



**ORGANISATIONAL INTEGRATION OF CORPORATE RESPONSIBILITY  
THROUGH QUALITY MANAGEMENT**

Lappeenranta–Lahti University of Technology LUT

Bachelor's Programme in Business Administration, Bachelor's thesis

2022

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Examiner: Junior Researcher Outi Blackburn

## ABSTRACT

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### **Organisational integration of corporate responsibility through quality management**

Bachelor's thesis

2022

56 pages, 2 figures, and 2 appendices

Examiner: Junior Researcher Outi Blackburn

**Keywords:** corporate responsibility, quality management, organisational culture, integration, top management team

The current global issues, such as global warming, cause instability in the business environment. Due to this, governments, organisations, and consumers expect companies to behave more sustainably. Corporate responsibility (CR) focuses on creating more sustainable business in three aspects: social, economic, and environmental. An effective way to integrate CR into an organisation is through quality management (QM). QM is a leadership style building an organisational culture that supports quality. CR and QM are methods that support each other because they share similar ideas. For example, both revolve around a long-term organisational commitment that involves more effective resource usage.

This bachelor's thesis focuses on building a framework where CR and QM are distinct methods with similar characteristics. The theoretical framework has been created based on previous research. The empirical evidence presented in the research was collected through qualitative semi-structured interviews gathered from a case company's top management team (TMT) members. The case company is a Finnish medium-sized company that operates in the industrial field.

The findings indicate that CR and QM share similar values and practices, which suggests that they can be used simultaneously in an organisation. The integration process must include changes in organisational culture to include new practices effectively. The organisational culture must contain supportive values, communication towards stakeholders, and a supportive work atmosphere to guarantee success. Findings also indicate that the TMT members have a good chance to bring their personal values into the organisational decision-making.

## TIIVISTELMÄ

Lappeenrannan–Lahden teknillinen yliopisto LUT

LUT-kauppakorkeakoulu

Kauppätieteet

Satu Ruotsalainen

### **Yritysvastuun organisaationlaajuinen integraatio laatujohtamisen avulla**

Kauppätieteiden kandidaatintyö

2022

56 sivua, 2 kuvaa ja 2 liitettä

Tarkastaja: Nuorempi tutkija Outi Blackburn

Avainsanat: yritysvastuu, laatujohtaminen, organisaatiokulttuuri, integraatio, johtoryhmä

Maailmalla tällä hetkellä vallitsevat ongelmat kuten ilmastonmuutos lisäävät liiketoiminnan epävakautta. Sen seurauksena valtiot, organisaatiot ja kuluttajat vaativat kestävämpää käytöstä yrityksiltä. Yritysvastuu keskittyy rakentamaan entistä kestävämpää liiketoimintaa sosiaalisella, taloudellisella ja ekologisella tavalla. Yritysvastuu pystytään integroimaan organisaatioon tehokkaasti laatujohtamisen avulla. Laatujohtaminen on johtamistyyli, jossa organisaatiokulttuuri rakennetaan tukemaan laatua. Nämä menetelmät ovat toisiaan tukevia, koska ne jakavat keskeisiä ajatuksia. Esimerkiksi molemmat konseptit keskittyvät pitkäaikaiseen organisaationlaajuiseen sitoumukseen, jossa resursseja käytetään tehokkaasti.

Tämä kandidaatintyö keskittyy luomaan kehyksen, jossa yritysvastuu ja laatujohtaminen ovat erillisiä metodeja, jotka sisältävät samankaltaisia erityispiirteitä. Teoreettinen kehys on luotu aiempien tutkimusten pohjalta. Empiirinen todistusaineisto on kerätty kvalitatiivisin puolistrukturoiduin haastatteluin, joiden kohteena olivat case yrityksen johtoryhmän jäsenet. Case yritys on suomalainen keskikokoinen yritys, joka toimii teollisuusalalla.

Tutkimuksen päälöydökset osoittavat, että yritysvastuu ja laatujohtaminen ovat tarpeeksi samanlaisia arvoiltaan ja toimintatavoiltaan, jotta niitä voidaan käyttää samanaikaisesti organisaatioissa. Integraatioprosessiin on tärkeä sisällyttää organisaatiokulttuurin muuttaminen, jotta uudet käytännöt saadaan osaksi organisaatiota. Onnistuakseen organisaatiokulttuurin tulee sisältää asiaankuuluvia arvoja, sidosryhmäkommunikaatiota sekä tukevaa työilmapiiriä. Löydökset myös osoittavat, että johtoryhmän jäsenillä on hyvät edellytykset tuoda omia arvoja osaksi organisaatiota päätöksenteon kautta.

## ABBREVIATIONS

CR Corporate Responsibility

HR Human Resources

QM Quality Management

TMT Top Management Team

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# 1 Introduction

Global megatrends (e.g., global warming, resource scarcity) demand more responsible business practices from companies (Niskala et al., 2019). The solution to this issue is corporate responsibility, first established in the 1950s (Ghobadian et al., 2015). Corporate responsibility (CR) is built upon a relationship between the following three aspects: social, environmental, and economic responsibility (Koipijärvi and Kuvaja, 2020, 22). The basic principle of CR is that companies should do business that brings value to their company and society (Niskala et al., 2019; Porter and Kramer, 2011).

Essential values and principles of CR transparency, long-term commitment, stakeholder relationships, constant improvement, and organisation-wide integration (Strihavkova et al., 2021). These traits are fundamental components of another business practice known as quality management (QM) (Frolova and Lapina, 2014; Siva et al., 2016). Quality management is a leadership style that builds comprehensive organisational culture, which focuses on producing the best quality products and services (Williams, 1994, 2). Companies can involve both CR and QM in their business practices because the methods share comparable components and are managed similarly (van der Wiele et al., 2001). This thesis investigates the possibility of using QM as a management method to integrate CR more effectively into an organisation.

## 1.1 Background

The term CR can be deceptive and illogical because responsibility contains various definitions and terms, either the same or somewhat overlapping (Frolova and Lapina, 2014; Girschik, 2020). As Kuisma (2017, 6) indicates, the word ‘social’ in corporate social responsibility can mean human resources (HR) or society, depending on the point of view. This study utilises the term corporate responsibility (CR), which consists of a company’s behaviour within its business environment, where it affects other organisations (Ghobadian et al., 2015).

Corporate responsibility is a business practice that directs its resources effectively to benefit society (van der Wiele et al., 2001). The company-society relationship is essential because the company affects the society and environment, while the society and environment affect companies (e.g., laws) (Niskala et al., 2019). Currently, CR is relatively voluntary with mandatory regulations on, for example, human rights and anti-corruption (Ministry of Economic Affairs and Employment of Finland, 2022). Many successful companies integrate CR policies further than mandatory regulations require (Frolova and Lapina, 2014). For example, Danone was the first ‘Enterprise à Mission’ -company, indicating that its responsibility goals were included in its corporate by-laws (Koipijärvi and Kuvaja, 2020, 36). Some companies attempt to build a responsible image through marketing campaigns (e.g., donating part of the profit to charity) (Koipijärvi and Kuvaja, 2020, 47). Independently that is not sufficient for a company to behave as responsible because organisation-wide commitment must occur if a company pursues to be sustainable (Rivoli and Waddock, 2011).

Corporate responsibility (CR) is a long-term commitment that must be implemented in the organisation through strategies, values, and practices through short-term decisions (Niskala et al., 2019; Strihavkova et al., 2021). Responsibility is strategic when it is part of the values built for the company (Koipijärvi and Kuvaja, 2020, 25). Constant development is needed because CR changes over time (Strihavkova et al., 2021). Global regulations have become more precise, and companies need to change focus according to their priorities (Rivoli and Waddock, 2011). For example, once a company has developed its human rights, it can direct its resources towards environmental changes.

Quality management (QM) has developed from measuring product and service quality solely to the point where the whole organisation and its processes are part of the organisation-wide quality attitude (van der Wiele et al., 2001). The commonly used term *total quality management* originates from the thought that quality needs to be organisation-wide and realistic rather than perfect (Williams, 1994, 3). Sometimes quality management is referred to as ISO 9000, a standard used to manage organisations toward quality (Garzia-Fernandez et al., 2022). This research focuses on the term quality management (QM) because it is commonly used and understandable.

Quality and QM are long-term and permanent elements of the business (Williams, 1994, 18). QM includes close relationships with stakeholders, leading to a more significant market share and greater revenues, bringing economic benefits to companies (Garzia-Fernandez et



al., 2022). However, QM additionally includes organisational culture, managerial factors, and efficiency, bringing social and environmental benefits to the company (Naidu et al., 2006, 28).

Even though CR and QM share similar characteristic, there is merely a little research in the field. As El Akremi et al. (2018) indicated, CR is studied extensively; however, it rarely is combined with organisational behaviour or HR management. Previous studies either concentrate primarily on the responsibility theme (e.g., Frolova and Lapina, 2014) or reviewing the literature (e.g., Siva et al., 2016; Tarí, 2011). This study focuses on building a framework where CR and QM share comparable elements of the business and investigates if they can be used as supportive methods.

The study investigates organisational behaviour by using the empirical evidence gathered from the case company's top management team (TMT) members' values and opinions, which are not widely present in quantitative research. The methods used in this qualitative case study (i.e., semi-structured interviews), convey information outside the interview questions, as the TMT members can sincerely describe their opinions and experiences. According to Garzia-Fernandez et al. (2022), most QM research is quantitative, indicating that this study may also provide new perspectives on the findings and research methods.

European Union is a united economic area, where companies must operate responsibly to guarantee overall competitiveness (European Commission, 2022). Also, global organisations (e.g., EU, UN) require companies to function more responsibly (Koipijärvi & Kuvaja, 2020, 56). Research with empirical evidence from an operational company is relevant to this study as it displays the existing practices used currently in the business world. This study investigates one company's business methods from perspectives of CR and QM. The case company is a medium-sized Finnish industry-based company that is part of a Finnish corporation. To maintain anonymity name of the case company will not be published. The case company will be referred to as Company X. The company was chosen based on its field of business, which commonly uses QM.

## 1.2 Research objectives

Finding a management method that sustains the values of CR is an efficient method to include more responsible practices in business. The most appropriate form to integrate something into an organisation is to shift the organisational culture into one supporting the change (Williams, 1994, 43). This research investigates the possibility to use QM as a management method to integrate CR into an organisation. As previous research (e.g., Frolova and Lapina, 2014; van der Wiele et al., 2001) indicates, CR and QM share a comparable value base, which can build an adequate foundation for the integration process. A qualitative case study brings real-life evidence to this issue. This leads to the main research question:

*Q1: How can the organisational integration of corporate responsibility be controlled through quality management?*

Three sub-questions support the main research question in this research. The first one limits the research to a view where CR and QM are interpreted as methods that can be managed simultaneously through similar practices. Frolova and Lapina (2014) highlight the similar qualities (e.g., integration, stakeholders, constant improvement) in QM and CR, while Siva et al. (2016) and Parast (2021) state that CR and QM share values that support each other (e.g., efficient resource utilisation). This leads to the second research question:

*Q2: How are quality management and corporate responsibility operated simultaneously?*

The third research question views another perspective, where the organisational culture affects integration. Both CR and QM include the organisation-wide integration process combined with stakeholder expectations (van der Wiele et al., 2001). This indicates that organisational behaviour is a significant factor affecting the integration process. Castañer and Ketokivi (2018) highlight that organisational integration involves more human-oriented integration than task integration, while Sims (2002, 337) highlights that human behaviour frequently tends to object to changes. This leads to the third research question:

*Q3: What factors of organisational culture occur in the integration of corporate responsibility and quality management?*

As the research is based on one specific case company, there is the possibility to investigate individual behaviour. Values form the essential principles of companies, which indicates that they affect every level of organisation (Kamensky, 2014, 57). Niskala et al. (2019) indicate that the personal values of leaders and management teams can affect the company's overall values. As Williams (1994, 24) highlights, values are the base of attitudes, which indicates that they guide human behaviour. This leads to the fourth research question:

*Q4: How do top management team members describe their possibility of involving personal values in organisational decision-making?*

These four questions will be studied through a qualitative case study using data from semi-structured interviews. The research builds on a deductive approach where the theoretical framework guides the data collection and the analysis of empirical data; however, findings are also likely to rise inductively during the content analysis. As the case company operates in Finland, the geographical limitation is within the Nordic business environment.

This research follows the standard structure of academic research. The introduction indicates the research purpose and questions, which are the foundation of the research. Relevant theories are introduced in the theoretical framework, which builds the necessary understanding of the research topic. The third larger concept is methods, which includes the basic explanation of methods used in this research. The empirical evidence will be presented in the findings section, which is then combined with the theory in the discussion section. The final part of the research is the conclusions, which sum up the primary findings and topics of the research. The research additionally includes lists of references and appendices.

## 2 Theoretical framework

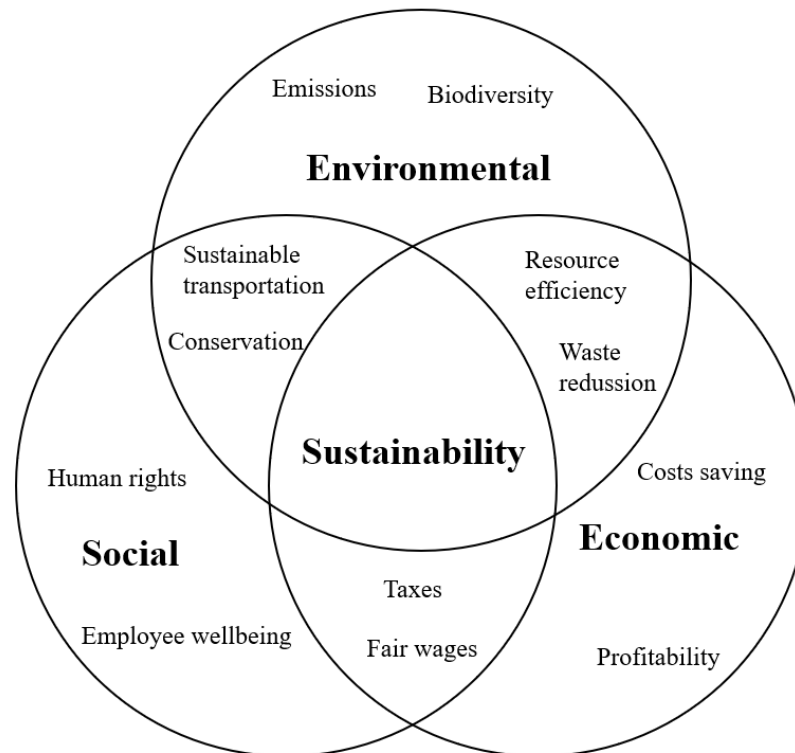
This chapter introduces previous literature on CR, QM, and organisational behaviour from the cultural and integrative perspectives. The material will be combined into one framework, explaining the fundamental theories necessary for this research. It is essential to understand that all three main aspects (i.e., CR, QM, and organisational behaviour) are broad areas that this research cannot deal with entirely. This framework focuses on the managerial and organisational side of these phenomena.

### 2.1 Corporate responsibility

In the 1950s first concrete publications of corporate responsibility (CR) were made (Ghobadian et al., 2015). Researchers frequently define CR as a two-way activity between companies and society, where companies focus on doing business that is profitable and responsible (Niskala et al., 2019). The general interest in CR is constantly increasing because the requirements for CR reporting are becoming more demanding (Heikkurinen, 2018).

#### 2.1.1 Fundamental components of corporate responsibility

As Koipijärvi and Kuvaja (2020, 22) noted, CR builds on John Elkington's Triple Bottom Line, where companies concentrate on social, environmental, and economic aspects. As seen in Figure 1, the three aspects together create sustainability. The examples presented in Figure 1 (e.g., human rights, conservation) suggest that some CR factors include multiple aspects of the Triple Bottom Line.



*Figure 1. Triple Bottom Line – applied from Koipijärvi and Kuvaja (2020)*

The economic responsibility includes profit maximisation, paying taxes, overall profitability, anti-corruption, and fair payment to employees and partners (Koipijärvi and Kuvaja, 2020, 22). Social responsibility originates from comprehensive concepts: employee welfare, training, constant improvement, consumer protection, human rights, and overall desirable behaviour in stakeholder relationships (Niskala et al., 2019). The final piece of the Triple Bottom Line is environmental responsibility, including resource efficiency, carbon footprint, supply chain, and recycling (Kuisma, 2017, 7–17).

Previous assumptions considered that CR distracts the company from achieving profit; however, it is a valuable tool to increase competitiveness (Frolova and Lapina, 2014). Companies unfamiliar with CR tend to see CR as risk control, reputation management, or charity instead of a consistent stake in business actions (Niskala et al., 2019; Gupta, 2012). For example, some individuals do not see environmental aspects as something that can support the company to maintain competitiveness (Siva et al., 2016). The standard structure of CR suggests the opposite. As Juutinen (2016, 59) indicates, CR actions (e.g., stakeholder

relationship, resource efficiency) strengthen competitiveness, create further cash flow and growth, and bring new funding through risk minimising.

### 2.1.2 Corporate responsibility in an organisation

A few primary explanations exist for why companies are increasingly using CR methods in their operations. Companies invest in CR because of expectations from consumers and investors and pressure from the government, global organisations, and the public (Gupta, 2012). Even though the pressure is usually external, company employees can pressure the company through their values and behaviour (Girschik, 2020). Companies can satisfy their stakeholders through actions and honourable reputations (Hemingway and Maclagan, 2004). The internal forces encouraging change are increasing profit and credibility, ethical responsibility, and exemplary leadership (Heikkurinen, 2018). Further favoured reasons for CR are investing in the future, increasing job satisfaction, and increasing employer reputation (Juutinen, 2016, 62).

A crucial part of CR is trust, built with transparency and ethical behaviour (Strihavkova et al., 2021). Stakeholder relationships are an essential component of CR, and they require adequate trust (El Akremi et al., 2018). As Heikkurinen (2018) indicates, trust is more present in stakeholder relationships if organisations include stakeholders in their decision-making process on individual and group levels. Trust strengthens relationships, making it a crucial part of all business – including CR (Olkkonen, 2017).

One significant issue in CR integration is communication, which frequently lacks information or an audience (Dawkins, 2005). Exemplary organisational communication has understandable content and contains the whole organisation, including every employee (Ferraro and Beunza, 2019). An essential part of all change and integration in a company is trust, which good communication builds (Ghobadian et al., 2015). A short and clear message on values and practices is crucial when communicating on organisational issues (Gupta, 2012). Communication is a standard aspect of CR management because listening to stakeholders and informing them is a crucial part of CR (Koipijärvi and Kuvaja, 2020, 127).

The benefits of CR can be both operational (e.g., increased quality and productivity, maintaining competitiveness, increased customer loyalty) and financial (e.g., increased

profits, access to a new capital, a decrease in costs) (Strihavkova et al., 2021). CR can increase trust in stakeholder relationships because of increased transparency and social growth (e.g., healthcare, local development, human rights) (Gupta, 2012). Trust is important because it can bring a more loyal customer base (Olkkonen, 2017). Well-organised CR can increase the possibility of recruiting a competent workforce because CR includes the welfare of the workforce, and it increases brand reputation (Dawkins, 2005; Strihavkova et al., 2021).

CR has benefits on the organisational side of the business. Properly integrated CR increases employee loyalty, which minimises the employee turnover rate (Frolova and Lapina, 2014). CR changes the organisational culture, risk management systems, HR management, and employee relationships (Parast, 2021). CR is not automatically part of the organisation, as it comes from the values and actions of individuals (Hemingway and Maclagan, 2004).

### 2.1.3 Integration of corporate responsibility

CR management initiates from the top (Koipijärvi and Kuvaja, 2020, 121). Managers' interests guide the whole business (Niskala et al., 2019). An organisation's top management can influence the integration of CR the most because they are part of the decision-making process (Hemingway and Maclagan, 2004; Parast, 2021). Successful integration includes managers who encourage, set examples, and devote themselves entirely to the CR, including shared knowledge of how individuals can act responsibly (Koipijärvi and Kuvaja, 2020, 65). CR management is similar to change management, as employees tend to resist or act sceptical towards both (Niskala et al., 2019). Training the employees is necessary because they need to know how to change their current actions and have more responsible techniques (Strihavkova et al., 2021). CR management includes ongoing monitoring because constant development helps the business processes (Juutinen, 2016, 176).

Different tools are essential when companies integrate the CR into the whole organisation. Functional systems help management report and give roles to people (Niskala et al., 2019). CR indicators are seldom proper for short-term issues because CR issues – like human rights changes – occur in the long-term (Koipijärvi and Kuvaja, 2020, 27). Typical CR tools are

ISO standards, which can be used in different instances (e.g., environmental standard ISO 14001, guidance on social responsibility ISO 26000) (Niskala et al., 2019).

Ethical directives – commonly known as code of conduct – are a standard method to give CR instruction to the whole organisation (Koipijärvi and Kuvaja, 2020, 79). Code of conduct includes standard guides to risk management, HR policies, safety, environmental behaviour, and communication (Kuisma, 2017, 170). Code of conduct is commonly based on ILO (International Labour Organisation) standards (Jenkins et al., 2002, 31).

Laws and regulations around responsibility are constantly more demanding because businesses cause considerable harm to societies if they do not operate sustainably (Niskala et al., 2019). It is necessary to understand that following the regulations does not decrease a company's competitiveness because each specific field must follow the same regulations (Rivoli and Waddock, 2011). If history repeats itself, neglecting CR principles will have higher sanctions in the future, which is supposed to motivate companies toward responsible behaviour (Siva et al., 2016).

## 2.2 Quality management

Quality management (QM) is a leadership system that follows similar values and principles as CR (e.g., organisation-wide commitment, transparency in stakeholder relationships) (Frolova and Lapina, 2014). Quality does not simply mean the quality of a good because it includes the quality of the process, service, and management (Naidu et al., 2006, 4). Williams (1994, 2) defines QM primarily as a management style that pursues to create quality-oriented organisational culture. This supports the idea that the basis of QM is built on the organisation's values, which often concentrate on subjects such as customer focus, constant development, and factual decisions (Siva et al., 2016).

### 2.2.1 Fundamental components of quality management

The fundamental values and principles of QM are stakeholder focus, constant improvement, quality as a value, and organisation-wide integration (Naidu et al., 2006, 28). These



concentrate on improving the quality of processes, which strengthens the competitiveness of companies (Garzia-Fernandez et al., 2022). An essential part of QM is stakeholders, which are groups (e.g., customers, employees, suppliers) that affect the company's business or are affected by the company's actions (Garvave and Johansson, 2010; van der Wiele et al., 2001). Stakeholders are essential because customers define a company's success, employees are the company's backbone, and suppliers provide necessary resources (Naidu et al., 2006, 29). In QM, customers are valued more than other stakeholders (Garvave and Johansson, 2010; Williams, 1994, 5).

QM increases efficiency because it improves product and service quality and decreases unnecessary resource usage (Frolova and Lapina, 2014; Garvave and Johansson, 2010). These traits indicate that QM supports sustainable business practices (Siva et al., 2016). For example, when tasks are done right on the first attempt, the resources are effectively used and not wasted (Naidu et al., 2006, 28). Employees need to be educated well (Williams, 1994, 5). When people are educated, they can make decisions immediately, which increases the company's reputation in stakeholder relationships (Naidu et al., 2006, 28).

### 2.2.2 Quality management in an organisation

As Williams (1994, 2) highlights, QM is a management style that creates organisational culture revolving around quality. Similarly, Maull et al. (2001) noted that organisational culture is a necessary part of QM implementations because QM requires an organisation-wide understanding of its internal values. Organisational culture needs to be open to changes built in the QM integration process, or the changes cannot succeed in the long term (Valmohammadi and Roshanzamir, 2015). As Naidu et al. (2006, 29) state, QM needs to be included in the organisational culture through TMT, which manages all the changes QM creates.

Organisational culture in companies that effectively use practices of QM revolve greatly around stakeholders (Maull et al., 2001). Essential details of developing stakeholder relationships in QM are trust and open communication (Green, 2012). Trust is built with effective communication, enabling integration, productivity, and learning in the QM environment (Bugdol, 2013). Information sharing must be done constantly and precisely to

the whole organisation through multiple communication methods, such as meetings and discussions (Williams, 1994, 50-51).

When considering QM, the most highlighted part of organisational culture is the management because, in the end, QM is a leadership style (Valmohammadi and Roshanzamir, 2015). Overall, the first step of QM integration is assessing the current culture, which gives direct indications on what to change to effectively include new values of quality into the organisation (Williams, 1994, 46). The most common reason for failure in QM integration is the organisational culture, which lacks a desire for change and training (Green, 2012).

### 2.2.3 Integration of quality management

To guarantee organisation-wide integration of QM, briefing, training, measuring, and creating a good work environment must be included in the management (Naidu et al., 2006, 28). Integration is the most effective when it combines training, supportive tools, and techniques (Williams, 1994, 51). Effectively executed QM improves business on an operational level (e.g., customer satisfaction, job satisfaction, product quality) and on a financial level (e.g., market share) (Garzia-Fernandez et al., 2022). Measuring customer satisfaction and efficiency are essential to guarantee quality in the organisation (Naidu et al., 2006, 29). Performance indicators help management by implying how effective the current methods are (de Menezes and Escrig, 2019).

QM can be a form of action in any company as long as each employee is ready to engage according to its values and practices daily (Williams, 1994, 4). QM increases employee commitment when quality becomes an attitude (Frolova and Lapina, 2014). QM encourages teamwork by eliminating conflicts between employees and establishing unity (Naidu et al., 2006, 26). Positive feedback helps employees repeat their successful methods (Williams, 1994, 26). Feedback is essential because employees cannot modify their behaviour without it (de Menezes and Escrig, 2019).

As in other organisational changes, QM needs to be informed to the whole organisation, not merely to the TMT (Williams, 1994, 18). A crucial part of QM is managing people, since motivation, and human resources are relevant to integration (Weckenmann et al., 2015).

Common mistake managers make in QM integration is focusing on obtaining the new tasks and practices while forgetting to lead and manage the people (Green, 2012). Managers need to 'walk the talk' with their example because solely motivational words cannot change the organisational culture (Williams, 1994, 19). Leaders with transparent actions and authentic behaviour build trust in the organisation, increasing job satisfaction (Qu et al., 2017). Job satisfaction increases performance, positively affecting the quality of products and services (de Menezes and Escrig, 2019).

The whole TMT must build the QM environment, or the integration cannot be successful (Naidu et al., 2006, 26). TMT must use time and resources to include lower management and other organisation members in quality systems (Green, 2012). When companies include stakeholders in decision-making, the processes become more effective because stakeholders have considerable information about the outcomes (Garzia-Fernandez et al., 2022).

## 2.3 Organisational behaviour

The foundation of an organisation concentrates on three pillars: (1) employees, (2) customers, and (3) business (Swaroop and Chandrasekhar, 2019, 41). The first two are stakeholder groups, while the third is the comprehensive action of a commercial organisation. Different stakeholders interact because of an organisation's business (Garvave and Johansson, 2010). The interactions are guided by organisational behaviour, which depends on the organisation (Sung and Joo, 2011). Human behaviour focuses on achieving tasks, being cared for by others, understanding the world, and defending values (Ghobadian et al., 2015). These elements are present in the organisations people work. People try to achieve better results than competitors, be part of organisational culture, understand the business, and be loyal to their values.

### 2.3.1 Organisational culture

Organisational culture includes similar components (e.g., communication, decision-making, values) as geography-based culture (Kummerow et al., 2014, 89). Organisational culture is built on its history and developed based on events it faces (Maull et al., 2001). Culture gives

a foundation to trust-building and an organisation's values (Greenwood and Van Buren, 2010). The "this is how we do it here" -statements indicate the company's culture (Swaroop and Chandrasekhar, 2019, 14).

Organisational culture includes the shared values, principles, and beliefs the members pursue in their actions (Swaroop and Chandrasekhar, 2019, 13). Common goals, values, and practices build unity in the organisation (Sung and Joo, 2011). When the organisational culture supports change, the resistance to change is minor (Sims, 2002, 328). Organisational culture affects the outcomes the company can produce (Riivari and Lämsä, 2014). For example, if a company has a strong demand for quality, it will seek to produce quality goods.

### 2.3.2 Values in organisation

Values guide attitudes, which guide behaviour (Luque-Vilchez et al., 2019; Williams, 1994, 24). Values build on individual and cultural influences (Olkkonen, 2017), strongly connecting to beliefs and emotions (Hansson, 2001, 15). Values can be highly similar between individuals; however, factors such as culture and age cause differences in them (Hemingway and Maclagan, 2004). The whole business originates from long-term values, which can be adjusted depending on the changes in the industry or organisation (Kamensky, 2014, 57). As Swaroop and Chandrasekhar (2019, 14) stated, values are the foundation of business, dictating organisational culture. Organisational culture includes individuals in a more extensive unity, leading to individual value changes through external pressure and expectations (Chow and Kakabadse, 2020). Typical values in the business world are relatively abstract concepts, such as diversity, eco-friendliness, and sustainability. It can be hard to define how these values are present in everyday practices (McGuffog, 2016).

If a manager has strong values, they can change the organisational values. If the values are weak, they will most likely change according to the organisation (Chow and Kakabadse, 2020). For example, Dalvi-Esfahani et al. (2017) stated that managers with ecological values are more likely to bring green systems into the organisation. Employees are more willing to commit to values if they can influence them or benefit from them (Sims, 2002, 338; Williams, 1994, 25). Overall, people enjoy the work more if they can influence different

aspects (de Menezes and Escrig, 2019). When employees identify with the organisation, they are more loyal and motivated (Blader et al., 2017).

### 2.3.3 Organisational integration

Successful integration is built from employee and process views and included at the organisation's every level (Siva et al., 2016). Employees have an essential role in decision-making because they have the best perception and know-how on the practical side of the business (Kamensky, 2014, 64). Organisational integration is more commonly the integration of human resources rather than tasks (Castañer and Ketokivi, 2018). Trust, open communication, supportive management, and reasonable schedule help employees accept change (Sims, 2002, 351). These actions are necessary because the human character is naturally against change (Sims, 2002, 337; Williams, 1994, 43). Organisational change is ineffective without the necessary values and norms, indicating that a thoroughly planned strategy is necessary for the integration process (Weerts et al., 2018).

The previous chapters have mentioned stakeholders on multiple occasions. Stakeholders are groups that exist both inside (e.g., employees, managers, shareholders) and outside (e.g., government, customers, suppliers) the organisation (Frolova and Lapina, 2014). Each stakeholder has different needs, roles, and preferences (Grunwald et al., 2021). Taking care of stakeholders is essential because they have a significant role in the organisation's activity (Heikkurinen, 2018). Communication between the organisation and its stakeholders is vital because stakeholders have a genuine interest in the organisation (Strihavkova et al., 2021). Stakeholders can give objective opinions about the organisation, which can help the development of the business actions (Phillips, 2003, 15). A crucial part of a stakeholder-organisation relationship is trust, built with transparent communication and collaborative value creation (Freudenreich et al., 2019; Greenwood and Van Buren, 2010).

One crucial challenge in an organisation is communication. Insufficient communication can lead to lousy job performance, increased stress, and weakened relationships (Sims, 2002, 135). Stakeholder communication should be two-way, where both sides can forward their opinions (Ferraro and Beunza, 2019). In this way, the stakeholder opinions are more present in decision-making (Sims, 2002, 139). Word of mouth from employees is often the most

reliable source of information to external stakeholders because those ‘insider’-thoughts provide a view of the internal reputation of the company (Dawkins, 2005). When building change (e.g., QM), organisation-wide communication is crucial to bring awareness, understanding, and prevent resistance (Juutinen, 2016, 169).

Investing in job satisfaction improves the well-being of employees, which can lead to increased productivity and a decrease in turnover rate and absence (Kuisma, 2017, 108). When employees enjoy their work, they invest their best resources into the work (de Menezes and Escrig, 2019). Employees want to have meaningful work because they spend most of their hours at the workplace (Tenney et al., 2016). A meaningful job is motivating, and it increases creativity (Amabile and Pratt, 2016)

## 2.4 Integration of CR and QM in organisations

CR and QM share similar methods and support each other with their characteristics. As Parast (2021) stated, CR practices increase the organisation’s quality by requiring attention to organisational issues, such as employee wellbeing and safety. At the same time, investing in the quality of resources, partner relationships, and work environment adds responsibility to the company (van der Wiele et al., 2001).

Both CR and QM share principles where integration and individuality are essential factors affecting organisation-wide commitment (Frolova and Lapina, 2014). One common feature of both methods is the idea to utilise resources effectively. As Garvave and Johansson (2010) highlight, the responsible resource usage in QM includes physical resources (e.g., raw material) and human resources (e.g., workforce). Similarly, Juutinen (2016, 69) points out that one crucial element of CR is resource efficiency, which leads to increased expense savings and responsibility.

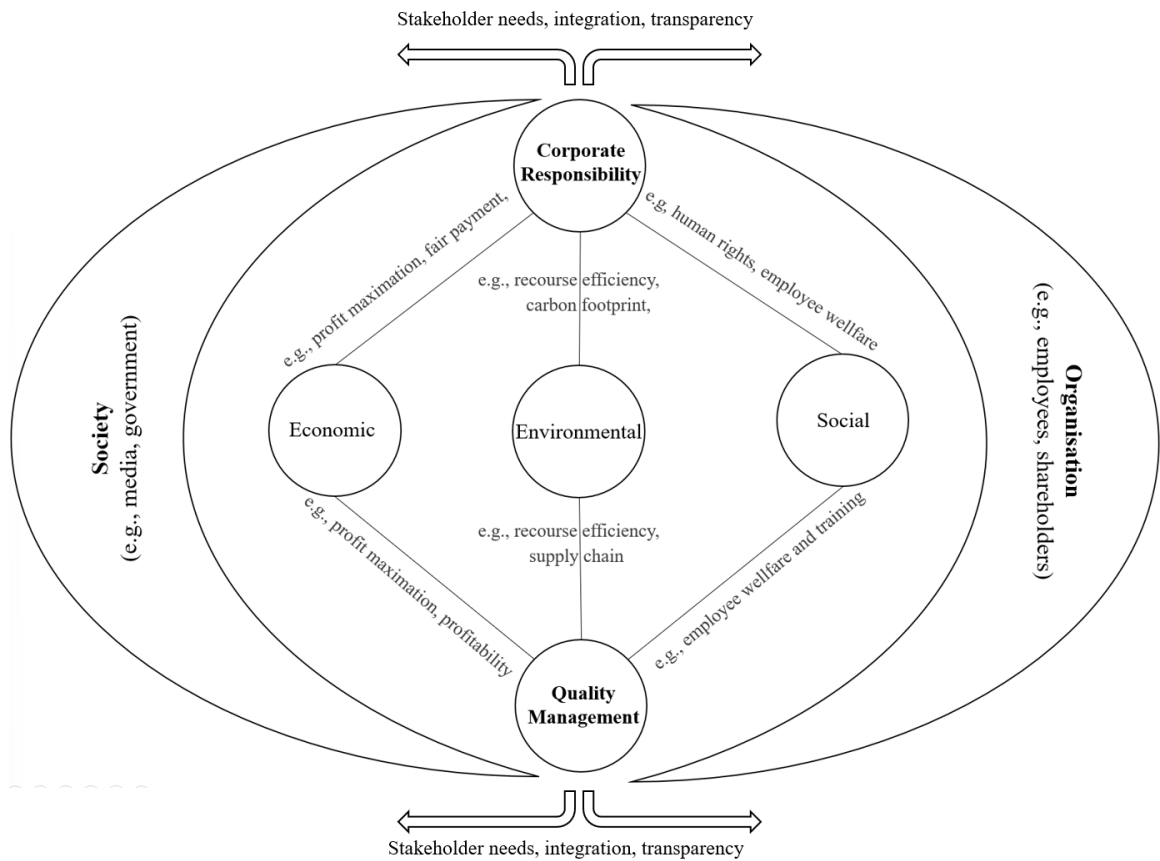
Good integration requires organisation-wide inclusion rather than making the new aspect an independent area apart from other businesses (Rivoli and Waddock, 2011). Integration is always individual depending on the company because every company shares different values and practices (Williams, 1994, 43). Managers are highly likely to affect the company’s values with their actions, creating differences between organisations (Strand, 2014). As

Ghobadian et al. (2015) indicate, the same methods can bring different outcomes depending on human attitudes.

From an organisational perspective, CR and QM are suitable methods to increase competitiveness. CR and QM include taking care of employees, which is essential because a competent workforce is one crucial element of competitiveness (Frolova and Lapina, 2014). Creating more quality than rival organisations lead to competitiveness (Sengul, 2018). Knowledge sharing within an organisation is a crucial element of competitiveness, which can only happen if the organisational culture supports change and learning (Sung and Joo, 2011).

Even though CR and QM are structured similarly, they are not the same concepts. For example, QM emphasises the importance of customers over other stakeholders (Garvave and Johansson, 2010), while stakeholder importance is company-specific from the CR perspective (Strihavkova et al., 2021). CR is legally required, while QM is optional leadership style companies can use or ignore (Frolova and Lapina, 2014). Properly executed CR changes the norms and values towards more responsible (Kuisma, 2017, 37). These changes can be integrated into organisational practices through management systems, such as QM, which indicates that QM can be used to integrate CR into the organisation. As Parast (2021) stated, QM offers a foundation that can help the integration of CR.

Overall, CR and QM can independently bring similar benefits to companies. This includes economic profits (e.g., expense savings, market share), environmental benefits (e.g., practical usage of resources), and social aspects (e.g., job satisfaction, work safety) (Parast, 2021). This indicates that even though the Triple Bottom Line is an essential part of CR, the Triple Bottom Line can likewise be found in QM. These similarities indicate that QM can be an effective method for integrating CR.



*Figure 2. Visualisation of the theoretical framework*

Figure 2 presents the visualisation of the theories addressed in this chapter. The figure represents the relationship between organisation and society, connected through CR and QM. When dealing with QM or CR, organisations and society will interact with their stakeholder needs through transparent methods, leading to integration. Furthermore, the figure presents QM's and CR's relationship to the Triple Bottom Line categories. These are all supported by two pieces of examples present in the relationship. Overall, the model indicates that organisations and societies interact with each other through CR and QM, which on the other hand, include economic, environmental, and social traits. This model suggests that QM and CR share principles and can be used as similar methods.



## 3 Methodology

This section introduces the researcher's role, participants, data, and analysis process. The sub-chapters give information about the data gathering, and analysis. This research was conducted by using qualitative methods, as the main focus is on understanding the concepts of CR and QM rather than number-based generalisations (Elo and Kyngäs, 2008). This study takes to some extent both inductive (i.e., evidence is context-based) and deductive (i.e., evidence is combined with theory) approaches (Tracy, 2019, 26).

### 3.1 Data and data collection

The primary data collection is based on semi-structured interviews as during the interviews, the interviewer goes through a list of pre-thought questions, and can make follow-up questions to acquire additional information and better accuracy of the phenomenon (Tracy, 2019, 157). Since semi-structured interviews are based on mutual communication between the interviewer and the participants, it was an effective method in this research to acquire relevant information from the interviewees.

The interviewees consist of 3 TMT members of Company X. The interviewees are referred based on their positions: Business Manager, Sales Manager, and Resource Manager. The Business Manager is responsible for the overall company while taking care of quality and responsibility processes. The Sales Manager works with customers by making offers. The Resource Manager is responsible for material and human resources. Company X's TMT consists of three interviewees, a secretary, and the corporation's CEO. The TMT is responsible for the company's operational decisions. Each TMT member has individual roles and responsibilities divided into sections (e.g., sales, resources, operations). The divisions are present in both everyday life in Company X and organisational changes in their corporation.

The interviews were conducted via the Microsoft Teams service in February–March 2022. The interviewees did not know about the questions before the interview to get intuitive answers. The interview length was between 30 – 45 minutes, which depended on the width

of the answers. The interviews were recorded with the permission of the participants. As Appendix 1 indicates, the interviews were conducted in Finnish.

The list of 20 interview questions was built based on the research questions and a theoretical framework was formed based on the deductive point of view (see Appendix 1). The main interview questions were complemented with suitable support questions. The themes – management, values, decision-making, organisational behaviour – are based on the research. The themes were included in the interview questions list to ensure that each main subject of the research will be discussed with the participants.

The primary data gathered from the semi-structured interviews was analysed based on deductive approach. The practical information combines the theories presented in the framework; however, it was noted that information may rise from inductive approach during the analysis. Primary data is supported by secondary data available on the company's website.

### 3.2 Analysis

Content analysis was used to draw insights from the primary data. The content analysis focuses on finding the material's themes and topics, following inductive research methods (Elo and Kyngäs, 2008). Coding was used to identify the patterns present in the interviewees' answers (Saldana, 2009, 5). Before the coding process, the interviews were transcribed. This resulted in 25 pages (font size 12) of textual data. The first stage of coding included removing the unnecessary information that was not relevant to this study. For example, too detailed information about the company's personnel was removed at this stage. Then, the data was divided according to the research questions. This stage included dividing the information into three parts: (1) QM and CR, (2) organisational culture, and (3) values and decision-making. The third stage furthered this by dividing the existing categories into six individual categories: (1) QM, (2) CR, (3) internal organisational culture, (4) external organisational culture, (5) values, and (6) decision-making. The fourth coding stage divided the data into smaller parts based on themes and keywords, such as quality and values. Overall, the coding process resulted in 12 codes, which included different information depending on the subject. The coding process is more thoroughly explained in Appendix 2.

While the research is based on a deductive approach, the information arising during content analysis was partly inductive. The content analysis process focused on finding themes from the evidence, which focused on the research topics. The interview questions formed a framework, which brought evidence to the research questions. This evidence focused on CR, QM, and organisational behaviour themes. These themes were expected because of the deductive forming of the interview questions. The inductive content analysis stage brought evidence about relatively unexpected and specific topics such as organisational audits. This research followed the standard content analysis, where the main point was analysing the information interviewees said rather than how they said it (Elo and Kyngäs, 2008).

The secondary data collected from company websites focus on textual analysis. As Tracy (2019, 80) mentions, textual analysis is a standard method to support qualitative human-oriented research. Textual analysis is used to gather information about the company's history, values, and principles from Company X's website. This study focuses on human-oriented interviews; however, some information is more accessible on company websites, indicating a need for supportive textual analysis.

As Hoon (2013) states, case-study is suitable for organisation and management research. Elo and Kyngäs (2008) point out that content analysis is standard for analysing semi-structured interviews. This supports the idea that these methods are suitable for this research.

## 4 Results and Findings

This section presents the evidence gathered from the interviews of top management team members of Company X. The evidence is divided into three categories based on the data and research questions: (1) CR and QM practices, (2) organisational behaviour, and (3) values. Firstly, the simultaneous occurrence of CR and QM is presented to gather evidence on whether the two concepts can be simultaneously operated. Then evidence of organisational culture is presented to know what factors occur in the organisational integration process. Furthermore, the chapter includes data gathered from managers' individual decision-making values to determine how TMT members describe the possibility of considering their personal values.

### 4.1 Responsible quality actions in organisation

The interview questions 8–10 focused on the Triple Bottom Line of CR. The interviewees described the economic factors affecting their decision-making from their perspectives. The coherent remarks in the interviews focused on continuance and profitability, which comes from reasonable purchases and cost structure. The interviewees noted how economic decisions are vital when considering the possibility of continuing to do business in the future. When considering the sales margin, Company X tries to build a responsible price by considering the common market situation and competition added to the cost level of their work.

*"The main idea is that I don't make fixed costs, so I pursue to buy good quality and reasonable as a one-time purchase. I try to think that the purchase has a specific reason for the project and of course, is affordable." – Resource Manager*

From the social perspective of CR, the focus was on different groups of stakeholders. The idea of integrating the ethical values of Company X into a relationship with subcontractors, clients, and suppliers was present in each answer. The perspective of caring about employees was likewise present, especially in the answers of the Resource Manager, who is responsible for the HR management in the company.

*"We have foreign subcontractors. So, when making the contract, we make sure they behave according to Finnish laws and get fair wages. We want to prevent human trafficking and exploitation, so the hourly price we pay to our sub-contractors makes proper wages possible. And one thing we follow is the work hours of employees, which needs to be according to laws." – Resource Manager*

The social factors were noted as the foundation of the business because customers expect them to operate socially responsible. The company's TMT decides the common social factors, such as ethical guides and subcontractor contracts. If the possible business partner of Company X does not match their desired ambition level, they do not do business with this company in the first place. The loyalty to Company X's values was visibly present, especially in the answers of the Business Manager.

*"In our newest contract layouts, we have ethical guides, which specifically include the laws, regulations, orders, and responsibility laws, which need to be followed. ... We always begin a conversation with the business partner's top management team, and if they cannot commit to our ambitions, we cannot make a deal with them – no matter what the price is." – Business Manager*

Some answers combined the economic and social practices. The evidence proved that society is present relatively effortlessly in the economic side of the business. Following laws and supporting other local businesses combine economic and social values in decisions.

*"When we purchase, we prefer to use local as much as possible, to support the neighbourhood." – Resource Manager*

*"We need to understand how we can consider the Finnish laws, collective labour agreements when thinking our complete cost structure. We integrate our subcontractor to the Finnish laws, so they know how to work here." – Business Manager*

Company X operates in a field where their business brings resource efficiency to their customers. On their website, Company X states that they prefer to use eco-friendly solutions if it is economically and practically possible. The company follows laws, regulations, and its own requirements of environmental standards (Company X, 2022). The field of their business makes Company X relatively dependent on their stakeholders, especially in environmental decisions. Their business partners decide recycling and material usage regulations, which Company X must follow in their practices. For example, they are

currently using the most ecological materials provided in the markets. In the future, Company X seeks to reduce carbon emissions even more by investing in new systems.

*"The main environmental decisions come from our main customers. Lately we have been thinking how we can integrate our business partners into our system of reducing carbon emissions." – Business Manager*

Company X has recently joined a conservation project supporting endangered animals' well-being. Both the Sales Manager and Resource Manager talked about this project as an example of their company's responsible behaviour. However, both managers had the understanding that a conservation project is a so-called bonus to the company's responsible actions, as the actual responsibility comes from everyday business practices.

*"The good we get from our customer; we use towards other factors than just this business. So, we are taking part in conservation project, sponsor activity and youth sports, which is social responsibility at least to local youths." – Sales Manager*

When asked about combining quality and responsibility in decision-making, the interviewees brought different perspectives to the question. One relevant perspective sees quality and responsible as similar concepts with traits that support each other.

*"On away, they go hand in hand, so the best quality choice is often the most responsible solution in many ways." – Sales Manager*

Another perspective of quality combined with responsibility indicates that Company X has not developed a specific verification process that combines the two values. However, especially the Resource Manager – responsible for purchases – noted that this subject could be improved in the future to include more responsibility in the decision-making. Understanding a subject that needs improvement is part of CR and QM in the constant development area, which indicates that the idea of constant development is currently used in Company X.

*"The current verification process may not be the best. Maybe the thought about responsibility is not present in every purchase. That is probably something we can improve." – Resource Manager*

Company X has a specific quality handbook, where they state their desire to consider customers, constantly develop their practices, and operate a profitable business (Company

X, 2022). When asked about interviewees' perspectives on quality, they gave examples from their company. Quality was seen as a factor that needs to be present in every step of their business, to make the outcome satisfactory. Additionally, quality was seen as a component of long-lasting and profitable business. Similarly to the social factors, quality was seen as one of the main factors built into the organisation. The answers highlighted the importance of organisation-wide quality commitment, which is part of every business step – including office decisions and fieldwork.

*"Quality is the level of our operations, which we try to include into every step to make it part of everyday life. We have set the objectives on how we should operate, and our quality handbook describes the process." – Business Manager*

Company X has built quality into their organisation through a system that follows the ISO 9001 standard (Company X, 2022). Company X has been part of an audit project for over ten years, which has helped them to establish a system that follows health, safety, environment, and quality regulations. The audit project, known as HSEQ-audit, focuses on building profitable stakeholder business, strong management, and a consistent system. Company X has been one of the best companies overall in Finland in their audit program without actually certifying their quality systems. Their primary focus is to do the right things in the field rather than use resources to certify systems.

*"There are regulations, so the good quality needs to be seen in our operations. I don't accept selling something that I know is not good quality. Like there are no shortcuts when talking about quality." – Sales Manager*

One of the most critical everyday management tools in QM is different kinds of indicators, which Company X uses in various aspects. They measure the efficiency of the employees, tasks, and systems, which gives them the necessary information on quality issues. If something is going in the wrong direction, the actions are done immediately to educate employees and please external stakeholders. Different kinds of meetings and enquiries give additional information to this, which helps the company improve their systems.

*"Depending on the customer, we have built these meetings, where we can measure the quality of the contract. So, if something comes up, we can investigate the matter with the customers with the help of the indicators." – Business Manager*

## 4.2 Organisational culture in integration process

The interview questions limited organisational culture into pieces that are most relevant to this study: communication, organisational change, and work community. Especially the interview questions 14–20 focused on these themes. The data analysis process brought information about these issues and additional information related to these matters.

Company X educates their employees to consider the environment, well-being, and safety in every step of their work (Company X, 2022). The interviews revealed that the company's orientation system is the same for every employee – including sub-contractors. The orientation is systematically built based on the company's overall practices and values.

*"We have an orientation system and internal regulations, which are directly related to our quality handbook. It should be transparent in a way that everyone knows their responsibilities and obligations, and we monitor that employees follow those regulations and culture." – Business Manager*

To support the well-being and safety of employees, the company has created regulations that follow the public officer's suggestions. The company develops its overall business based on organisational audits, feedback, and observations (Company X, 2022). Company X attempts to improve their business whenever they notice targets for improvement. Audits are used to gather information about the current practices. The information from the audits can, for example, lead to the creation of new indicators, which furthermore help monitor the business quality.

*"We have pretty good practices. I try to include the ways we have observed efficient, to minimise the useless mistakes." – Sales Manager*

One crucial part of organisational behaviour is communication. Company X has headquarters, which has approximately 15 office employees. Additionally, they have over 100 employees who operate in different factories in various cities (Company X, 2022). The interviewees noted that communication within the office is active and primarily oral, while information to the factors goes primarily through phone calls and e-mails whenever needed. A few times a year, the organisation-wide WhatsApp channel is used to inform more significant announcements, such as employee enquiry. The regular meetings at Company X are weekly Project Manager meetings and monthly TMT meetings. During these meetings,



the company's current and future stages are analysed, which can lead to feedback to employees.

*"We strive to give it [feedback] to the employees. The communication to the employee about the success is basically the responsibility of the Project Manager and work site's foreman." – Resource Manager*

Company X considers stakeholder opinions and expectations through two-sided communication (Company X, 2022). Over the years, Company X has mapped and analysed its stakeholders. The company's most important stakeholders are employees, customers, and suppliers. All interviewees brought up the importance of business partners. The reputation and experiences of stakeholders – especially suppliers – have been important factors to the case company. The company's current supplier partners are companies they have worked with for years. Long-lasting relationships have included communication on responsibility and quality issues, strengthening the partner relationships.

*"We have relatively established supplier partners, whom we have worked with for years, so we know their procedures. So, we have discussed for example emission issues, price level, and we know they are reliable operators in the markets. So, if a new supplier comes, we test them through these same methods." – Business Manager*

One interview question dealt with employee attitudes towards change. The standard line in the answers was the understanding that attitudes are individual, change takes time, and some resistance occurs always. The answers noted that TMT members seek to include employee opinions in decision-making because they have practical knowledge. Significantly, the key people are included in the decision-making because they are affected by the change. However, every opinion cannot be included, which can cause resistance. For example, the Resource Manager seeks information about material quality from the employees who have had the possibility to experience the quality. Additionally, communication affects the employee attitudes, which can either help or hinder the integration in question.

*"Depending on the change and how we announce it forward. Individuals are different, some accept well, some need time." – Business Manager*

Even though the company tries to include employee opinions in decision-making, the integration process has not always been successful. The company has had two significant changes in the last years: digitalisation of the system and merging into a corporation.

Significantly, digitalisation has brought resistance, which the company acknowledges. The corporation changes are more visible to the operational management team than to the field employees, so the resistance has been minor.

*"We have probably poorly predicted it previously. We had a really big change, in relatively short schedule, which was weakly instructed to the employees, which has led to resistance. Overall, we have poorly prepared employees to larger changes, but we will do better in the future." – Resource Manager*

When asked about the factors that make the interviewees enjoy working, they highlighted the importance of people. The participant felt that open communication and a relaxed atmosphere formed the best place to work pleasingly. The congenial atmosphere in the offices has increased the job satisfaction of the TMT members.

*"Good workgroup is the first. And when people clearly know what to do and when. Plus having suitable workload in a good group, that is when I feel work is meaningful." – Business Manager*

*"So, we have a very tight group. Or course, humour sometimes flies, sometimes maybe too much. Probably the work community and co-workers, at least for me, are certain assets, which help me, and I can help them." – Sales Manager*

*"We have a relatively tight department. The atmosphere is good, and we have humour and certain similarities. And we can talk openly about issues." – Resource Manager*

### 4.3 Manager's values in organisational decision-making

Interview questions 4–7 considered values. The questions focused on both company values and the manager's personal values. The answers, combined with the TMT members' decision-making methods, give indications of Company X's practices. The managers described the TMT as a unit, where the clear division of the responsibilities brings equality into the decision-making.

When asked about Company X's values, each participant gave different answers, which indicates that the answers were authentically thought during the interview. The values raised were honesty, efficiency, safety, reliability, diligence, perseverance, transparency, and trust.

Even though these are different words, all these include the same thought about respecting stakeholders and building long-lasting relationships with them.

*“Our company’s top management team has created for example, safety and quality politics, which describe our will. But shortly: We seek honest, efficient, and safe work towards our customers, so that the customer can trust our ambition and quality in every step.” – Business Manager*

*“It is certainly transparency and trust-building with the customers. We have long-lasting relationships with our customers, which tells about the respect and trust.” – Sales Manager*

*“Certain reliability and diligence are important values. That we do the job well and are reliable, and are perseverance, and look for solutions either within the organisation or with external stakeholders.” – Resource Manager*

One interview question revolved around the personal values of each manager. These answers brought similar values the interviewees mentioned in the question considering the company’s values, such as honesty and trust. This indicates that the values of individuals and the organisation can affect each other. The Resource Manager’s answer brought up the idea that when personal and organisational values match, the organisational member is more likely to enjoy working there.

*“Honesty and efficiency are important things to me. And a need to be honest and transparent towards customers.” – Business Manager*

*“This kind of honesty and trust are important to me.” – Sales Manager*

*“I commit to those [reliability, diligence, perseverance], which has helped me to enjoy working here. I would also include respecting people.” – Resource Manager*

The interviewees mentioned their desire to bring their values into the organisation. For example, the Resource Manager – responsible for human resources – brought up the desire to respect people. The Sales Manager – responsible for customer relationships – seeks to reflect honesty and trust into those relationships. The managers saw TMT as an excellent place to discuss and build the company’s values. Quotes from the Sales Manager bring an essential perspective of managerial values. As the person can be part of deciding the values, they see that the company’s values match their values, which improves job satisfaction.

*“As a management team, we decide the values together.” – Sales Manager*

*“I think they [individual and company values] match pretty well. Happily, I work at the company that operates according to my own values.” – Sales Manager*

Company X tries to manage based on knowledge. The company uses a set of different indicators, which bring real-time information about efficiency between groups. For example, the work hour tracking system shows data about the projects, which is analysed weekly. The TMT decides what aspects need attention and which employees need more training based on the data.

*“Currently, we have workplace investigation enquiry going on. This brings information to management on how to improve so that the employees enjoy working. And from key customers, we constantly ask for feedback to ensure good business. And we have meetings with sub-contractors at least once a year to know how to improve the co-operation.” – Business Manager*

The decision-making is not necessarily based on neither responsibility nor quality at Company X. When asked about the most significant factor affecting their decision-making, the interviewees brought their own perspectives to the questions. For example, the Resource Manager considers the limited storage space and seeks solutions that have good delivery. On the other hand, the Sales Manager needs to consider customer opinions prior to their own values. These answers indicate that the field of work and the responsibilities influence the decision-making process.

*“I have to listen to the customer quite much because in the end they are the ones who pay our wages.” – Sales Manager*

## 5 Discussion

This chapter focuses on combining the findings presented in Chapter 4 with the theoretical framework built in Chapter 2. The chapter has been divided into four sub-chapters based on the research questions. Each question will be discussed in its own sub-chapter. The appearance order is based on the order they were introduced in the first chapter of this paper. It is essential to note that the discussion focuses on Company X, and the conclusions cannot be generalised to the overall business world. This chapter gives evidence and indication of the practices; however, this is just a one company example that cannot be assumed to be every company's activity.

### 5.1 Controlling CR through QM

The main research question focused on the organisational integration of CR through the methods of QM. The evidence for this question can be found in all parts presented in the findings section. This chapter focuses on finding answers to the research question:

*Q1: How can the organisational integration of corporate responsibility be controlled through quality management?*

Company X has built its QM process for over ten years, making it a suitable source of evidence for this research question. Parast (2021) highlighted that QM is a good foundation when integrating CR because their practices and values require similar integration methods. For example, both CR and QM require a long-term integration process, which revolves around constant change and training (Frolova and Lapina, 2014; Siva et al., 2016). As the findings suggest, these ideas are present in Company X's business. The company has slowly integrated CR and QM into their company over the years by changing elements of business one by one. These include, for example, digitalising systems and obtaining ethical contracts. The changes are managed by acquiring information gathered from external and internal stakeholders and the information provided from indicators. Constant meetings with customers, employees, and managers bring possibilities to note problems in real-time and make changes constantly.

Company X has integrated quality more effectively into their organisation than responsibility. The integration of CR is made with the support of QM. For example, the material purchases follow the idea that responsibility brings more quality to the organisation. On the other hand, stakeholder relationships require two-way information about responsibility and quality goals, such as emission reduction. As Strihavkova et al. (2021) highlight, many elements of CR (e.g., resource efficiency) bring more quality to the organisation by eliminating irrelevant factors. By trying to seek total quality in the organisation, companies can make subconsciously responsible decisions. For example, Company X tries to buy good quality products which will last long. Long-lasting products strain the environment less than disposable products. This provides evidence that CR and QM can be combined in the decision-making, where one does not need to overpower the other as the most influencing factor.

The following chapters will more closely consider this matter by analysing the simultaneous operation of CR and QM, factors of organisational culture, and individual values of TMT members in decision-making. However, this chapter has highlighted that CR and QM share comparable elements to threaten them as supportive methods. As both CR and QM affect the Triple Bottom Line, the methods have similar organisational visibilities. For example, Company X focuses on ecological and good quality material purchases.

## 5.2 Simultaneous operation of QM and CR

The second research question focused on the simultaneous operation of QM and CR. The literature suggested that QM and CR share similar methods, which can be managed through similar practices (van der Wiele et al., 2001). The findings provided evidence on how QM and CR can be operated simultaneously in the organisation. The second research question analysed in this chapter was stated as follows:

*Q2: How are quality management and corporate responsibility operated simultaneously?*

Company X has effectively integrated QM into their organisation and constantly tries to focus more on responsibility questions. As the findings suggest, Company X's members experience quality and responsibility as factors that support each other. As Frolova and

Lapina (2014) highlight, both QM and CR revolve around similar aspects, such as transparency, resource efficiency, and constant change. The interviewees highlighted their desire to develop the business constantly, which is especially important in organisational changes such as QM and CR (Weerts et al., 2018).

One crucial element of management is organisational culture, which needs to support the ideas and values of the organisation (Riivari and Lämsä, 2014). As the evidence suggests, Company X has defined responsibility and quality as the values they seek to include in their business. The values are present in the company's policies and practices, creating a need to manage CR and QM simultaneously. These values are most visibly on Company X's websites, where potential customers can see them. However, the findings suggest that the TMT members bring these values to their decision-making and stakeholder relationships, indicating that the values are present in organisational behaviour, not merely on the website.

Company X is taking part in an audit project focusing on health, safety, environment, and quality (HSEQ). The first three aspects are especially relevant in CR, while the fourth subject is the fundamental element of QM. This audit project helps the company get information about the lacking areas, which can help improve them. As this audit is especially relevant to the managers, the management of CR and QM is more accessible because of this system. Company X uses the information given by an external auditor to create new indicators, which can bring even more quality into the organisation by eliminating the ineffective elements.

Overall, the simultaneous operation of CR and QM is built through the organisation's values. When quality and responsibility are the company's values, they are integrated into the organisation through different practices. For example, Company X uses an audit program, which gives them external insight into improving the aspects of CR and QM. Even though CR and QM are not the same concepts, they can be included in the organisation simultaneously because of their similar characteristics and their ability to support each other. The HSEQ-audit, including both responsibility and quality, provides evidence for this statement. This supports the idea of Parast (2021) that CR and QM can be simultaneously operated in a company.

### 5.3 Organisational culture factors in integration of CR and QM

The third research question focused on a company's organisational culture that integrates CR and QM. Even though organisational culture is a significant concept, some elements are more visible than others. However, each organisation is different, indicating that the factors presented in this chapter are not common generalisations, instead factors of Company X. The Chapter 4.2 provided evidence considering the question:

*Q3: What factors of organisational culture occur in the integration of corporate responsibility and quality management?*

Both CR and QM include changing organisational culture towards more suitable before and during the integration process (Siva et al., 2016). This includes values and practices that support the cause of the change. As the evidence highlights, Company X is already in the integration process, which is why its current values support the ideas of CR and QM. Company X's organisational culture includes additional relevant integration factors, such as stakeholders and work atmosphere.

Naidu et al. (2006, 29) highlights the importance of stakeholders, especially employees, suppliers, and customers, because stakeholders can affect the company's practices and be the reason for success. As the Business Manager of Company X stated, their most important stakeholders are employees, suppliers, and customers. The company takes care of these stakeholders and includes them in the decision-making process by collecting their opinions. Including stakeholders in decision-making during the integration process is essential because they have necessary and practical information about the business, which TMT members cannot obtain without the stakeholders (Sung and Joo, 2011). As Sims (2002, 340) highlights, building an organisational culture that is open to change minimises the resistance toward change. The TMT members of Company X have tried to build this culture by listening to the employees, involving them in the decision-making, and informing them effectively about the changes.

A crucial part of organisational culture is communication, one of the most vital elements to guarantee successful integration (Ferraro and Beunza, 2018). The findings suggest that internal communication about integration can affect the stakeholder opinions. As Sims (2002, 135) mentions, communication often lacks clarity and information, which has been



previously the case with Company X. Their organisational changes have lacked communication to the stakeholders, which has led to resistance towards change. However, the TMT members have noted this issue and attempts to inform employees more effectively in future changes. This evidence supports Kamensky's (2014, 64) idea that communication must be managed effectively in an organisation, especially during integration.

The interviewees highlighted the importance of a good work atmosphere in job satisfaction based on congenial co-workers. As Tenney et al. (2016) mention, reasonable job satisfaction increases individuals' performance. The evidence suggests that the more employees connect to the organisation and its values, the more they feel satisfied. As Blader et al. (2017) highlight, members who identify with the organisation are more loyal. Logically TMT members are more connected to the organisation than field employees, partly because TMT members can affect the decision-making with their personal opinions. This indicates that organisational culture can create a positive climate toward change through the work atmosphere.

Overall, the organisational culture during the integration process must be open to change, and its values must support the cause of change. As findings suggest, stakeholders, communication, and work atmosphere are relevant factors in organisational change. These factors must be considered when integrating CR and QM into an organisation because they can either support or obstruct the change. Even though this chapter presents three factors, it must be understood that the whole organisational culture is present in the organisational change. The visibility of the factors depends on the organisation.

#### 5.4 Individual values of TMT members in organisational decision-making

The individual values of TMT members as an affecting factor were presented in research question four. As the previous chapter suggested, personal values can affect the organisational culture. Significantly TMT members' values are highly influential because TMT members are involved in decision-making. This chapter focuses on analysing the fourth research question:

*Q4: How do top management team members describe their possibility of involving personal values in organisational decision-making?*

The evidence suggests that the personal values of TMT members are present in their organisational decision-making. The managers identify their possibilities to bring personal values into the organisation as good because TMT as a team decides the organisation's values. As Strand (2014) notes, TMT members have a high possibility to affect the value creation process because of their position in the company.

The interviewees mentioned that their personal values match the company values currently. Knowing that TMT members have been creating the current values indicates that they have been able to bring their values into the organisation. Chow and Kakabadse (2020) indicate that TMT members' organisational values are often similar to the company because the values either change towards the company's values or the TMT member brings their values into the organisation. Because this research does not have information about Company X's values before the current TMT members came to the organisation, there is no knowledge of whether the current TMT members have been affected by the company's values or created the current values.

The values the interviewees seek to include in the organisation are different. A significant indication of personal value creation was that the TMT members' job titles affected the values they sought to bring to the company. The Sales Manager highlighted the importance of customers in decision-making, while the Resource Manager sought to include employee opinions in decision-making. Notable was that the Business Manager highlighted the importance of stakeholders – both external and internal – in decision-making and overall business operations. As Niskala et al. (2019) state, different business fields focus on distinct aspects of CR. However, the evidence indicates that these differences can be present in the business field and within the organisation based on the responsible area the managers have.

Company X has policies considering safety, environment, and quality, which are meant to guide the individuals' organisational behaviour as team members. However, the evidence suggests that individual values may affect the decision-making more than the organisation-wide policies. When asked about the most influencing factor in their decision-making, the organisational position visibly affected the decisions. The Sales Manager saw customer opinions as the most important factor guiding their decisions, while the Resource Manager highlighted the importance of reliably delivery. This proves that the managers think about the decisions from their perspective on an individual level.

Even though personal values seem to affect the decision-making process, it is not the only factor affecting decisions. Company X especially highlighted the importance of knowledge. This knowledge comes from trial and error, internal and external information, and multiple different indicators. This supports the idea proposed by Chow and Kakabadse (2020) that individual values support or minorly change the existing organisational culture rather than completely change it.

Overall, the evidence supports the ideas of previous research (e.g., Hemingway and Maclagan, 2004; Qu et al., 2017) that top-level managers can bring personal beliefs and especially values into the organisation. Company X's evidence provides real-life examples of how people included in the organisation's TMT can integrate their values into the organisation through their decisions. This phenomenon is evident in position-based decision-making, where the position combined with individual values affects the decision. For example, the Sales Manager – responsible for customer relationships – thinks about the customer's opinions before deciding.

## 6 Conclusions

This paper has discussed the possibilities of integrating corporate responsibility and quality management into an organisation based on evidence gathered from a case company. The objective of this research was to bring current evidence from actual companies through qualitative interviews. This was declared necessary because global communities and consumers constantly require more CR from companies.

The findings of this research indicate that CR and QM share sufficiently similar components to operate them simultaneously. As the visualisation of the theoretical framework (Figure 2) suggests, CR and QM are different methods that contain similar elements affecting organisations and societies on economic, environmental, and social levels. The practices of CR and QM are relatively similar throughout the organisation; however, each organisation has specific targets and priorities. For example, Company X focuses on resource efficiency and emission reduction. The priorities depend on the field of business and the level of integration. For instance, Company X has already included social factors and quality into the organisation, giving more resources to focus on environmental aspects in future investments.

Another important finding of this research is that organisational culture can build a supportive atmosphere for integration. As the evidence from the case company proves, companies need to build an organisational culture that enables change and constant development. This was done mainly by considering stakeholders, communicating, and creating a meaningful work atmosphere in the case company. CR and QM require long-term commitment, indicating a need for permanent changes in the culture.

The third more prominent finding of this research is that the personal values of TMT members can affect the overall organisation. The more involved the organisational members are in the management, the more they can affect the organisational culture. The evidence supports the idea that members who can affect the values feel more connected to the organisation's values because they have been able to change them. One large concept affecting a person's values was notably their job position. The evidence suggested that a person's responsibilities influenced their values in decision-making.

## 6.1 Implications

This research has provided extensive information about CR and QM from the organisational perspective. Even though CR and QM are not the same methods, they can be used to support each other. If a company tries to seek quality in their organisation, they tend to make responsible decisions at the same time subconsciously. Similarly, responsible solutions are often high-quality. For example, long-lasting products are meant to be of good quality to endure years in usage. Buying long-lasting products can bring both ecological and economic benefits to an organisation because buying more seldom can be cheaper and less burdensome to the environment.

Companies can see CR as a complex concept that is too challenging to integrate into the organisation. However, companies frequently already have multiple factors of CR in their organisation without even completely integrating CR. Doing profitable business, paying taxes, and efficient resource usage are all factors of CR that companies often automatically do. Company X provides good evidence of consistent and long-term commitment, which brings results. Even though their organisational changes have not been fast, they have been effective, making Company X the market leader in their industry. Company X proves that focusing on CR issues does not decrease competitiveness. Vice versa, the more they have invested in CR, the more they have been making a profit. This is logical when understanding that CR can remove unnecessary expenses, such as packaging. Considering CR, companies need to understand that the necessary regulations in the field are required from every company, which will not decrease any company's competitiveness.

Regarding the CR and QM in an organisation, companies must understand the importance of organisational culture. Supportive culture must be created before integrating changes in practices and values. Including stakeholders during the whole integration process helps them adjust to the changes and be less resistant to the change. Employees possess precious information about the practical side of the business, which must be used effectively to improve the organisation. On the contrary, external stakeholders (e.g., customers) can give valuable information about the outcomes, which can help companies improve their products and services.

As the interviewees of this research described, the TMT members have a high possibility to bring personal values into decision-making. The possibility was visible in both TMT and

everyday decisions (e.g., purchases). Companies should understand that since personal values seem to affect an individual's decision-making, these values must support the company's values. If a person outside TMT makes decisions based on individual values, they may ignore the organisation's values, deciding against its culture. This leads to a need to integrate each organisational member effectively into the new causes and concepts, such as CR or QM. If the integration is not organisation-wide, the organisation's performance is not entirely according to the internal regulations. For example, if Company X's employee purchases poor quality products made of contaminated material, they neglect the organisational values and harm its business and possible reputation.

## 6.2 Limitations and reliability

The conclusions made in this paper are based on one company. The conclusions are neither generalisations about the subject nor the industry field. Overall, this paper gives a good understanding of the case company's situation. However, it is notable that these phenomena can occur in other companies, though there is no current evidence presented in this paper that supports this possibility. The case study gives practical information about the research issue by introducing the topic, which should be furthered with other research in the future.

When considering reliability, it is essential to note that the interviewees were able to describe Company X's practices from their perspectives. Because of that, the evidence may not contain the most accurate information. However, the size of empirical material (three participants) and the availability to use the company's website as a source of information suggests that inaccurate information would have arisen during the data analysis.

Considering the evidence analysis process, the data was analysed multiple times to prevent misunderstanding between the data and the researcher. The coding process of the data was made to bring reliability to this research. The coding results are available in Appendix 2, which gives detailed information about the process.

### 6.3 Future research

Future research could focus on the framework visualisation (Figure 2) to determine if other business issues share similar relationships as QM and CR. The Triple Bottom Line is a standard part of CR; however, previous research does not see a similar pattern as commonly in QM. The foundation of the Triple Bottom Line in QM should be studied more extensively because this research indicates significant evidence that the Triple Bottom Line is present in the QM.

One question arising from this research is the relationship between work atmosphere and value creation. The TMT members felt good possibility to include their values in the organisation. The organisational culture and the people working there were the most relevant factors affecting their job satisfaction. Future research could focus on finding can the atmosphere affect the value creation process.

Extensive research on stakeholder relationships from CR and QM perspectives could bring more information about the issue. A suitable method could be a case study on a specific company or a comparison between multiple companies. Overall, future research could investigate CR and QM individually and combined based on the suggestions given in this research.

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## Appendices

### Appendix 1. Interview questions

#### Johtaminen (*Management*)

1. Mikä on asemasi yrityksessänne? Entä johtoryhmässä? (*What is your position at your organisation? How about in the top management team?*)
2. Minkälaista ryhmää johdat? (*What kind of group are you managing?*)
3. Mitä tapoja käytät ihmisryhmän johtamisessa? (*What ways do you use when managing people?*)

#### Arvot (*Values*)

4. Mitkä ovat yrityksenne tärkeimmät arvot? Miksi? (*What are your company's most relevant values? Why?*)
5. Mitkä ovat sinulle tärkeitä arvoja? Miksi? (*What are relevant values to you? Why?*)
6. Miten sinun omat arvosi näkyvät työssäsi? Entä päätöksenteossa? (*How your values are present at your job? How about decision-making?*)
7. Koetko voitavasi vaikuttaa yrityksen arvoihin? (*Do you feel you can influence your company's values?*)

#### Päätöksenteko (*Decision-making*)

8. Mitä taloudellisia tekijöitä huomioit päätöksissäsi? (*What economic factors do you consider in your decisions?*)
  - esim. verotus, kilpailukyky (*e.g., taxes, competitiveness*)
9. Mitä sosiaalisia tekijöitä huomioit päätöksissäsi? (*What social factors do you consider in your decisions?*)
  - esim. ihmisoikeudet, työntekijöiden hyvinvointi (*e.g., human rights, well-being of employees*)
10. Miten huomioit ympäristön päätöksissäsi? (*How do you consider environment in your decisions?*)
  - esim. resurssit, hiilijalanjälki (*e.g., resources, carbon footprint*)
11. Mitä laatu sinulle tarkoittaa? (*What quality means to you?*)
12. Miten huomioit laadun päätöksissäsi? (*How do you consider quality in your decisions?*)
13. Miten yhdistät laadun ja vastuullisuuden päätöksissäsi? (*How do you combine quality and responsibility in your decisions?*)

#### Organisaatiokulttuuri (*Organisational culture*)

14. Millainen työyhteisösi on? Mitkä tekijät auttavat sinua viihtymään siinä? (*What kind of work community do you have? What factors help you enjoy being part of it?*)

15. Millaista kommunikaatio työpaikallasi on? (*What kind of communication do you have at your workplace?*)
  - esim. viestintäkeinot, aktiivisuus (*e.g., communication methods, activity*)
16. Miten johtoryhmän päätöksen kommunikoidaan organisaatiolle? (*How do you communicate decisions of the top management team to the organisation?*)
17. Miten toteutate organisaation sisäisiä muutoksia yrityksessänne? (*How do you manage organisational changes at your company?*)
18. Miten työntekijät yleensä suhteutuvat muutoksiin? (*How does employees often react to changes?*)
19. Miten muutosvastarinta otetaan huomioon päätöksenteossa? (*How do you consider resistance towards change in decision-making process?*)
20. Miten teidän yrityksessänne mitataan suoritusta? (*How does your company measure performance?*)
  - esim. työntekijöiden tehokkuus, tuotanto, tuotteiden laatu (*e.g., employee efficiency, production, product quality*)

## Appendix 2. The coding process of data

	<b>Description</b>	<b>Method</b>	<b>Result</b>
<b>Stage 1</b>	Removing unrelated material from data.	Reading the data and removing unnecessary information.	Unity of data related to the study.
<b>Stage 2</b>	Dividing data into subjects according to the research questions.	Dividing data into three larger concepts based on the sub research questions	Three sections: (1) QM and CR, (2) organisational culture, (3) values and decision-making.
<b>Stage 3</b>	Dividing data into units considering one larger subject.	Dividing data into smaller units based on subjects related to research questions.	Six units: <i>PART 1 (based on Q2)</i> (1) Quality management (2) Corporate responsibility <i>PART 2 (based on Q3)</i> (3) Internal organisation culture (4) External organisational culture <i>PART 3 (based on Q4)</i> (5) Values (6) Decision-making
<b>Stage 4</b>	Labelling the data according to keywords.	Dividing data into smaller units based on the focus on the quote.	12 codes: <i>PART 1 (based on Q2)</i> (1) QUMA = quality management (2) CRSO = corporate responsibility (social) (3) CREC = corporate responsibility (economy) (4) CREV = corporate responsibility (environment) <i>PART 2 (based on Q3)</i> (5) ISTA = internal stakeholders (6) ESTA = external stakeholders (7) INGR = integration (8) WOAT = work atmosphere (9) COMU = communication <i>PART 3 (based on Q4)</i> (10) PVAL = personal values (11) CVAL = company values (12) DEMA = decision-making