the level of production of the organization. This is called energy efficiency. Good strategies make the organization more productive and less vulnerable to changes in energy-supply costs.*	The organization does not track its energy bills. At best, it only seeks to benefit from supplies priced at the best rate.	The organization partly follows its energy consumption. It uses the least expensive energy sources and accepts energy suppliers' invitations to benefit from subsidies or financial incentives for potential sporadic measures of energy efficiency.	The organization conducts an energy audit and has a management system to properly and efficiently monitor its energy consumption at different points. It adopts eco-efficiency practices and draws up a list of measures that would enable it to reduce its energy costs, and it stays informed of available subsidies and financial incentives.	The organization maintains an energy efficiency measures plan Energy management is part of the ongoing improvement process (eco-efficiency, research and development, eco-design). Eco-design approaches are part of the development plan for its facilities and its products and services. It favours, in particular, energy-efficient technologies, renewable energy sources or alternative energy sources.	The organization considers energy an important part of its environmental footprint. It demonstrates to its stakeholders its pro-activity in and commitment to sustainable development. It is in the vanguard and adopts innovative technologies combining energy storage with renewable or alternative energy sources.
4.3 Water Management	*Sustainable management of water within the organization aims to improve the efficient use of water resources (essential resource) and reduce sources of contamination of running water and groundwater (shared resource).*	The organization does not have a log or monitoring mechanism on the subject.	The organization maintains an informal log of its water consumption. It has water-use saving practices in place.	The organization has a water-use savings program and manages its wastewater (subject to controlled release of wastewater and runoff) and raises employee awareness.	The organization has a program for efficient water management: water balance for all services (water intake, water use, water consumption), adaptation of processes to reduce water usage, elimination of all sources of contamination and diffuse in the ground and on the organization's property.	The organization has a program for water regeneration: process modification to reduce water consumption, reuse of water that is slightly contaminated or treated within the organization, rehabilitation of impermeable surfaces to slow and filter runoff.
4.4 Management of Greenhouse Gas Emissions (GHG)	*This issue seeks to identify actions and initiatives taken by the organization to reduce GHG emissions. It focuses primarily on facility emissions (building, machinery and processes) and transport emissions (employees, supply, and distribution).*	The organization does not have information on the quantities of GHG generated in its daily activities.	The organization has put in place specific actions to reduce GHG emissions associated with its activities.	The organization has a partial inventory of its GHG emissions (direct and a few indirect sources). It has targeted a project to reduce GHG emissions, which also represents a reduction in activity-related costs.	The organization produces a full carbon assessment (raw materials, manufacturing processes, transportation of employees, etc.). The organization seeks innovation, taking into account the reduction of GHG emissions. It has also targeted several reduction projects requiring more effort to implement (e.g. change in technology and logistics, transportation of employees).	The organization is a leader in GHG management. It constantly seeks new reduction opportunities from a product and service life cycle perspective, thus encouraging all of its stakeholders to make an effort to manage their GHG emissions. As a leader, it commits itself to an emissions offsetting process and works towards carbon neutrality.
4.5 Management of other Forms of Pollution	*This issue takes into account all other forms of pollution: soil, air and noise nuisance, odour nuisance or volatile (volatile organic*	The organization does not have a log or monitoring mechanism on the subject.	The organization has knowledge of past events such as accidental or regular dumping and complaints about odours or noise. A few corrective measures were applied to reduce (even eliminate) the	The organization has a pollution-management plan and has detailed documentation on the organization's pollution sources. Facility inspections are conducted at regular intervals.	The organization seeks innovation and has a program for cleaning up historically contaminated soil and water. This program goes beyond the standards of regulatory compliance. Proactive measures are implemented in	The organization invests in change in technology or in production techniques to avoid emissions of pollutants (soil, air) and other nuisances (odours, noise) at the source for the local environment. It works together with relevant

Theme and Issue	Description	Level 1	Level 2	Level 3	Level 4	Level 5
3.1 Working Conditions	Working conditions include the working environment, employee benefits (salaries, pensions) and any other form of recognition as well as how the organization balances the relationship between the professional activity and personal development.	The organization has minimal practices enabling it to meet the laws and norms in effect.	The organization has practices and a basic document setting out the working conditions (working agreement, manual, etc.) and its content reflects the laws and norms in effect.	The organization has a sophisticated document setting out the working conditions (working agreement, manual, etc.). Working conditions are comparable with those in its industry (social benefits, insurance and remuneration).	The organization has working conditions that promote a structured system of financial incentives and that offer competitive services to employees in matters of insurance, support staff, etc. In addition, these conditions allow for some flexibility in time management and favour the work-life balance.	The organization is a leader in the management of working conditions. The quality of its management in this area is recognized by all stakeholders and extends even beyond the borders of the organization. It does not hesitate to communicate its innovative practices and actively contributes to the improvement of working conditions.
3.2 Skills Development	Skills development involves, first and foremost, employee training in various forms, depending on the organization's needs and employees' aspirations.	The organization does not have an employee training plan or succession plan. Where necessary, training ad hoc and carried out separately.	The organization has a general training plan that is focused on the development of skills related to employees' immediate tasks. The succession is managed on a case-by-case basis.	The organization uses a dynamic comprehensive training plan and consistent with the development strategy of the organization. This plan is staggered over time and open to all employees. A training evaluation process and resulting outcomes exist (increased productivity, reduced absenteeism). A summary succession plan is available.	Depending on the age, the organization plans its needs and offers a succession management program with the possibility of internal promotion and mobility within the group. It develops staff employability and encourages versatility (multidisciplinary teams, additional training).	Recognized as a learning organization, the organization distinguishes itself in terms of skills development and succession management. The organization has a holistic and expanded vision, and proposes training programs to its suppliers. It implements experience-sharing processes.
3.3 Participation and Labour Relations	A high-performance organization mobilizes its employees and ensures they are empowered by involving them actively in the improvement of the organizational performance and labour relations.	The organization has no mechanisms for employee participation in decision-making or consultation on labour relations.	The organization occasionally consults with employees on matters that involve them. The organization only has ad hoc consultation mechanisms.	In an effort to promote participatory management, employees have increased responsibility in terms of making decisions about daily tasks. The organization has identifiable and structured consultation mechanisms.	The organization promotes an open-door philosophy with all of its employees or recognizes employee representatives; it demonstrates its interest by consulting them at all levels of the organization's decision-making process (from the board of directors to the various production committees). It mobilizes its employees through joint projects or objectives.	The organization distinguishes itself by a concern to maintain research and development and promotes harmonious relationships with its employees. Through work, it brings its employees to participate actively in the organization's social responsibility project.
3.4 Equity	The organization shall be fair with regard to employment; it shall not discriminate in terms of culture, gender, etc. It provides fair treatment to all of its employees.	The organization has no directive or specific policy in this regard.	The organization has a basic quantifiable monitoring system of its recruitment in relating to gender (sex) and employee origin. It does not have a clear policy on pay equity, but has put the systems in place to comply with the legal requirements in this regard.	The organization has a recruitment management system. It demonstrates transparency and equity in terms of salary range and promotion criteria.	At equal competence, the organization favours access to positions of responsibility according to group representativeness and it demonstrates full transparency in terms of pay equity, particularly at the management level.	Known as an employer of choice, the organization distinguishes itself for the quality of fair treatment accorded to its employees.
3.5 Health and Safety at Work	Degree to which conditions likely to ensure a healthy and safe work environment are applied.	The organization does not keep a particular log in this regard. It complies with the minimum requirements of the Act Respecting Occupational Health and Safety (OHSAS 18001: 2007/ ISO 45001).	The organization manages claims files for employment injury (accidents, occupational illness) and compiles basic results. Where applicable, the organization posts a customized rate similar to that of its unit.	The organization has set up mechanisms for the prevention of occupational illness or injury (e.g. health and wellness committee, prevention committee, health program) to reduce the impact of occupational illness. The organization shows significant progress compared to its sector.	The organization takes measures to reduce the incidence of occupational injury. The organization focuses on systems aimed at risk management and ongoing improvement ([OHSAS 18001/ ISO 45001, ILO-OHS or other systems). Health and safety at work is a priority for the organization. The organization realizes the strategic importance of health and safety.	Recognized for its commitment to the health and well-being of its employees, the organization posts a world-class performance in employee health, safety and well-being. It integrates these criteria at all levels of the organization and takes these aspects into account in all of its decisions. It has a positive influence in its environment by sharing its expertise. Health and safety at work is an organizational value and an integral part of its culture.

Five levels of Maturity		
Level 1	**Little or no concern** The organization has not yet initiated its reflection on the issues (no framework or policy).	The issue does not apply to the organization or it has little or no knowledge of its obligations. It does not feel concerned by the issue at hand, which justifies the little attention it devotes to it. The management of the company is totally focused on economic profitability, regardless of the social or ecological consequences. This carefree culture makes the company vulnerable to severe problems. Organizational responsibilities related to inaction are rejected. Instead, blameworthy attitude is adopted: culprits are sought when problems arise
Level 2	**Reactive** The organization has initiated its reflection (under development).	A reactive organization reacts only if there is an emergency. The reactive company has a management of loss control. When problems arise, management tries only to avoid infringements. At this level, Sustainable Developement (SD) is perceived as an expense or, at best, is paid by its customers (appearance of SD, greenwashing). The company's culture is driven by a logic of short-term financial results. The lack of communication and follow-up are characteristics of reactive management. This means that the company is being drawn into other urgent matters. Responsibilities related to inaction are rejected and stakeholders are only heard in crisis situation. The company merely "puts out the fires"
Level 3	**Accommodating** The organization has integrated management practices (in force)	At this level, a number of monitoring tools are in place. The challenge is to move on to the next step (level 4) to define the company as a leader. The company's management is progressing and evolving towards the formalization of its practices. It should feature as part of a culture of compliance. Legality and verifiability are essential. The laws are strictly respected, but no more. SD has become a budget item to be controlled. Internal stakeholders remain under "surveillance". Responsibilities related to inaction are accepted, depending on the issue. By minimizing costs, little attention is given to external stakeholders. But when one of them presents itself, the company remains accommodating with it and analyse the issue. As it complies with legislative requirements, the organization can remain "nailed" for a long time at this stage of maturity and "stop" its progression.
Level 4	**Proactive** The organization is seeking to stand out in its sector (pro-active).	The proactive organization begins to open up to others. Principles of sustainable development are integrated and the benefits of a true approach are reaped. The company's internal management is evolving towards a spirit of continuous improvement and accountability. Taking responsibility for SD (or for a given issue) is a choice that pushes the company beyond the minimum requirements and requires an investment of time or money. A turning point has been reached. The organization come to internalize the values that characterize SD. It is no longer a question of respecting standards set by others, but of behaving according to values that are dear to the company. Proactive, the company acts to anticipate problems or obstacles. At this stage, management's commitment to SD is clarified and reflected not only in its speech, but also in its decisions and actions. Consciously, it goes beyond standards and regulatory requirements. The company carries out strategic monitoring in order to position itself in its sector. SD becomes an investment. At this stage of maturity, there is a synergy betwen the management and internal stakeholders through bilateral organizational engagement, which has the effect of boosting the company's overall level of attention as a result of collective efforts. Management and internal stakeholders act together, initiating and creating a process, formal or informal, of continuous improvement and combating the counter-productivity caused by rigid structures.
Level 5	**Generator** The organization is the industry reference (its way of doing business is highly recognized).	The generator is recognized by its stakeholders as a leader. It is not only working to improve, but also to help its suppliers, customers and even competitors to progress. At this level, SD is an integral part of the way it does business. It's a way of living at work. Sustainable development is taken into account in every decisions. The company acts with transparency and integrity and makes good use of its influence to help its suppliers and the community progress in terms of SD. It meets with its external stakeholders. The company is recognized in its industry and even beyond. It is considered exemplary and responsible.

APPENDIX 2 – Questionnaire for materiality analysis: management

APPENDIX 3 – MANAGEMENT INTERVIEW QUESTIONS

The overall understanding of the concept of sustainability
- What does the concept of sustainability mean to you (in general)?
- How do you see the integration of this concept in a company? What does a company that you can call sustainable look like to you?
- If you were to name the main actor / responsible for sustainable development in society, who would it be? And why?

The idea of sustainability in the case study company
- How would you describe Asko Group as a company? (positioning in the market, in the socio-economic context, compared to the competition, historical evolution, a summary etc.)
- What would you say is the long-term vision that Asko Group is guided by?
- If you were to name the main actor / responsible for sustainable development within Asko in particular who would it be?
- On a scale of 1 to 10, how much would you say you are trying to integrate the concept of sustainability through the role you have in the company? can you give me 2-3 examples?
- On a scale of 1 to 10, how important would you say the role of sustainability is in the company? Why?
- Do you think it is important for Asko Group to invest in sustainability? Why?
- What type and how many resources would you be willing to allocate for rethinking the business model to adapt to the expectations of stakeholders?
- Which do you think are the first steps / the most accessible changes?

Impacts of the results from the materiality analysis.
- What do you think about the results of the materiality analysis? Which result did you find to be the most surprising? Which result caught your attention?
- Do you think that seeing the opinion of other stakeholders has changed your perception of sustainability and the role of a company?
- Why yes? Or why not? (discussing each dimension separately)
- Regarding each dimension (governance / social / environmental) in general the grades from the other stakeholders are higher than the grades given by the management. Why do you think this happened?
- From this perspective, do you feel you have changed something in the way you work so far? How?

- Do you think that the expectations received from stakeholders regarding the role of a company in society are realistic?
- Most employees answered the questionnaire. The results show that they give more importance to all the dimensions than management. On the other hand, the biggest fears you (the management) had in the implementation of CSR projects were related to the reactions of the employees. What do you think about these results?
- On a scale from 1 to 10, how probable / feasible do you think it is to organize small changes and actions this year for the topics that emerged as a priority from the present versus future analysis?

Personal values and beliefs
- Can you tell me a little about your experience and your role in the company? How do you think your values integrate with Asko values? Are there personal values that you feel contradict or remain unfulfilled?
- On a scale of 1 to 10, how much would you say you are trying to integrate the concept of sustainability into your life outside the company? can you give me 2-3 examples?
- How would you describe the world in which you would want your child to grow up, compared to how it is today?

APPENDIX 4 – INTERVIEW TRANSCRIPT EXAMPLE

Andreea: Okay, so the purpose of the interview is this: academically I need a more detailed discussion to analyze your perception of sustainability and the role of it in a business concept. And it also has the part of the job, that I want to understand a little about people's relationship with the concept, so that I can be on the same page. Don't have too many ideals and not be...
Cristina: And address yourself properly.
Andreea: Yes, exactly. So, it's got two sides. Ok, first: How would you describe Asko Group as a company? Positioning in the market, in the social economic context, compared to competition, historical evolution... a summary like that.
Cristina: A summary? I'd say it's a mature company that has a lot of experience behind it, that relies mainly on people and wants to do things right and better.
Andreea: What would be the long-term vision that you think Is guided by Asko Group?
Cristina: The long-term vision would be to maintain and increase activity, that is, to survive even in troubled times like these. And in the very long run it would be somehow changing the profile so that we can stay active. That is, to find new areas to go to, if the one we are active in now will prove insufficient.
Andreea: Can you tell me a little bit about your experience and your role in the company? How do you think your values integrate with Asko and if there are personal values that you think contradict or remain unfulfilled?
Cristina: Well, history is long. There are many commonalities. We started very low and got very high. We don't have many stages in the organization chart, many levels, but they're important and you can't go through it all. I think I was lucky that the route I started allowed me to take it from the bottom and get here. I've always liked that I've been able to do things the way I want, or the way I think it's right. I as a person have an opening to applications, to computers, to this technical side and I liked very much that I was able to make the systems so that it would be to my liking. And it was much harder for me to fit into an existing system from which to get what I want. So, I somehow had the freedom to think them and make them the way I wanted them, and that's what I liked. I mean, I really found that part satisfying for me. It was a plus of the activity.
Andreea: And you think it's something, I don't know, from your personal values that you can't find or have to be different than you are?
Cristina: I'm different than I am. I mean, I have to be more objective in the first place, and that's hard for me. It's hard for me to be objective to people. I as a person am a warm and pleasant and close person and empathize with everyone. And here, one way or another, I have to put up a barrier and not do that. First of all, because I couldn't bear all the trouble that everyone here has, and I'm taking them with me, but I'm trying not to take them all. And secondly, because I have to be objective, about people and not analyze them according to my personal perception of them. I have to reduce them to what they do, how they do it and to

quantifiable things. I mean, not to evaluate them as individuals, but to them as part of the team. So that's hard for me. It's hard not to be as nice as I naturally want to be. I can't put a limit.

Andreea: I get it. What does the concept of sustainability mean to you in general?

Cristina: It means a system that can, how to formulate this. A system that can go by itself and produce more than it consumes. I mean to bring added value.

Andreea: Financially, or?

Cristina: In terms of resource consumption. Which in service is pretty hard to do, because you have to somehow quantify the services. That yes you'd put in three kilos of potatoes and take out six cans you could weigh and see what goes in and out. But here you have to somehow take into account all the resources used by the company, which are of many kinds are not just natural resources, all resources and all the end result.

Andreea: I mean to give extra.

Cristina: To give extra.

Andreea: That's very hard to measure.

Cristina: It's very hard to measure. Economically it's simpler.

Andreea: Well, that's why we tried to put everything in economic terms, right? How do you see the integration of this concept into a company and how does a company that you could call sustainable it look like?

Cristina: I don't know much about these things. But I know what I'd like to see. I'd like to see all companies, including this, interested in people's happiness, their well-being and looking at things in the long run. I mean, let's not spoil and hurt the future. Let's not just think about ourselves, let's think about the generations to come. And that means watching out for resources, not making a waste and trying to give others the chance to live at least as well as we do now.

Andreea: And when you say people, you mean the people inside and out?

Cristina: To all your people and to the whole planet. Humanity as a whole.

Andreea: If you were to name the main actor responsible for sustainable development in society, what would that be?

Cristina: Honestly, I don't even know. I don't even know if we have one, i.e. besides the fact that it's you and you're worried about these things?

Andreea: Not to Asko.

Cristina: Civil society? I think NGOs, I think they are the ones that are opinion-forming and the ones that can influence the general public.

Andreea: You mean the initiative to get out of here?

Cristina: Yes, from the passionate people who get involved and who publish their opinions, the problems that are, the things they would like changed. So that society can join and stick to these ideas. At least that's how I learned a lot of things, from the initiatives of NGOs that have done things. And I said, "Look, there was a problem, and I didn't know it."

Andreea: The truth is, there are so many problems, you don't know everything.

Cristina: And maybe they're problem typologies you don't face. I personally may not know that there are no more trees in the forest, that they cleared that... maybe I didn't see, maybe I didn't notice, maybe I didn't become conscious.

Andreea: It should become visible in the first phase.

Cristina: Yes.

Andreea: On a 1 to 10 scar how much would you say you're trying to integrate the concept of sustainability into your life outside the company?

Cristina: Outside the company? Probably five. I mean, I do things because I know they're good in general, but I do things simple.

Andreea: Can you give me two, three examples of simple things?

Cristina: Well, for example, I'm recycling. That's what I do, and I'm used to it, and I've "trained" everyone at home, and it seems natural to me to do these things. Especially since they're within our reach, we have special containers in the neighborhood. And otherwise, I don't think I'm doing much. I'm trying to donate to good causes. I mean, somehow help NGOs solve money problems. That's what I do, but otherwise I couldn't say, or right now I can't think of anything.

Andreea: And in the company? Same question, but this time in the company.

Cristina: Somehow in the company we give you time, all of us. Which is an effort and that's part of this process. And things are on the same trend. We're trying to recycle and I'm telling everyone to do this and I'm trying to set an example. I'll wash my plastics and see them as... to mention that I washed them and put them in the right place, or else I don't. I'm trying to set an example.

Andreea: Now about the presentation with materiality, what do you think about the results of the analysis? What did you find the most surprising result, or did it get your attention?

Cristina: Most surprisingly, I found the employees' concern for environmental issues. I honestly didn't expect it. I expected them to move more towards concrete things like salary, good mood, benefits, than environmental issues. I didn't think they were interested or put them so high.

Andreea: The results seem high compared to yours. Do you think that seeing the opinion of the other stakeholders would change your perception of sustainability and the role of the company?

Cristina: Honestly it made me have a different view of the respondents and to think that maybe the three of us, when I answered, were very cold in our approach. And we just thought about... I walked with my mind on the route I knew. We're here to make money, and hence all the answers. Whereas an individual outside this equation was able to express his own personal opinions. I mean, that after-work facet that has all kinds of concerns and aspirations.

Andreea: I mean, somehow your results were influenced by the restrictions that you know that...

Cristina: The jobs we have and the pressure that's always on us to do things in a certain way.

Andreea: So you don't necessarily think it changed your perception of sustainability, but rather about the process.

Cristina: It changed my perception of the process and the respondents. I mean the fact that the opinions were quite different on certain questions.

Andreea: In terms of each dimension: governance, social and environmental, you generally saw that the scores of other stakeholders were higher than in management. Why do you think this happened?

Cristina: Well, the answer to the previous question. The fact that we are stuck in a task that we have to do, and we have interpreted all things around this task: to produce money.

Andreea: From this perspective do you feel that there is something to change in the way of working so far?

Cristina: We should probably ask colleagues more often, so that we have their clearer opinion. We go on assumptions most of the time, each assumes about the other certain things. And then there are clarifications at certain stages so that you know for sure how things are, without assuming.

Andreea: Somehow, I think I've already touched that. Do you think the expectations received from stakeholders regarding the role of a company in society are realistic? You said earlier that they were from the people after work.

Cristina: Yes, they're realistic. They're realistic and they're less job influenced.

Andreea: The questionnaire was answered by most employees with e-mails, who received the questionnaire, and shows that they give greater importance to all dimensions as opposed to you (management). On the other hand, from previous discussions, the biggest fears in the implementation of projects, from your perspective, were fixed the barriers of the employees. What do you think of these results?

Cristina: Honestly, I can't tell if there's a duplicity between the ideal, and the answer to the questionnaire was given by the ideal, and the concrete things that we have to do. I mean, ideally, everyone has probably answered one way or another that they are concerned about the environment, that they want things to be better from that point of view. But I basically don't know how many people are willing to do something about it.

Andreea: I mean somehow, they answered: "Yes, it would be nice to be, but without doing"

Cristina: Philosophy without application. I'd like to have a pleasant surprise and the question "do we want to go plant?". To have so many people say yes, it would really fill my heart with joy to see this happen.

Andreea: But you don't have all the expectations in this direction.

Cristina: But I don't expect that, I don't think. Maybe I'm a pessimist. I have a few first and last names that I'm sure they'll say "Yes, what a good idea. I want to go. I want to do". But I think there are far fewer than those who have declared themselves interested in issues like this.

Andreea: On a scale of 1 to 10 how likely do you think this year to organize small changes and actions for the topics that have emerged priority from the analysis present versus future?

Cristina: I say 8, which for me is a high note. I mean, basically, you're still sitting with us and telling us these things and pulling us, you're going to get a change. And you've already got it.

Andreea: Okay, also on a scale of 1 to 10 how important would you say that the role of sustainability in the company is and why?

Cristina: This is where I'm going to be frank. I don't think it's important, at least not at this point. I don't think we're as developed as a civil society and we as a limited liability society, so that we're focused on it.

Andreea: Do you think it's important for Asko Group to invest in sustainability?

Cristina: Honestly, I think it's important because I see it as a direction of the future. And I'm convinced that if we take small steps from now on, we're going to get to the right place, which means we're not going to miss the start compared to other companies. We're going to be in front somehow, even if we do a little. That's why I try, or at least that's my opinion, that of the measures we want to make to choose the ones that cost a little but bring us a benefit and that actually teach us and educate us to do things in a certain direction.

Andreea: I mean, you don't think we're there right now, but it's time to get started.

Cristina: Let's get ready for this, let's get started. It's like when you want to run a marathon and you say, "In three years, I want to run a marathon, but I have to train now. Today a little, tomorrow a little, so I know I'm getting there."

Andreea: What time and resources would you be willing to devote to rethinking the business model to adapt to the expectations of stakeholders?

Cristina: Time I'd be willing to agree, although time is more precious than money. As resources we should think of some budgets that I don't know how I can evaluate now.

Andreea: Well, no, the time resource is an important one.

Cristina: So that's what I said, yes, less money.

Andreea: And in terms of human resources? I mean, having other people to invest that time.

Cristina: Well, I suppose this team made up of you and the three of us: Alin, Ionut and I, I don't know if there's anything else, at least for small projects. Or for this beginning, I mean the concrete answer would be right now, no, but as we do more things we're definitely going to need someone else.

Andreea: What do you think are the first steps, or the most convenient, for a change?

Cristina: The most handy for change? Well, I think the best way to change would be to find a few projects in different directions for us as a team. Obviously, on a voluntary basis who wants well, who's not it's his right. But let's start getting involved in projects. And I'm sure after the first people will talk to each other. They will each express their joy or feelings or opinion about the action. And I'm sure there will be many more who will want to participate in the next project. And ts's going to be like a snowball. The important thing is to get started.

Andreea: The last question was more idealistic and is what the world in which you want your children to grow up would look compared to the one now.

Cristina: It would be such a world without technology and more to return to nature. Honestly, I feel like this is the biggest problem of young people now, including my child. The fact that they don't know how to connect to nature like we

probably did when we were their age. They have the devices that grab them and they don't have that pleasure of going barefoot in the grass in the mountains. That's what I'd like, a return to an idyllic life in harmony with nature and beyond technology.

Andreea: That's interesting. Somehow if I told my parents that I wanted to move to the village and have a simple life, I got an answer from them that it was a failure for them as parents. That I didn't outdo them.

Cristina: Honestly that's what I would like for my child and I think he would be happier to choose this option than to live in a city to play with friends online, to see virtual Saturday night with colleagues at school. I think he'd be happier. But I'd probably be happier if I did this. And he'd be happier if he did what he's doing now, except I'm putting my projection on him.