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Sustainable Development in light of the COVID-19 Crisis

An analysis of Swedish companies' CSR response to the global pandemic

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Abstract
The aim of this study is to investigate how the COVID-19 pandemic is affecting companies' sustainable development. The current crisis has disrupted business as usual and has introduced challenges for companies to maintain financial performance in the short run and is also challenging the status quo of doing business in the long run. Past and present research is conflicted as to the implications of a crisis on Corporate Social Responsibility (CSR). We conduct a literature review of crisis and CSR literature where we will elaborate and outline the conflicting predictions and tensions within existing research. We breakdown CSR activity into three categories of philanthropy, CR integration, and CR innovation. Then, through a qualitative study where we conduct interviews with sustainability managers of large Swedish companies, we research how companies' sustainability strategies and activities have been affected by the COVID-19 crisis. We use Event-System Theory as a theoretical framework to guide the research process. Our findings provide insights into how the various types of sustainability activities have been affected by the pandemic. We found that when CSR strategies and activities are integrated with the core business, they are unlikely to be altered by a crisis scenario. Additionally, we discovered that the pandemic crisis created a short-term boost of philanthropic activity, and that innovation has been slowed by challenges for collaboration and a hesitance to take on new projects. While the different types of CSR activities have been impacted in their own ways, overall the sustainability managers in our study indicate that they perceive the COVID-19 crisis as a positive opportunity for their company's sustainable development. In conclusion, our research contributes empirical evidence to reduce the tension in academic literature regarding how a crisis will affect Corporate Social Responsibility (CSR).

Keywords
Sustainability, Sustainable Development, Crisis Management, Corporate Social Responsibility, Event-System Theory, COVID-19 Pandemic

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Abbreviations

Abbreviation	Meaning
CR	Corporate Responsibility
CS	Corporate Sustainability
CSR	Corporate Social Responsibility
EST	Event-System Theory
SBT	Science-Based Targets
SDG	Sustainable Development Goal
WHO	World Health Organization

1 Introduction

In 2015 the United Nations set and agreed to the 2030 Agenda for Sustainable Development. From this, 17 sustainable development goals (SDGs) were set for social, economic, and ecological sustainable development (United Nations, n.d.b). To progress towards these goals, companies are updating their strategies and implementing sustainable and socially responsible activities to be in line with the larger global objectives. Thus, it is no longer a question *if* a company should take on Corporate Social Responsibility (CSR), but *how* (Borglund, De Geer and Sweet, 2017).

At a World Health Organization (WHO) meeting in 2018, experts warned about the next potential pandemic caused by "Disease X" (Daszak, 2020). Sure enough, the COVID-19 pandemic hit and disrupted the status quo for business and society in the midst of this sustainability transition. The impact on organizations from the global health crisis and subsequent economic downturn is significant and worthy of further research.

An empirical problem we have observed is that the current pandemic crisis has introduced profound challenges for companies to survive in the short run and is also challenging the status quo of doing business in the long run. We will explore what these disruptions mean for the sustainable development of companies. In a recent survey of sustainability experts, half of the participants voiced their concerns that the current crisis will likely lead to reduced attention for sustainability priorities, as the focus will be put on economic aspects (The GlobeScan - SustainAbility Survey, 2020). If we look back to the global recession in 2008, we see that many organizations did reduce their sustainability related investments due to decreased profitability and a tougher capital raising environment (Bansal, Jiang and Jung, 2015). But on the other hand, one third of the surveyed sustainability experts believe that the crisis could help to renew focus on environmental issues because of increased awareness of the interconnectedness of global challenges, the environment, and human health (The GlobeScan - SustainAbility Survey, 2020). This hopeful thinking among some respondents is in line with what other researchers have proposed. Cohen (2020) states that social scientists have long recognized that disasters have a tendency to catalyze process of social change and Markard & Rosenbloom (2020) point out that the pandemic offers opportunities for firms to advance their climate agenda.

If we now turn from the empirical side towards the academic side and try to understand the theoretical problem that our research will investigate, we have identified non-coherence within CSR literature and crisis management literature that would be interesting to explore. Similar to the contrasting predictions of the sustainability experts we previously mentioned, there is a disagreement within the existing literature about the implications of crisis on CSR initiatives and activities. When we mention non-coherence in literature we are referring to theoretical predictions that negate each other (Locke and Golden-Biddle, 1997). Some research focuses on the threats and negative impacts a crisis situation will have on CSR activities and predicts companies will reduce their CSR activities in times of economic crisis (Bansal, Jiang and Jung, 2015; Panwar *et al.*, 2015; Seles *et al.*, 2018). Alternatively, other research has discussed crisis as an opportunity for positive change and that CSR activities can even be strengthened amid crises (Seles *et al.*, 2018; Cohen, 2020; He and Harris, 2020; Cawthorn, Kennaugh and Ferreira, 2021). The tension between the threats for sustainable development mentioned by some authors and sustainability experts, and the opportunities mentioned by others, present an interesting research gap for our thesis to explore further.

1.1 Purpose

This thesis is written with the purpose to contribute to CSR and crisis management research. Our study aims to contribute to an increased understanding in research and practice by investigating how the pandemic is affecting companies' CSR strategies and activities. Additionally, we want to research how changes due to the coronavirus pandemic will impact sustainable development and understand if sustainability managers perceive these changes as a threat or an opportunity for sustainable development. Our qualitative study will focus on large companies based in Sweden.

The existing research looking into the relationship between crisis and CSR is limited and even acknowledges that more research and review of the topic is required (Seles *et al.*, 2018). While some recent research has explored how companies are responding to the pandemic to support stakeholders and communities (He and Harris, 2020; Manuel and Herron, 2020), these authors focus on CSR that is mainly philanthropic and that has resulted in direct response to the pandemic. There is a lack of empirical evidence on how the CSR strategies and activities of organizations, that incorporate more than just philanthropy, are affected by crisis situations. In our literature review we will analyze and breakdown CSR and introduce categories of CSR activity that go

beyond philanthropy and altruism. We also recognize that the majority of crisis management literature discusses how companies should handle a crisis and less research focuses on the impact of a crisis on current and future activities of companies (Coombs and Laufer, 2018). Morgeson, Mitchell and Liu (2015) also explain that most crisis and event-oriented research takes a retrospective approach and looks at the impact of a crisis after it has occurred. By researching the COVID-19 crisis as it is still ongoing, our research can contribute a unique perspective into the mindset of managers during crisis situations. Given the non-coherence in the literature and the opposing views of sustainability managers, we want to explore in-depth how the pandemic is affecting companies' CSR strategies and activities and therefore how it impacts their sustainable development.

1.2 Research Questions

Thus, our thesis seeks to answer the following research questions:

1. *How are companies' sustainability strategies and activities affected by the COVID-19 crisis?*

2. *How do sustainability managers view the impact of the COVID-19 crisis on corporate sustainable development?*

1.3 Research Outline

In order to answer our research questions, we will begin with a literature review (2) of crisis and CSR literature and present our theoretical framework. Then we will explain the methodological approach (3) to our research where we will describe our data collection and analysis process. Next, we will present our empirical findings (4) where we will provide relevant quotations from our interviews. Afterwards, we will discuss and analyze (5) our empirical findings and contextualize the empirical results. Finally, we will conclude (6) with our main results and the implications from our research.

2 Literature review

In the following chapter we will introduce the relevant concepts and theories related to our study. We will review literature surrounding crisis (2.1), literature linking crisis and sustainability (2.2) and then review sustainability literature (2.3). We will also present the theoretical framework (2.4). We begin our literature review with a wide view of crisis situations and will narrow it down to focus on the sustainability component of the organization. After presenting the relevant literature and terms, we will discuss Event-System Theory (EST) and explain why it is relevant for our research and develop the framework that will guide our analysis.

2.1 Crisis Overview

We will review crisis literature as the world is currently engaged in the coronavirus crisis. The pandemic has triggered both a health crisis and an economic crisis, and as a result, companies have had to respond and adjust their business.

2.1.1 Defining Crisis

A crisis is an event that is perceived to be unpredictable and potentially disruptive (Bundy *et al.*, 2017). It is complex and creates ambiguity and at the same time a crisis requires urgent response from organizations (Doern, Williams and Vorley, 2019). The definition of crisis that is most commonly used in organizational and management research is the one by Pearson and Clair (1998) (Doern, Williams and Vorley, 2019). According to these authors, a crisis is a "low-probability, high-impact event that threatens the viability of the organization and is characterized by ambiguity of cause, effect and means of resolution, as well as by a belief that decisions must be made swiftly" (Pearson and Clair, 1998, p. 60). In other words, a crisis can be described as an ambiguous situation that is highly threatening to the survival of companies and offers a limited time to respond for the management team. Thus, crises present a dilemma to organizations as they need to judge and decide quickly with incomplete information, which can result in either positive or negative change (Pearson and Clair, 1998).

2.1.2 The Coronavirus Crisis

The world we are currently living in is facing a substantial crisis. This thesis is written in spring 2021 and the COVID-19 pandemic is still ongoing. In the 2020 global risk report presented at the

World Economic Forum in January 2020, infectious diseases were characterized as a low likelihood, but high impact risk (World Economic Forum, 2020). While the possibility of an infectious disease outbreak was anticipated by some experts, businesses were unprepared for the far-reaching situation that has developed. The impact from the current situation stretches beyond public health emergency and has had significant economic impact.

The COVID-19 outbreak was first declared a public health emergency of international concern on January 30th, 2020 and then characterized as a pandemic on March 11th, 2020 by the WHO (World Health Organization, 2020b). National responses to the outbreak varied, with some countries deciding on strict lockdown measures to slow the virus, while other countries like Sweden avoided lockdowns and only introduced recommendations for social distancing and promoted proper hand hygiene. In either case, organizations and business priorities have changed.

Morgeson, Mitchell and Liu (2015) argue that the impact of an event depends on its characteristics. The key characteristics they focus on are novel, disruptive, and critical. The authors make several propositions about the implications of an event based on these characteristics: In summary, the more novel, the more disruptive, or the more critical an event is, the more likely it will change or create behaviors, features, and subsequent events (Morgeson, Mitchell and Liu, 2015). We will make the argument that the current coronavirus pandemic is novel, disruptive, and critical and thus commands attention from business leaders as it will likely impact business strategies and activities.

Novelty

The extent to which an event is new or unexpected will contribute to the response required to the event. In a crisis scenario, pressure will be put on companies to make quick decisions while having incomplete information about the current situation and the situation moving forward. In these high-pressure scenarios, decision-makers might look back to past events and learn from their previous experiences. This becomes especially difficult when dealing with a novel event. The WHO has referred to the year 2020 as “a year without precedent” (World Health Organization, 2020a). The coronavirus pandemic has pushed the world into unprecedented territory, where reflecting on past experiences might not help decision-makers today. Instead, strategists must look ahead and plan for the change in behaviors, features, and future events (Morgeson, Mitchell and Liu, 2015).

Disruptive

"Disruptive events break entities out of their conventional thinking and response mode and compel them to change" (Morgeson, Mitchell and Liu, 2015, p. 521). While Sweden has been able to avoid a strict lockdown and keep the majority of stores and businesses open, the pandemic has triggered changes to organizations and individual behavior that quite frankly would have been unimaginable before the onset of the pandemic. Entire organizations have employees working from home, business travel has been cut, and global supply chains have been threatened. Retail settings have updated their floorplans to ensure distancing can be kept between customers, restaurants expanded outdoor seating and online delivery options, and public transport expanded rush hour transit options to reduce congestion. The pandemic continues to disrupt companies as the duration of the crisis remains unknown.

Critical

An event that is seen as critical will be essential or has a high priority and therefore requires additional attention and action because it can jeopardize the most fundamental goals of a company (Weick, 1988; Morgeson, Mitchell and Liu, 2015). The coronavirus crisis has done exactly that, fundamental goals of organizations have been threatened and companies have had to adjust accordingly. While some crises will only affect certain companies, locations, or industries, the current pandemic transcends these boundaries and requires global attention from every organization.

The combination of the pandemic being novel, disruptive, and critical leads to an expectation that activities and strategies in organizations will be affected. We will explore crisis management literature in the following section, to see how companies are managing crisis situations.

2.1.3 Crisis Management

The COVID-19 pandemic event and resulting economic crisis is putting pressure on organizations to manage and adapt to the current situation. The goal of crisis management is to combat crises and to lessen its damage (Coombs and Laufer, 2018). Crises will impact both large and small organizations as uncertainty for the business increases (Naidoo, 2010). Looking back at previous crises, the economic crisis in 2008 resulted in decreased demand, employee lay-offs, stressful working environments and a reluctance to invest in long-term projects (Naidoo, 2010). Companies are once again facing these same challenges in the current crisis scenario.

While we see some arguments that companies reduce their focus on long-term investments and are focusing more on short-term survival (Naidoo, 2010; Manuel and Herron, 2020), other researchers point out that crises are also an opportunity for change (Cohen, 2020; Cawthorn, Kennaugh and Ferreira, 2021). Cawthorn, Kennaugh and Ferreira (2021) discuss that disruptions provide an opportunity to re-design the system. An argument in line with the findings of Cohen (2020) that disasters have a tendency to catalyze social change processes and can impact norms and behaviors that will not revert to pre-crisis levels. For example, following the 9/11 terrorist attacks, airport security was strengthened by increasing security screening procedures (Blalock, Kadiyali and Simon, 2007). The airline industry had to adjust with the new regulations, and recommended passengers arrive at the airport up to two hours before flights. The norms of increased security for air travel came at the expense of convenience (Blalock, Kadiyali and Simon, 2007). While some of the direct impacts of a crisis can be expected to return to normal as businesses and economies recover, other changes will become permanent.

Furthermore, Bodenheimer and Leidenberger (2020) argue that unsustainable behavior contributed to the rapid spread and severity of the coronavirus crisis. The next section will shed light on the connection between sustainability and the pandemic.

2.2 Sustainability and the Pandemic

The connection between sustainability and the pandemic might not seem obvious at first, but there are several connections that can be drawn.

First, while economically unsustainable behavior did not cause the outbreak of the virus, it certainly played a role in the negative effects. One example is that unsustainable activities like deforestation, mining and agricultural intensification lead to decreased biodiversity and a closer proximity of humans to various animals, this in turn increases the likelihood that infections spread from animals to humans (Bodenheimer and Leidenberger, 2020). The pandemic has also highlighted the fragility and risk of unsustainable global supply chains. The high degree of globalization and the increased focus on just-in-time production and reduced costs has led to a dependency on production facilities in low-wage countries. The connectedness has removed buffers and has made the global economy especially vulnerable to disruptions (Kilpatrick and Barter, 2020; Parsons, 2020). Crises of similar severity are likely to happen again in the future if unsustainable behaviors are continued.

Second, over the last few years sustainability in general has come to the fore of societies. As a result, many companies are working towards becoming more sustainable. Prioritizing sustainability goals and initiatives is certainly easier during times of economic growth and prosperity when companies have opportunities to invest and improve their business. However, during economic crisis there is strong pressure to focus on core business activities, and thus threatens sustainability activities that are outside of this core focus. Now with the pandemic and resulting global crisis, questions arise as to what will happen to the sustainability agendas of companies. The literature shows a dichotomous relationship between CSR initiatives and crisis (Seles *et al.*, 2018).

One perspective is that CSR can help companies to better cope with a crisis (Seles *et al.*, 2018). For example, Ducassy (2013) stated that CSR offers a temporary buffering effect. Through CSR companies can experience loyalty from their stakeholders and develop trustful relationships with market players which can strengthen the business in difficult times (Benlemlih and Bitar, 2018). Not only could CSR help companies to better cope with the crisis, but the current situations of lockdowns and standstill due to the pandemic might offer an opportunity to change direction towards more sustainable development (Bodenheimer and Leidenberger, 2020).

On the other hand, literature also states that the effects of a crisis can negatively influence CSR practices (Seles *et al.*, 2018). In an economic crisis, financial performance will decrease and resources could be moved away from CSR into areas that are needed in order to survive the crisis (Karaibrahimoglu, 2010; Jacob, 2012). Evidence from the 2008 global recession shows that overall companies' commitment to CSR did decrease (Bansal, Jiang and Jung, 2015), however CSR that was more integrated into the overall business and included long-term investments was less likely to be reduced than CSR that was loosely connected to the business and could be reversed easily, such as charitable donations (Bansal, Jiang and Jung, 2015).

Looking specifically at the COVID-19 pandemic, He and Harris (2020) point out that the situation offers several opportunities for companies to engage in different philanthropic CSR initiatives and the authors question if this crisis could lead to a new era of CSR development in the long run. Manuel and Herron (2020) recently introduced research that indicates businesses have increased their philanthropic activities as a response to the current pandemic. However, it is not clear yet if the increased philanthropy will persist after the crisis is over and if this might even "crowd out other types of CSR activities" (Manuel and Herron, 2020, p. 247).

In the following section we will now take a closer look at sustainable development and how the heightened focus on sustainability has affected business strategy and activities.

2.3 Sustainability

As we will discuss sustainable development and CSR frequently, it is important that we come to a definition of these terms. Afterwards, we will go into more detail to understand the types of CSR activity and develop three distinct categories of CSR activity.

2.3.1 Sustainable Development

The term sustainable development was first defined by the Brundtland Commission in 1987 in their report, Our Common Future, as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (WCED, 1987). This vague definition helps build the foundation for the 2030 Agenda for Sustainable Development and the sustainable development goals (SDGs) (International Institute for Sustainable Development, 2020). The 17 SDGs, adopted in 2015 by all United Nations Member States, were set to achieve "a better and more sustainable future for all" (United Nations, n.d.a). In order to reach the goals, action is required by governments, businesses and society (International Institute for Sustainable Development, 2020). Baumgartner and Rauter (2017) argue that companies play a central role in a societal transition towards sustainability and the interest by the corporate sector to contribute towards sustainable development is evidenced by more than 7700 companies in 130 countries that have signed the United Nations Global Compact (Lozano, Carpenter and Huisingh, 2015). In this thesis, we will use the term corporate sustainable development to discuss company-level sustainable development.

The three basic principles of sustainability include environmental integrity, social equality and economic prosperity (Rodrigues and Franco, 2019). The challenge of corporate sustainable development that companies are facing is to ensure that their business contributes to a better quality of life today without compromising the quality of life for future generations (Azapagic, 2003). A related concept in business is the triple bottom line first introduced by Elkington (1997). Here, a company's sustainability effort is tracked along social, environmental, and financial dimensions. Thus, on the organizational level of analysis, corporate sustainable development refers to meeting environmental and social needs in addition to a company's profitability (Porter, 2008).

2.3.2 Corporate Social Responsibility (CSR)

In order for companies to manage sustainable development and to take responsibility for their actions, different concepts have evolved over time.

Back in the 1970s, Milton Friedman wrote an article published in the New York Times titled "The social responsibility of business is to increase its profits" (Friedman, 1970). In the article it is argued that the only responsibility an organization has is towards its shareholders, and that the business does not have a direct responsibility to the wider society. A few years later, in the 1980s, a conflicting idea of stakeholder theory was introduced that combined strategic management with business ethics and addressed values and morals for managing a business (Freeman, 1984).

In line with stakeholder theory, Corporate Social Responsibility (CSR) has developed as a concept in which organizations take responsibility for their impact on all stakeholders including customers, shareholders, communities and the environment (Borglund, De Geer and Sweet, 2017). Defining CSR can be difficult, as many different definitions exist and the literature remains fragmented (Aguinis and Glavas, 2012; Strand, Freeman and Hockerts, 2015; Baumgartner and Rauter, 2017). Therefore, CSR can be viewed as an umbrella term for concepts discussing business-society relations which does not have definite rules of application (Matten and Moon, 2008), but which helps companies to manage various aspects of sustainability (Baumgartner and Rauter, 2017). As CSR is sometimes considered to focus on social issues (Strand, Freeman and Hockerts, 2015), other authors instead use the term Corporate Responsibility (CR) to stress the fact that it includes social and environmental issues (Halme and Laurila, 2009).

Another concept that can be found in the literature is Corporate Sustainability (CS). This concept was cited more frequently after the term sustainable development was popularized by the Brundtland Commission (Montiel, 2008). CS is a framework to address sustainability challenges of organizations (Lozano, Carpenter and Huisingh, 2015). It seems that there is no clear distinction between the terms CSR and CS and that management literature uses both to refer to business issues focusing on social and environmental aspects (Azapagic, 2003; Montiel, 2008). Because of the ambiguity in the concepts, many definitions and key constructs have proliferated which could add to managers' uncertainty about the different terms (Montiel, 2008).

For our thesis, we use the term CSR to discuss the sustainability related activities of companies. In general, we use the terms CSR and sustainability interchangeably to account for all dimensions relating to sustainable development and to make sure we include all aspects of companies' sustainability in our research and interviews.

2.3.3 Strategy

Strategy is an orientation for organizations to define long-term objectives that guide the allocation of resources and capability in order to achieve the organizations' goals (Baumgartner and Rauter, 2017; Rodrigues and Franco, 2019). Strategic management includes choosing a unique position for the company with the aim to obtain a competitive advantage (Porter, 1979). The use of the term 'strategic' in general implies that there is an overall goal and a vision concerning the success of the company, where all actors and their actions contribute towards the common vision (Baumgartner and Rauter, 2017). A strategy is a combination of strategic analysis, choice, and implementation, where the latter means putting the selected strategies into action (Engert, Rauter and Baumgartner, 2016). Companies committing to sustainable development and CSR need a strategic approach to ensure that sustainability is an integrated part of their business (Engert, Rauter and Baumgartner, 2016). Thus, the following section will investigate how sustainability strategies of companies are executed.

2.3.4 CSR Strategy and Activities

Companies need to develop a CSR strategy that is coherent in order to maximize their positive impact on social and environmental issues (Rangan, Chase and Karim, 2015). When we are talking about CSR and sustainable development it is important that we look at a company's sustainability strategy and also try to understand what the company is doing to follow their strategy. Thus, we will look into both what a company says they want to do and what they are actually doing.

There have been several attempts to categorize CSR strategies (Husted and De Jesus Salazar, 2006; Halme and Laurila, 2009; Bonini and Swartz, 2014; Rangan, Chase and Karim, 2015; Marques-Mendes and Santos, 2016). Husted and De Jesus Salazar (2006) attempt to distinguish CSR strategies based on the organization's motivation, however Halme and Laurila (2009) criticize this methodology and point to the difficulty in reality to actually discern an organization's motivation. Instead, they categorize CSR strategy by action. For our research we will develop categorical

distinctions of CSR strategy by the action-based categories set forth by Halme and Laurila (2009). Their three categories for CSR activity are philanthropy, CR integration, and CR innovation. To clarify the terminology, Halme and Laurila (2009) use CR (corporate responsibility) and CSR (corporate social responsibility) interchangeably. Philanthropy are activities with a focus on charity, volunteering, and corporate sponsorships. CR integration activities are ones that focus on improving existing business operations and CR innovation activities focus on developing new business models for solving social and environmental issues (Halme and Laurila, 2009).

These categories of CSR activity are similar to the ones discussed by Rangan, Chase and Karim (2015) who highlight categories of philanthropy, operational improvements, and business-model transformation. Their research is based on a survey of 142 managers that took part in a Harvard Business School CSR executive education program (Rangan, Chase and Karim, 2015), which highlights that these categories are not only theoretical, but they also reflect the views of business managers. Additionally, Marques-Mendes and Santos (2016) make similar distinctions, where 'built-in' versus 'bolt-on' CSR activities are separated. 'Built-in' CSR occurs when socially responsible behaviors are incorporated into the business' operations, processes and decision making, which is similar to CR integration and CR innovation. Whereas 'bolt-on' CSR indicates social involvement that goes outside the immediate business activities, which can be compared to philanthropy (Marques-Mendes and Santos, 2016).

Authors	**CSR Category**		
Halme and Laurila (2009)	**Philanthropy**	**CR Integration**	**CR Innovation**
Rangan, Chase and Karim (2015)	Philanthropy	Operational improvements	Business-model transformation
Marques-Mendes and Santos (2016)	Bolt-on	Built-in	Built-in

Table 1: Overview of CSR categorization

Philanthropy

The first category of CSR activity that we will develop is philanthropy. Philanthropic activities have a focus on charity, volunteering, and corporate sponsorships (Halme and Laurila, 2009). These types of activities are not focused on producing profits nor directly improving business performance (Rangan, Chase and Karim, 2015). Oftentimes these charitable activities take place outside of the company's immediate business and do not have any direct business benefits for the

organization (Halme and Laurila, 2009). Indirectly, philanthropic activity can help a company improve its reputation and can serve to demonstrate a commitment to certain issues (Halme and Laurila, 2009). Philanthropy gives organizations an opportunity to contribute towards sustainability goals that they might not be able to address through their core business activities. For example, it might be difficult for an electronics company to contribute to solve challenges relating to wildlife biodiversity, so philanthropic donations can bridge the gap for organizations to connect with more diverse sustainability issues. While charitable donations and volunteer programs can help improve a company's image and standing in local communities, these types of activities do not provide a competitive advantage for an organization as philanthropic activities can be easily adopted and duplicated by other firms (Halme and Laurila, 2009).

Critics of philanthropic CSR argue that participating in issues that are not related to the organization's primary stakeholders will negatively impact shareholder value (Hillman and Keim, 2001). Halme and Laurila (2009) note that in times of economic hardship, philanthropic activities are at risk of being abandoned.

As previously mentioned, Marques-Mendes and Santos (2016) look at the relationship between CSR activities and corporate strategy and they categorize activities based on either being strategic CSR (built-in) or non-strategic CSR (bolt-on). The authors go on to explain that social involvement that goes beyond immediate business activities falls into the non-strategic bolt-on category (Marques-Mendes and Santos, 2016). Philanthropic activities thus can be seen as a 'bolt-on' type of CSR.

While philanthropic activities can be quickly implemented to address specific issues, Halme and Laurila (2009) explain that more strategically oriented CSR activity can yield more substantial societal outcomes. Porter and Kramer (2011) make a similar argument that philanthropic activities often have an inability to grow and scale compared to CSR activities that are more strategic.

CR Integration

The second category of CSR activity that we will develop is CR integration. Integration activities focus on conducting existing business operations more responsibly (Halme and Laurila, 2009). As the name would suggest, Halme and Laurila (2009) explain that integration activities are *integrated* with the current business operations of the company and they directly attempt to reduce costs and risks for the organization by improving some aspects of their current operations. Similar to this

definition, Rangan, Chase and Karim (2015) describe a category of activities called operational improvements. Those activities are happening within the existing business models of organizations to achieve environmental or social benefits. They often improve efficiency and effectiveness by supporting a company's operations across the value chain, which could lead to an increase in revenue or a decrease in costs (Rangan, Chase and Karim, 2015). Some examples of integration activities could be initiatives to reduce resource use, waste, or emissions from the existing business process (Rangan, Chase and Karim, 2015).

Additionally, Marques-Mendes and Santos (2016) speak about a similar category of CSR activity, which they refer to as 'built-in' CSR and occurs when socially responsible behaviors are incorporated into the business' operations, processes, and decision making. With several authors saying very nearly the same thing, it became clear that although the name of the category was slightly different, the types of activities that would be classified into this category were consistent throughout the different articles.

While we previously mentioned how philanthropic activities are at risk of being abandoned in times of economic hardship, integrated CSR activities are less likely to be abandoned because they are more ingrained in the strategy of the organization (Halme and Laurila, 2009).

CR Innovation

The third category of CSR activity that we will develop is CR innovation. CR innovation is where an organization develops new products or services to provide a solution to an environmental or social problem (Halme and Laurila, 2009). This type of CSR activity is focused on fulfilling a win-win condition where a business can solve a societal issue while simultaneously creating revenue for the organization (Halme and Laurila, 2009). Porter and Kramer (2011) coined a similar concept which they called shared value. Creating shared value involves "creating economic value in a way that also creates value for society by addressing its needs and challenges" (Porter and Kramer, 2011, p. 64). While Porter and Kramer (2011) state that "shared value is not social responsibility, philanthropy, or even sustainability" (Porter and Kramer, 2011, p. 64) we argue that creating shared value falls into a category of CSR activity that we call CR innovation. CR innovation and creating shared value challenge the traditional belief that CSR is an additional cost of doing business (Porter and Kramer, 2011). Thus, the idea of CR innovation challenges the presumed trade-off between

financial performance and sustainability. Peter Drucker, one of the most influential thinkers on modern management, is quoted as saying “every single social and global issue of our day is a business opportunity in disguise” (Wartzman, 2009). CR innovation looks into the relationship between sustainability and innovation in order to unlock opportunities for win-win situations for organizations and various stakeholders.

Rangan, Chase and Karim (2015) also describe a similar type of CSR activity which they call business-model transformation. Like CR innovation and creating shared value, the authors explain that business-model transformation is creating new forms of business specifically to address social and environmental challenges (Rangan, Chase and Karim, 2015). They add to this category of activity that these type of CSR initiatives “almost always call for a new business model rather than incremental extensions” (Rangan, Chase and Karim, 2015, p. 43). This distinction will help us understand if an activity falls into either the integration or innovation category.

When organizations practice CR innovation, sustainability moves from the periphery of business strategy to a key component in how the organization conducts business. Unlike philanthropy, CR innovation can provide a competitive advantage for organizations as it will not be easily copied and can create new business opportunities and markets.

With the three categories of CSR activity built out, we can begin to look towards our theoretical approach to relate CSR activities with the coronavirus pandemic.

2.4 Theoretical Framework

2.4.1 Event-System Theory

Event-System Theory (EST) introduced by Morgeson, Mitchell and Liu (2015) provides a theoretical framework to use and build upon for our research as we look to understand the impact of the current and ongoing coronavirus pandemic on organizations. “EST focuses on how events command attention and impact organizational behaviors, features, and subsequent events across levels and time” (Morgeson, Mitchell and Liu, 2015, p. 517). By using an EST perspective for our research, we will be able to analyze how the current pandemic event influences organizational behaviors and activities over an ongoing period of time.

We use EST as opposed to using a variance-oriented theory, which would answer questions surrounding 'what caused what' for a snapshot in time, or a process-oriented theory, which would look at how something develops over time (Bryman and Bell, 2011). Our research will not test for causality of organizational change nor look at the organizational development process but rather something in between these two research orientations. EST incorporates elements from both research perspectives and aligns with our research questions.

> "EST contributes to and extends variance- and process-oriented perspectives by developing a comprehensive and integrative account of how events become meaningful and come to impact organizations across space and time. By incorporating elements from both perspectives, EST outlines how characteristics of events exist within a multilevel system characterized by dynamic processes over time. This helps close a significant gap in our understanding of organizational dynamics, change, and system interrelationships. This is a crucial gap to fill because organizations are dynamic and characterized by both stability *and* change. Although we have a considerable understanding of stability, we know comparatively less about change." (Morgeson, Mitchell and Liu, 2015, p. 529)

We will look at how the coronavirus event is impacting companies and their corporate sustainable development. An EST perspective and framework will help us with this type of analysis.

Developing the Framework

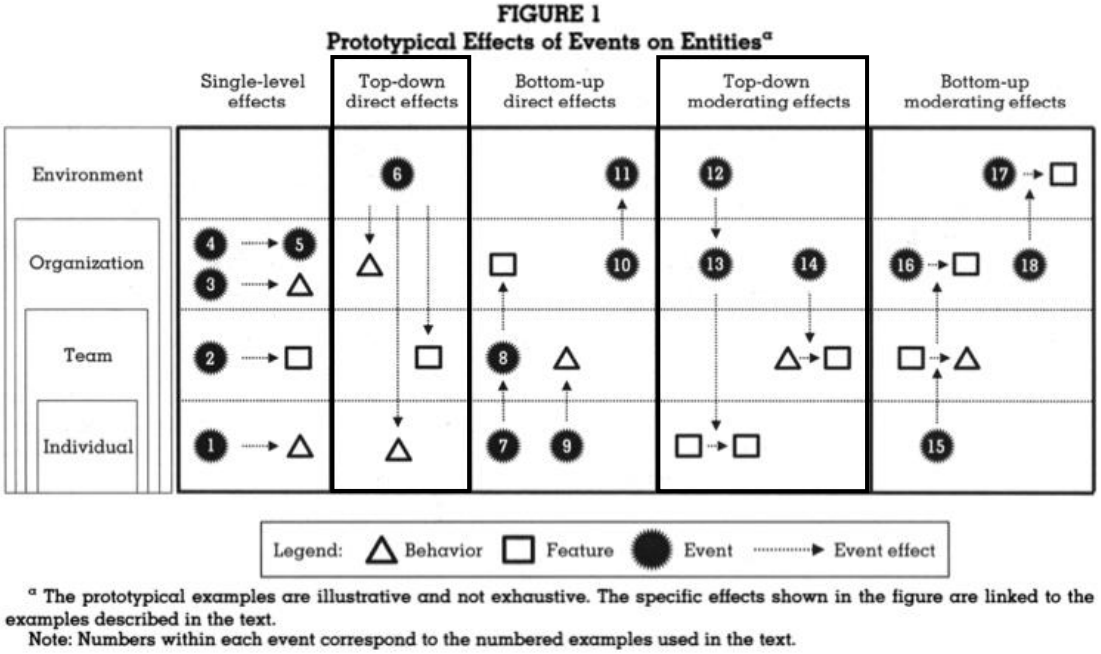


Figure 1: Prototypical Effects of Events on Entities (Morgeson, Mitchell and Liu, 2015)

Morgeson, Mitchell and Liu (2015) present the above framework to analyze the effects of various types of events on entities (Figure 1). We develop our framework with inspiration from their top-down direct and top-down moderating effect models. We will adapt this existing framework to include CSR strategy and also include the different categories of CSR activity that we have outlined in section 2.3.4. We also use slightly different terminology (changed behaviors to activities and features to strategies) to be consistent with the language throughout our literature review.

Presenting our Framework

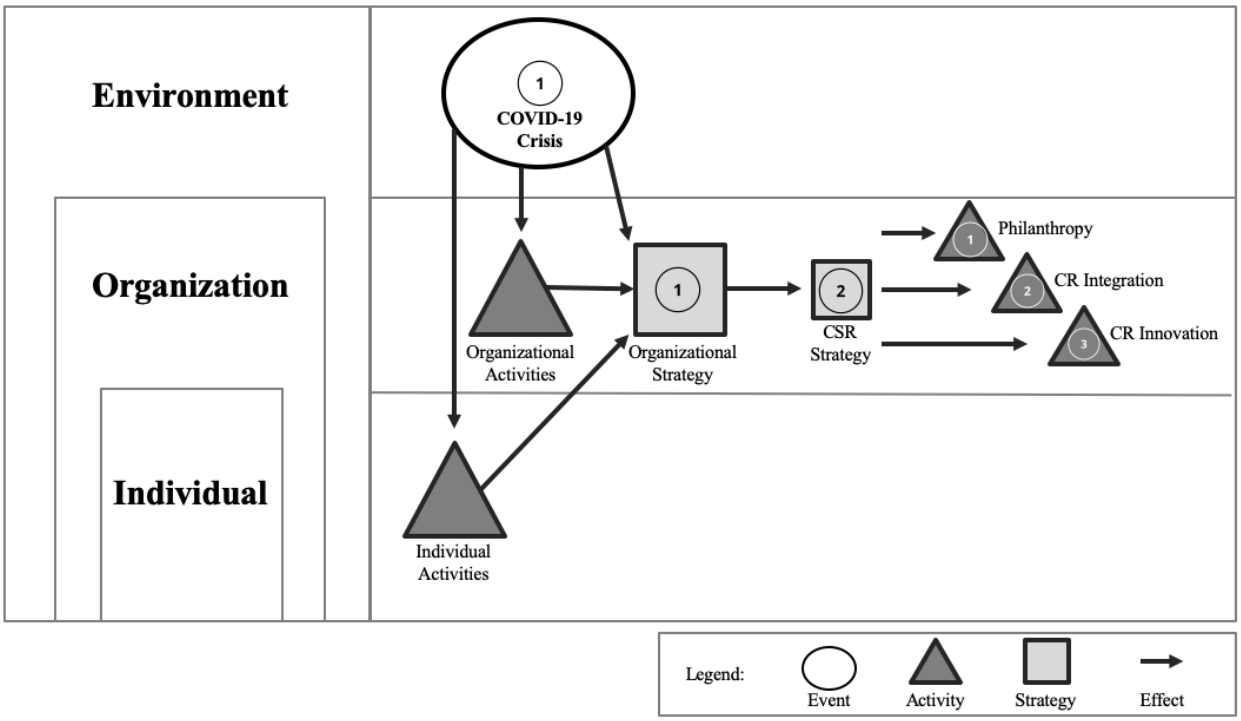


Figure 2: Theoretical framework

Multilevel Approach

An important component of the EST framework is the multilevel system in which the organization exists. Morgeson, Mitchell and Liu (2015) use 4 levels: environment, organization, team and individual. The authors explain how an event can occur at any level and the impacts can move between levels. In our case, the current pandemic is an event at the environmental level that impacts the organizational level (such as supply chain disruption due to travel restrictions) and also the individual level (employees working from home). For our framework we simplify the framework to 3 levels and settle with (1) *environment*, (2) *organization* and (3) *individual*.

Understanding the Framework

In the framework we present a relationship between the event and organizational strategy and activities and also the individual level. If we start at the crisis event at the environmental level (circle 1), we see 3 effect arrows that represent the different crisis effects on (from left to right) individual activities, organizational activities, and organizational strategies.

If we look in the framework at organizational strategy (square 1), we will notice that in addition to the top-down environmental event pressure on organizational strategy, the new individual behaviors and organizational behaviors also have an effect on organizational strategy.

As we have mentioned in our literature review, the main focus of our research of organizational strategy focuses specifically on a company's sustainability strategy. We represent sustainability strategy in our framework as a component of organizational strategy (square 2). Further, an organization's sustainability strategy will affect the sustainability activities of the organization, which we categorize as either philanthropy (triangle 1), CR integration (triangle 2), or CR innovation (triangle 3).

Our study is investigating how the coronavirus event is impacting the sustainability strategies and subsequently sustainability activities of organizations. EST provides us with a theoretical foundation to study how an event can impact organizations and will help us study the dynamic relationships between the organizational and the individual level. Sustainable development is a dynamic field that is inherently about change, therefore, we use a theoretical framework where change can be studied further.

Applying the Framework

Our theoretical framework helps bridge the gaps between discussing a macro-level event like the COVID-19 crisis and meso-level categories like CSR activity or micro-level individual behaviors. Our framework also illustrates the interconnectedness between the various levels and shows how one event can impact activities and behaviors on all levels. We will use the EST framework as a basis for understanding and interpreting our collected data.

3 Methodology

In the following chapter, the methodological choices of our research are outlined for a better understanding of the research approach we used. We will begin with an overview of our qualitative research approach (3.1). Next, we will elaborate on our data collection process (3.2) and discuss our data analysis approach (3.3). Finally, we will review the quality of our study (3.4).

3.1 Research Approach

The research questions that we address deal with an ongoing phenomenon, the COVID-19 pandemic and its effects on business still linger on as this thesis was written. Thus, the study is of an exploratory design because we are exploring a new, developing, and under-researched topic. In addition, our research is responding to the need for more empirical research in crisis and CSR literature (Seles *et al.*, 2018). We used a qualitative research approach to be able to investigate in-depth how companies and their sustainability agendas are being impacted by the pandemic. To collect data towards solving our research questions, we have conducted qualitative in-depth interviews with sustainability managers and consultants. The emphasis of our research was on how the interviewee frames and understands issues and events, and in-depth interviews supported the emergence of detailed and rich descriptions of current business situations (Bryman and Bell, 2011). With our interpretivist approach we tried to make sense of the situations going on within companies during a period of disruption and change.

Furthermore, this thesis follows an abductive research process where deductive and inductive reasoning are combined. The deductive approach builds on existing theory from Event-System Theory and CSR concepts, while the inductive approach explores a relatively under-researched area and allows us to modify the conceptual framework accordingly. Thus, the empirical context and theory have been explored simultaneously through an iterative process (Dubois and Gadde, 2002).

3.2 Data Collection

For the purpose of our thesis, we have conducted semi-structured interviews with sustainability managers and consultants in the field of sustainability to collect qualitative data.

3.2.1 Interview Sample

The interview sample contains twelve interviews with representatives from large companies based in Sweden and were conducted between March 2021 and April 2021. We chose sustainability managers as the most relevant group to study because of their expertise in sustainability and knowledge of sustainability strategies and initiatives within the organization. We also reached out to sustainability consultants to be able to compare and complement the findings with a more holistic perspective. For reasons of confidentiality, we only give details about the interviewees' position and the industry of the company.

For the selection of suitable interviewees, we decided on using some basic criteria to establish a common ground between the companies and to be better able to analyze the data. First, the companies we chose to include for possible interviews conduct business in Sweden. We thought studying the effects of the pandemic on Swedish sustainable development would be interesting and practical given our university's location in Stockholm and the fact that Sweden is seen as a global leader in sustainable development (Strand, Freeman and Hockerts, 2015). Additionally, even though the pandemic is a global crisis and is affecting the global economy, the local responses differ. Therefore, focusing on one country can provide a more consistent local context. Second, we reached out to companies that are part of the science-based target initiative, which is a partnership between CDP, the United Nations Global Compact, the World Resources Institute and World Wildlife Fund (Science Based Targets, n.d.). Companies part of this initiative are setting ambitious targets to reduce their greenhouse gas emissions based on scientific climate data. With this criterion we wanted to ensure the companies we interview have some existing commitment towards sustainable development as it would be difficult to assess the impact of the pandemic on a company's sustainability plans if they did not have any in the first place.

We primarily used LinkedIn to find and contact people responsible for sustainability at the target companies. We also used online contact forms on the companies' websites and sent e-mails when contact details were available. We contacted 49 people via LinkedIn or e-mail and used 3 online contact forms. We received 12 confirmations, 10 rejections and 30 inquiries remain unanswered.

While there is a risk that the number of conducted interviews is not enough to generate new or generalizable knowledge, in qualitative sampling saturation is used as a criteria to assess the sufficiency of interviews (Guest, Bunce and Johnson, 2006). In our limited sample, we were able

to deepen our understanding of the situation and could see that specific topics were repeated throughout the interviews. While we would have welcomed the opportunity to have more interviews, we did begin to see saturation in our data and were satisfied that our data pool is sufficient.

3.2.2 Interview Design

We conducted our research with semi-structured interviews because this method is well suited for qualitative exploratory studies. Asking open-ended questions allows for flexibility and probing questions, while keeping a certain structure allows for comparability between the interviews (Bryman and Bell, 2011).

The interview guide was divided into several sections to group our questions by a common theme. In the beginning of each interview, we introduced ourselves and explained a brief background of our study and asked for the interviewees consent to record the interview. Then, we started with introductory questions where we asked simple questions about the responsibility of the interviewee and what projects they are working on. The introductory questions were used both to get the interviewee in a comfortable situation and also to confirm that the interviewee was working on sustainability related projects and thus relevant work as it relates to our thesis. Next, we asked questions about the sustainability challenges that the company was facing and how the company handles those challenges. Here we tried to gain insights into the sustainability strategy of the organizations. We then brought the discussion to the pandemic situation and asked questions related to the pandemic and how it is affecting the company. From these main themes we let the interviewee discuss what they thought to be relevant and would ask follow-up questions depending on their responses. The interview guide can be found in Appendix 1.

3.2.3 Interview Setting

All interviews were conducted remotely through video-meetings due to practical restrictions of in-person meetings during the pandemic. We tried to replicate a physical ‘face to face’ meeting by using the camera each time, which allowed us to observe non-verbal expressions and improve familiarity. With the consent of the interviewees, all interviews were recorded so we could transcribe and analyze the responses and it also allowed us to focus and be present during the interview without the need to take extensive notes. The length of the interviews varied between 30

and 45 minutes with most interviews lasting approximately 30 minutes. Both researchers were present at all the interviews, with one person leading the interview questioning and the other observing and taking notes.

3.3 Data Analysis

Throughout the data collection process, we have followed a grounded theory approach for our qualitative data analysis. A key process in grounded theory is the coding process where our interpretations as researchers help us develop an understanding and patterns in the data (Bryman and Bell, 2011). Using grounded theory analysis allowed ideas to emerge from the data and with an iterative process throughout our data collection, our codes developed and changed over time.

After each interview, the recording was transcribed for the research analysis. The transcripts were then read and preliminary coded by both researchers independently and then compared to ensure quality and consistency. The first level codes that were more specific were then analyzed and categorized into broader second level codes and themes. Categorizing data effectively helped us analyze relevant statements from interviews and build towards an understanding of the experienced situation.

3.4 Quality of Study

This thesis follows a qualitative research approach; thus, it is important that we judge the quality of the study according to suitable criteria. Some writers suggest to use different criteria than those used for quantitative studies (Bryman and Bell, 2011). Therefore, we will use the criteria outlined by Lincoln and Guba (1985) which has been accepted by many qualitative researchers (Connelly, 2016). Overall, they propose trustworthiness as a criteria to ensure the quality of studies, which concerns the confidence in the data, interpretation and methods used (Connelly, 2016). We analyze the trustworthiness criteria by credibility and confirmability. Finally, we will discuss the ethical considerations for our research.

Credibility

Credibility is concerned with the question of how believable the findings are and parallels internal validity in quantitative research (Bryman and Bell, 2011). We ensured that our research is conducted ethically in order to establish credibility, which is an important aspect of trustworthiness.

We made sure that in addition to the gathered primary data through interviews, we also used external data sources like the annual reports of the companies to compare the data. This process helped us gain confidence in the truth of the study.

Confirmability

Confirmability is another important criterion in qualitative research and is analogous to objectivity in quantitative studies (Bryman and Bell, 2011). Keeping neutrality in qualitative analyses can be difficult and we made sure that any personal bias did not intrude the research outcome. The fact that we are two researchers helped keep neutrality throughout the research process. In order to prevent biases from one researcher to the other, each researcher individually analyzed each interview, and only after the individual review did we discuss and compare the findings. Those discussions were valuable so that we could ensure internal reliability, by making sure we agree about what we heard in the interviews (Bryman and Bell, 2011).

Ethical considerations

We have also made several ethical considerations during our thesis process. First, in order to align with the current GDPR rules and ensure the participants right to privacy we have made our data confidential which means we are not disclosing any interviewee name, exact position, or company name. With confidentiality ensured, our interview participants could speak freely without any concerns when discussing company strategies and activities. When discussing business and sustainability it is also important that we considered any potential greenwashing in our data. Greenwashing is the act of misleading consumers regarding the environmental benefits of a product or in general the environmental practices of a company (Parguel, Benoît-Moreau and Larceneux, 2011). While some companies could be tempted to communicate an overestimated effort in CSR (Vollero *et al.*, 2016), we believe that anonymizing the data reduces any incentive to exaggerate or make misleading claims. Finally, after we transcribed the interview recordings, we deleted the recordings to protect the privacy and confidentiality of the participants.

4 Empirical Findings

In the following chapter we will present the empirical findings of our research. First, we give a brief background of the companies in our sample (4.1), then we review comments regarding the companies' organizational strategy (4.1.1) and organizational commitment to sustainability (4.1.2). We will then show findings that will help answer our first research question regarding *how sustainability strategies and activities are affected by the COVID-19 crisis* (4.2), where we take a closer look at the categories of philanthropy (4.2.1), CR integration (4.2.2) and CR innovation (4.2.3). In section 4.3 we present the findings to our second research question; *how do sustainability managers view the impact of the COVID-19 crisis on corporate sustainable development*. Here we review the interviewee's sentiment of the threats (4.3.1) and opportunities (4.3.2) for sustainable development amid the pandemic and then summarize these findings (4.3.3).

4.1 Company Background

Before reviewing the relevant quotations from our interviews, we present some additional context of the companies we have spoken to. As we have mentioned in section 3.2.1, these companies were selected because they are large Swedish companies with a multi-national presence that have made a commitment to the science-based targets initiative. To ensure the confidentiality of our participants, we only provide information regarding the industry that the company conducts business and will not disclose any specific company names. We have interviews from various sectors, and we chose to maintain this broad scope of participants and not focus on any one industry because we wanted to have contrasting business contexts and sustainability priorities.

Interview	Position	Sector	Public/Private	Employees Total
1	Sustainability Manager	Industrial Services	Public	>10,000
2	Sustainability Manager	Telecommunications	Public	>10,000
3	Sustainability Manager	Energy	Private	>10,000
4	Sustainability Manager	Automotive	Public	>10,000
5	Sustainability Manager	Automotive	Public	>10,000
6	Sustainability Manager	Construction	Public	>10,000
7	Sustainability Manager	Hygiene Consumer Goods	Public	>10,000
8	Sustainability Manager	Forestry	Public	>1,000
9	Sustainability Consultant	Consulting	Private	<50
10	Sustainability Consultant	Consulting	Private	<50
11	Sustainability Manager	Hygiene Consumer Goods	Public	>10,000
12	Sustainability Manager	Telecommunications	Public	>10,000

Table 2: Overview of interviewed companies

4.1.1 Organizational Strategy

In our interviews we wanted to get an understanding of how sustainability relates to the strategy and mission of the companies that we spoke to. A recurring theme throughout the interviews was the integration of sustainability within the overall strategy of the companies. Many of the interviewees reflected on the fact that there is not a separate sustainability strategy but rather that sustainability is part of the overall strategy of the organization and even more, sustainability is often the foundation and driver for the overall business strategy. That means that the companies do not have a sustainability strategy operating to the side of their corporate strategy, instead sustainability is part of what they are doing, and is seen as important to keep the business running successfully.

> *"We don't have a sustainability strategy; we have a strategy that is sustainable." (Interview 5)*
>
> *"We don't have a sustainability strategy, but sustainability is part of our overall strategy." (Interview 3)*
>
> *"For us, sustainability is at the core of the company's strategy." (Interview 7)*

The sustainable business strategy includes the long-term vision of the organization and helps to guide decisions and activities. By having clear sustainability targets and ambitions, different activities either support the strategy or not, and only options that support the organizations' strategy are worthwhile to pursue for the companies.

> *"It has become very clear in all decision making, that this strategy is the guiding star and if you come up with a proposal that does not support our long-term strategy to enable fossil-free living and doing that in a responsible manner, building on the sustainability element, then that decision is not going to happen." (Interview 3)*

In addition, the interviewees provided some key insights into why the company is integrating sustainability into their business strategy. The interviewees acknowledged that businesses are inherently driven by economic forces and thus they do not engage with sustainability because of altruistic or voluntary reasons, but because they see it as a necessity and opportunity from an economic perspective. Sustainable alternatives are becoming the economic way, often offering lower costs and better returns and are more profitable than the non-sustainable way.

> *"We believe this makes very much business sense to do. We are not only doing this to sort of help the planet." (Interview 4)*

"[Company X] will go electric not because they are kind people, but because that is the future. It has nothing to do with altruism." (Interview 9)

"That is the sort of sustainable way and also the sort of price competitive way. Because at the end of the day, many businesses are driven by the costs, and you can't force a corporation to run on a sort of pure environmental agenda." (Interview 2)

4.1.2 Organizational Commitment to Sustainable Development

In order to set the stage for our discussion about the sustainable activities of companies, we wanted to explore the motivations and background of the organizations' commitment to sustainable development. As mentioned in our methodology, we reached out to companies that are part of the science-based targets (SBT) initiative. In our interviews we asked to learn more about the commitment to SBT to try and get a sense of what these targets mean to the organization and what is the motivation behind joining this type of initiative.

The interviews showed that many of the organizations committed to SBT because a third-party validation and certification is important to them as a way to show externally to customers, investors, and other stakeholders that the organization is taking responsibility for their sustainable development and it is also a way to obviate accusations of greenwashing. There was a consensus among the interviewees that SBT is a well-respected and credible third-party validation and that being part of the initiative helps the organization verify their commitment to environmental goals.

"The science-based target initiative is to the highest standard of a third-party validation. So, we wanted to set the highest standard, just to show that we are not trying to greenwash this, we're trying to do what is necessary." (Interview 4)

"We like to use certifications as a tool to document and show by third party certifications the performance of our sustainability work." (Interview 6)

The discussion around what motivated the commitment to sustainable development and SBT varied, with several factors coming into the discussion. First, there is pressure from many directions on the organization to take on sustainability challenges, and it is clear that the sustainability leaders are well aware of these pressures. This pressure is coming from outside the organizations where customers and investors are demanding a focus on sustainability, but also internally the companies face a growing demand from their own employees.

> *"We know that financial institutions are demanding this from us, we know that future employees expect this from us, we know that our customer group is actually quite demanding as well, so they more or less expect us to do the right thing." (Interview 4)*

> *"There is an increased awareness from investors, and we feel that current and future employees demand from us to be a leader in sustainability." (Interview 1)*

Second, companies have realized that they are often seen as part of the problem in terms of pollution, unsustainable behavior, and consumption. Companies are hoping that with their engagement with SBT, they can be perceived as part of the solution instead.

> *"In society in general, I mean, we are perceived as a problem. And of course, instead of only being perceived as a problem, the transport industry must be perceived as part of the solution." (Interview 5)*

Third, companies also recognized that the path forward is sometimes unclear as the challenges are very complex, so making specific quantitative commitments will help guide decision making and steer the whole organization in the right direction, which will also have an impact on the strategy of organizations.

> *"When we adopt a vision, which is as big as climate neutrality and we don't know how to reach it, it is good to commit to something that helps us in this way." (Interview 6)*

> *"So, it's really an effective way to put pressure on the whole organization." (Interview 5)*

These various insights showed that the commitment to sustainability and to the science-based targets initiative influences the decision making of organizations.

4.2 CSR Activities

The following section reports the findings for the first research question: *How are companies' sustainability strategies and activities affected by the COVID-19 crisis?* The sustainability strategies of the interviewed companies are categorized in line with the different categories of CSR activities outlined in the literature review: philanthropy, CR integration and CR innovation.

4.2.1 Philanthropy

While the companies we have spoken with are engaging in some kind of philanthropy, the interviewees pointed out that philanthropy is not a big part of the organizations' overall sustainability strategy. The reason for that is that the companies rather want to use their resources to focus on their own business and value chain.

> *"Philanthropy, it's not where we make the biggest difference." (Interview 1)*

> *"In terms of priority, it's not that we have major strategy to be philanthropists. It's that we all understand we can't do everything in terms of priorities for the climate, this is so big, so we will focus our resources as much as possible there and try to do that right." (Interview 4)*

> [on philanthropy] *"I think, really our approach here is to look more on what we can achieve as a company, rather than trying to leave our own operations and value chain and focus on external activities. I'd say that the majority of our mission is really focusing on us and our value chain." (Interview 7)*

> [on philanthropy] "*Generally our thinking is that we would rather have the approach that sustainability has to be integrated in our business, that is the prioritized approach." (Interview 12)*

> *"I would say we have never had so much of philanthropy in the company, because we are such an integrated part of society anyways." (Interview 3)*

It became apparent that some of the interviewees view philanthropy critically. This is because they feel focusing on their own business and improving sustainability is more efficient than engaging in a lot of philanthropic activities.

> *"Very often I see that those that are the best in philanthropy are also the ones that perform and impress me the least when it comes to what they do in their day-to-day operations, my emphasis is day-to-day operations and every dollar spent given to the WWF [World Wildlife Fund] or so forth, not spent on increasing our sustainability and in what we really do is a misspent dollar." (Interview 1)*

However, during the pandemic the companies continued to engage in existing philanthropic activities and added new ones specifically related to the pandemic, like donating masks or letting employees volunteer during their working hours.

> *"We did some activities last spring, where we collected masks and we gave some masks away. We did some of those charity things." (Interview 8)*

> *"We have told those that have sort of medical education or knowledge that they have been free to support hospitals and others […] during working hours." (Interview 3)*

In addition, there has been an increase in cross-company and cross-functional cooperation during the pandemic. One company was able to work together with a hospital and support them with their logistics competence in order to get medical supplies faster. Also, there was production personnel from one company that could support another company in their production process, as they had to increase their production due to heightened demand.

However, as those philanthropic activities are not part of the overall organizations' strategy, they are only seen as temporary for the duration of the pandemic and are not expected to continue once the pandemic is over.

4.2.2 CR Integration

With the insights that the sustainability strategy is integrated into the overall organizational strategy we were curious to explore further how that translates into sustainability related activities. Interviewees spoke about how their organizations are trying to improve their existing operations and also motivate their supply chains to follow the high standards they set for themselves. For companies that are already sustainability leaders in their industry, even just growing their business could be a net positive, as business would shift from less sustainable alternatives.

> *"We need to ensure that we set demands on them [supply chain] and they mirror these demands several steps up. And that is hard because that is the indirect leadership we need, to make sure that our supply chain understands what to do and also wants to do it, even though we can't force every layer of this chain to do it." (Interview 4)*

> *"We are trying to steer our whole supply chain to do better […] they need to more or less be as nerdy as we are trying to be right now in terms of sustainability, that is really, really hard." (Interview 4)*

We also gained some insights regarding who is responsible for the sustainable development of the organization. The sustainability leaders explained that the responsibility for achieving sustainability goals lies within the business units itself and not with the sustainability team, which leads to the entire organization working together to achieve its goals. It was clear that when

organizations had integrated sustainability into their overall strategy that it became a mission for the entire company and not just the sustainability teams.

> *"We have a very clear ownership of the different sustainability target areas, even at the executive management team. That ownership is a really good thing because then they take the lead and use sustainability as an enabler for achieving these targets, rather than us within sustainability pushing to improve sustainability and coming as a side activity so to say." (Interview 7)*

> *"We define sustainability as business critical, we want to have it as part of what we do and not something that is just the sustainability team." (Interview 1)*

Some specific integration activities that were mentioned was transitioning all company vehicles to electric vehicles or ensuring that the electricity used by the business is coming from renewable energy sources.

> *"We are transforming all the vehicles that we own to electric vehicles." (Interview 2)*

> *"The other part is looking at the electricity procurement, 100% green on our electricity as well. That's the other part that we already have green electricity in Sweden." (Interview 2)*

Looking at how the pandemic has impacted the CR integration activities; we could see that the commitment to the already integrated sustainability activities remained strong. For some organizations, where sustainability is deeply ingrained in the business operations, the COVID-19 situation has not impacted CR integration at all. For other companies, that have a strong focus and clear strategy for transitioning their business and industry, the integrated activities even received an increased focus.

> *"I think that we haven't lost steam due to the pandemic. It hasn't powered us either, I mean we are just like a machine we go on; we go on." (Interview 5)*

> *"And the amazing part and that's something you will see in our annual report we have a special section, talking about how COVID has impacted us, but that we have managed to not slow down any of the projects that we have in plan that are important for the transition. So, you could say that we have maybe put even more focus to ensure that all those transition sustainability projects have gotten all the focus and attention they could." (Interview 3)*

> *"But in terms of speed and execution and focus areas, we're rather speeding up. I don't really see any sort of hinders due to the pandemic, sort of, it's even that we're sort of growing rather good right now. So, comparing this year to last year when*

the pandemic hit, we are really outperforming. So, it's not that the pandemic is negatively affecting us right now." (Interview 4)

4.2.3 CR Innovation

The last category of CSR activities is CR innovation, where we wanted to get to know more about the relationship between sustainability and innovation. We found that innovation is seen as an essential part for the sustainable development of organizations. In several cases sustainability is driving innovation and the entire direction of the business. Several interviewees mentioned that innovation is necessary for the organizations to reach their sustainability targets and to also be perceived as a sustainable business in the future.

> *"To be perceived as sustainable in the future, our contribution is very much linked to that we come up with innovative ideas." (Interview 5)*

One company started a new initiative that helps to come up with new ideas and to be more innovative internally, which shows the important relationship between innovation and sustainability in general.

> *"We started something called 'sustaina-vation' [sustainability + innovation], which is a way to help, inside the organization, categorize between an idea which is about improvement, and ideas that guide the internal organizations, how do you work with innovation." (Interview 6)*

Additionally, cross-sector collaboration has been mentioned as an important aspect of the innovation process of organizations. The creation of fruitful partnerships helps organizations to build on each other's knowledge and to speed up innovation. This requires companies to be open and share their knowledge.

> *"But one thing that we are very good at is how do you get different systems to interact and there I would say we have been a pioneer in many ways, and have been able to bring other companies to the table, because we have, at a very early stage said that we are not afraid of sharing our knowledge, because we know that by being open, similarly as Tesla, by being open and sharing our knowledge, we can speed up innovation and we don't feel that we need to protect it as our knowledge and assets because we know that when we work together with others, we will learn and that will spur innovation, and the innovation that is needed." (Interview 3)*

This shows that collaboration is necessary for organizations to become more sustainable. But the interviews also revealed that the pandemic affected CR innovation. The COVID-19 situation has

led to a huge increase in remote working, where almost everyone is working from home and meetings are happening digitally. This makes some cross-sector collaboration more difficult. The creation of new partnerships, where many people are involved, becomes very difficult when personal meetings are not possible.

> *"We are dependent on innovation, and we are dependent on collaboration between different industries and branches. And of course, it's much more difficult to do that only digitally. And we're afraid that we are slowing down on a number of those areas." (Interview 3)*

> *"If you already have a collaboration, then you can build on that, we've done that in a number of areas. But if you want to start something new that is broad and requires a lot of different people, it's almost close to impossible to do that." (Interview 3)*

This cross-sector collaboration is different from philanthropic activities, where we see new collaborations happening during the pandemic. For philanthropy, collaboration was only between two organizations with the goal to soften the shocks of the pandemic and to have a better position for short-term survival. Philanthropic partnerships were an urgent necessity, whereas new formations of cross-sector collaborations for innovation are put on hold, as organizations focus more on their current and ongoing business activities.

In addition to the difficulties of building new partnerships for innovation, the pandemic has led some organizations to slow down new business projects. With some companies forced into "survival mode" they have primarily focused on short-term goals and delayed adding on new plans and projects.

> *"I mean the trend of course is that the business would prioritize their ongoing business activities, business as usual activities, over doing something good for the environment because that's the survival mode of the business" (Interview 2)*

> *"We see that many actors are reluctant to do a long-term planning, which also means that we are finding it difficult sometimes to get into early stages of projects" (Interview 1)*

The increased focus on short-term survival eventually leads to a decreased focus on new innovations, as they are not seen as ongoing business activities. Some organizations have not set any new directions or plans and are waiting for the pandemic situation to clear before moving forward with new business opportunities.

> *"We have more been focusing what we need to do, instead of developing a lot of new things." (Interview 5)*
>
> *"We did actually prolong the business plan. We were supposed to have the new business plan done by 2020 and so this year is like a transition year we postponed it." (Interview 6)*

On the other hand, in some industries the pandemic has resulted in distinct opportunities for innovation. People being forced to change behaviors opens chances for companies to cater new solutions to new habits.

> [Speaking about innovation amid the pandemic] *"I think it has been accelerated by the pandemic, because there is a bigger need, bigger problems, bigger risks. So really, you know, the world is more open for new solutions, but also people are more receptive towards innovation because they have to be. Earlier you know you could still go to the office or you could still send your child to school. But now you need to be more open to solutions that will make your life easier or better." (Interview 12)*
>
> *"We started off producing face masks for instance, I'd say from an idea to a production of millions of masks, it took less than three weeks. So, it was really rapid. You could call that agile, teams set off to really explore the opportunities." (Interview 7)*

4.3 Impact on Corporate Sustainable Development

The unexpected disruption of the COVID-19 pandemic put many companies in a peculiar position where the future of businesses suddenly became very uncertain. Several interviewees mentioned priorities shifting to current business activities, and long-term projects being put on hold as the organization assessed the pandemic situation. The following section reports the findings to the second research question: *How do sustainability managers view the impact of the COVID-19 crisis on corporate sustainable development?* While investigating this situation managers spoke about various threats and opportunities that have arisen due to the pandemic crisis.

4.3.1 Threats

The beginning of the pandemic can be characterized by a general feeling of worry. There was a lot of uncertainty regarding how severe the situation would get and how long the pandemic would last. We found that many interviewees thought the pandemic might have a negative impact on the company's sustainability.

> *"One year ago I was very worried that this would have a negative effect on our sustainability measures because we couldn't afford them and that was my worry at least, it has actually turned out to be rather the opposite, both in terms of the internal commitment and that we more or less learned that we need to speed up this transition." (Interview 4)*

The uncertainty led some companies into 'survival mode', putting their focus on ongoing business activities in order to make sure their business was able to cope with the crisis.

Overall, the threats of the pandemic and the belief that it might have a negative impact on the sustainability of the companies was primarily seen in the beginning of the pandemic and has now been replaced by opportunistic thoughts towards sustainable development. The change in perception could be seen after a few months as the initial business shock passed and organizations realized that the pandemic was going to linger on, and they would have to adapt accordingly.

> *"I think all of us thought it was going to be a very short period, things slow down for one or two months, but then everyone started to understand that this is not something that's going to go away. […] It was amazing to see how performance increased after two, three months when everyone realized this is not a temporary thing and how do we adopt to the new situation" (Interview 3*)

4.3.2 Opportunities

When reflecting on more recent experiences after a full year living with the pandemic and adapting to the crisis scenario, the initial worries have turned into more positive perceptions of the opportunities for sustainable development that have resulted from the pandemic.

> *"I think it's definitely an opportunity for sustainability. I mean, there is no doubt about it. It has revealed the need that the societies have for companies to be more sustainable. But it also, like I mentioned, has made the customer base more aware and more interested in these topics, and also in many cases more willing to pay more for sustainable options." (Interview 12)*

> *"I mean dark and sad stories has happened to many people around the world, but then you see a sort of bright light at the end of the road, that there will be a sort of revolution or evolution of things to get better. […] I see sort of the opportunity would lie, even more when this pandemic is over and within recovery, that sustainability would remain the angles of growth." (Interview 2)*

> *"If it [the pandemic] has affected us, it accelerated us, and definitely I think we were on the way. […] The journeys we have taken have been accelerated I would say about the pandemic, even more it's proven more important that we need to do it quicker." (Interview 6)*

> *"In terms of the sustainability agenda, I think it's really bringing sustainability closer to the management, the core management, which is of course I think that is very much an opportunity." (Interview 10)*

There was a distinct positive outlook and sentiment throughout our interviews of the road ahead for sustainability. Our interviews mentioned the consumer's role, management's role, and even the individual's role in the opportunities moving forward.

> *"It's a great opportunity and I think it has to be treated as such. And it's not necessarily an opportunity for us, but because we decide it's an opportunity it becomes sort of self-fulfilling." (Interview 1)*

This idea of a self-fulfilling opportunity is interesting if we understand it in the context with the rest of our research. By treating the situation as an opportunity, a company will ensure their strategy will promote the sustainability agenda, and with the strategy aligned for sustainable development the various CSR activities that support the sustainability strategy will have opportunities to develop and grow.

In addition, the interviewees reflected on their own learnings from the crisis situation, which might strengthen the opportunities for sustainable development. A key learning was that in general there is a willingness to change, and that the pandemic has shown that change is possible. One example of a significant change is working from home and the perception of remote work. Before the pandemic, remote work was uncommon, and employers were skeptical at how productive the work force could be while working from home. However, when suddenly everyone had to work from home, the work got done and proved working from home was possible to do.

> *"We also know that there is a willingness to change, and a readiness to change if we see the benefits. I think that many of us changed our behavior overnight with the pandemic. Because we realized that this is about my own health, my family, my grandmother, whereas, for instance, very often when we've been reluctant to change to combat climate change. We felt that this is about polar bears or future generations or other things that don't relate to me. So, there's also a great understanding here in terms of how to portray and communicate and story tell about many of the issues that we're passionate about." (Interview 1)*

> *"I think the main key learning from my perspective is that change is possible, disruption is possible. It's possible to do things in new ways. […] disruptive change is possible." (Interview 10)*

Another learning is that the pandemic has shown how quick and unexpected disruptions can happen, and that businesses are vulnerable to those disruptions. This has led to the reflection that businesses need to be better prepared for a complex and uncertain future, which means companies will have a greater need to be resilient.

> *"I hope that the world has learned how vulnerable we are. And that we need to, I mean, this is the challenge we have ahead with transforming to fossil free society that is going to affect all of us. And we will all have to change the way we live." (Interview 8)*

> *"Really one of the things that pandemic has given us is more awareness of our vulnerability, we're not immortal anymore. We know that things can happen. And I think we have been going on for such a long time without any major disruptions and I think this shows that we need to be more resilient, we need to prepare more." (Interview 10)*

4.3.3 Threats and Opportunities Summarized

To help present the data that will help us answer our second research question, we summarize the opinions from each interview in the following table. While in each interview the participant reflected on both threats and opportunities for their company's sustainable development, we wanted to attempt to summarize the overall perception as one or the other. Thus, we categorize the interviewee's responses as either a threat or opportunity, and if we could not make a distinction, we categorized the response as neutral.

Interview	Sector	Threat or Opportunity	Quotation
1	Industrial Services	Opportunity	*It's a great opportunity and I think it has to be treated as such because it's a tragedy for millions of people around the globe and if we don't use it as an opportunity, I think that would be shameful for all the suffering that we've seen. It's also how we treat it, it's not necessarily an opportunity for us but because we decide it's an opportunity it becomes sort of self-fulfilling.*
2	Telecommunications	Neutral	*I think it is both* [a threat and opportunity] *in my view, I think, it cannot be either of them*
3	Energy	Opportunity	*You could say that we have maybe put even more focus to ensure that all those transition sustainability projects have gotten all the focus and attention they could*
4	Automotive	Opportunity	*Well now in retrospect mostly opportunity but I did see it as a threat. I was very worried.*

Interview	Sector	Threat or Opportunity	Quotation
5	Automotive	Neutral	*None of them. I will say that this hasn't affected us [related to sustainability within the company]*
6	Construction	Opportunity	*Definitely an opportunity, definitely. It has put the core of what companies are for to the test, we are here to solve problems, provide solutions to problems in society, real problems.*
7	Hygiene Consumer Goods	Opportunity	*It's a little bit of both. I believe that there is definitely an opportunity, I would like to say that the opportunity is bigger than the threat.*
8	Forestry	Neutral	*Our business is a climate sustainable business, and it's a business that is focusing on biodiversity and that focus has not changed at all.*
9	Consulting	Neutral	*It's both. I wouldn't say it's either or. It depends on what kind of company you are, how strong you are, and also how future oriented you are, if you know where you're going. If you don't, you will get scared and you will cut down on everything.*
10	Consulting	Opportunity	*To us it's been almost only opportunities actually. In terms of the sustainability agenda, I think it's really bringing sustainability closer to the management, the core management, which is of course I think that is very much an opportunity.*
11	Hygiene Consumer Goods	Neutral	*As our focus and dedication in making the company more sustainable and contribute to a more sustainable society is very high, we have not changed any of this due to the COVID-19 pandemic.*
12	Telecommunications	Opportunity	*I think it's definitely an opportunity for sustainability. I mean, there is no doubt about it. It has revealed the need that the societies have for companies to be more sustainable. But it also, like I mentioned, has made the customer base more kind of aware and more interested in these topics, and also in many cases more willing to pay more for sustainable options.*

Table 3: Perception of Threat or Opportunity for Sustainable Development

5 Discussion and Analysis

In the following chapter we will discuss our empirical findings and provide an analysis of the results. First, we will talk about the organizational strategies (5.1) and analyze how strategy and sustainability are related. Next, we will review CSR activities (5.2) and look into how the various categories of CSR activities have been affected by the pandemic. Third, we will review the impact of the pandemic on sustainable development (5.3) and discuss how our findings and results will help resolve conflicting predictions from existing literature.

5.1 Organizational Strategies

In our theoretical framework we present that sustainability strategy is a component of the overall organizational strategy, and in section 4.1.1 where we present the empirical findings about sustainability strategy, we can see that our framework design was supported by the empirical research. The sustainability leaders that we spoke to reflected clearly that sustainability is incorporated in the overall strategy of the companies. In some cases, sustainability is not only part of the overall strategy, but it is the main driver and foundation to build the company's strategy. This finding that sustainability strategy has become integrated into the overall organizational strategy supports our framework and also clarifies our categorical distinctions of CSR. The strong reflections of integrated sustainability strategies indicate that the companies we have spoken to are mainly focused on CR integration and CR innovation types of activities.

5.2 CSR Activities

In this section we will discuss the findings to our research question of *how the pandemic has impacted companies' sustainability strategies and activities.*

5.2.1 Philanthropy

Our empirical findings show that companies engaged in new philanthropic activities during 2020 as a response to the pandemic. Taking on new philanthropic projects supports the findings of Manuel and Herron (2020) that there was a rise in philanthropy during the COVID-19 crisis. The duality of economic pressure amid a health crisis set the stage for companies to be able to step in and assist communities in need. In retrospect the interviewed companies did not suffer large

economic consequences as was expected in the beginning of the pandemic. However, given the unknown situation in spring 2020, the companies still engaged in new philanthropic activities. We suggest that the COVID-19 pandemic event resulted in opportunities for companies to lessen the harmful impact on society through additional voluntary philanthropic action.

In regards to existing philanthropic projects from before the pandemic, our research did not find evidence that those projects have been impacted significantly, which contradicts the findings of Halme and Laurila (2009) that during crises, philanthropic activities are at risk of being abandoned. We believe one reason for this difference is that the economic downturn caused by the pandemic was rather short compared to the global recession in 2008 which Halme and Laurila (2009) based their predictions on.

Our findings also show that philanthropy is mostly not a part of the companies' sustainability strategy and rather seen as an addition to the business activities. The interviewees showed a tendency to prefer integrated sustainability activities over philanthropic activities, because they see the social and environmental impact to be higher when focusing on business relevant aspects. This is in line with the opinions of Halme and Laurila (2009) and Porter and Kramer (2011) that strategically oriented CSR yield more substantial societal outcomes than philanthropy. Despite some manager's critical opinion of philanthropic engagement, as philanthropy is a minor part of companies' activities, there was no need to reduce the philanthropic projects companies are engaging in. Additionally, we did not see any evidence that the philanthropic activities added during the pandemic will continue in the future. We thus suggest that in this case, the crisis increasing philanthropy can be seen as a temporary effect, which will revert to pre-crisis levels again. Our findings add to the research of Manuel and Herron (2020) and answers their question if increased philanthropy will persist after the crisis and if it will displace other types of CSR activities. According to our findings, increased philanthropy will not persist after the crisis and due to the preference of strategic sustainability activities (CR integration and CR innovation) over philanthropy, it will also not likely displace other types of CSR activities.

5.2.2 CR Integration

We discovered throughout our interviews that integrated sustainability activities of companies were not affected by the pandemic situation. CR integration activities improve organizational efficiency and effectiveness (Rangan, Chase and Karim, 2015) and lead to reduced costs and risks for

companies (Halme and Laurila, 2009). Our findings show that it is less likely that integrated activities will be affected in crisis situation as they are more ingrained in the overall strategy of the organization (Halme and Laurila, 2009). Our findings are also aligned with the research of Bansal, Jiang and Jung (2015) who found that during the 2008 global recession integrated CSR was less likely to be reduced than loosely connected activities that could be reversed easily. The resilience of integrated CSR highlights how important it is for sustainability activities to be a part of the everyday business operations, as they are likely to be crisis-proof once fully integrated. As all interviewed companies are committed to SBT, they already have sustainability integrated into their business. Being committed to reaching specific targets can be especially valuable during crisis situations because it puts pressure on the organizations to ensure that the company stays focused and committed to their goals.

5.2.3 CR Innovation

CR innovation is essential to create new business opportunities for companies and to unlock new opportunities for win-win situations between organizations and society. These activities, as compared to CR integration, are not an integral part of everyday business activities as they are future oriented and need to be developed first. Innovation is essential for the sustainable development of companies, and it is a necessary activity in order for companies to achieve their sustainability targets. However, due to the pandemic situation, many companies have been reluctant to do long-term planning and begin new projects. In our discussions we could see a prioritization of ongoing business activities, which was in line with the findings of Naidoo (2010). Karaibrahimoglu (2010) and Jacob (2012) state that in an economic crisis, resources will be rearranged when financial performance decreases. In the case of the COVID-19 pandemic, we suggest that financial issues were not a large factor for slowed CR innovation, but rather the heightened uncertainty about future development led to a focus on ongoing business activities.

Another factor that led to a slowing of innovation is the difficulties for collaboration. Some companies mentioned that cross-sector collaborations are an essential part of the innovation process and that new collaborations have been especially difficult in digital settings. If we look back to our theoretical framework, we can clearly see the interrelations of the different levels of the EST framework. The macro-level event affected micro-level individual behavior and resulted in meso-level challenges. The pandemic occurred and many people began working from home, this in turn

led to difficulties for collaboration, and the difficulty for collaboration affects CR innovation as new initiatives were postponed.

We know that innovation is essential for companies' sustainable development, so if CR innovation has been slowed by the crisis, the sustainable development of organizations could also be slowed by the pandemic.

5.3 Impact on Corporate Sustainable Development

Our second research question seeks to answer *how sustainability managers view the impact of the COVID-19 crisis on corporate sustainable development*. Previous literature suggests that crisis events would influence organizations and result in change of strategies and activities (Morgeson, Mitchell and Liu, 2015). In our empirical research we wanted to confirm that companies were being affected and if so, how their sustainable development plans were being impacted amid the pandemic event. Due to our interpretivist research style and collection of qualitative data we sought to learn how the sustainability leaders that we talked to made sense of the crisis situation and their understanding of the impact moving forward. In our literature review we mentioned the non-coherence and conflicting predictions of how crisis scenarios would either impact CSR activities positively (Cohen, 2020; He and Harris, 2020; Cawthorn, Kennaugh and Ferreira, 2021) or negatively (Bansal, Jiang and Jung, 2015; Panwar *et al.*, 2015; Seles *et al.*, 2018), so in our research we wanted to get to the bottom of this contradiction.

To move towards an answer to the contradiction, we investigated the perception of the crisis as either a threat or opportunity to the company's sustainable development, and this research yielded some interesting results. If we refer to the table presented in section 4.3.3, we have coded various responses from our interviews as either opportunity, neutral, or threat. What we found was that in seven of the twelve interviews, the interviewee predominantly classified the pandemic situation as an opportunity for the company's sustainable development. In the other five interviews the interviewee could not classify the situation as either a distinct threat or opportunity and thus we coded the response as neutral. While several interviewees mentioned an initial concern of the threats from the pandemic, at this point in time none of the interviewees classified the pandemic crisis as a distinct threat to the sustainable development of their respective company.

Along with the prediction that system disruptions offer opportunities to re-design the system, Cawthorn, Kennaugh and Ferreira (2021) also discuss that the pandemic is pressuring society to re-evaluate the underlying assumptions in our current models for living. If we relate this sentiment towards our research, the sustainability leaders that we have spoken to seem to believe the challenges of the pandemic on businesses and a re-designed system will result in heightened awareness and commitment to sustainability challenges. From this, we can begin to clear up the contradicting predictions and support the authors that have discussed the positive impact that crisis events can have on CSR activities. Bodenheimer and Leidenberger (2020) suggest that the current pandemic situation of lockdowns and slowed business activity could offer an opportunity to change direction towards more sustainable development. Our interview sample supported this prediction as we predominantly saw a positive view on the impact of the pandemic on sustainable development. Opportunities were seen in the heightened awareness for sustainability, which also brings the topic closer to the management teams. In addition, the pandemic showed that change is possible and the willingness to change from the individual is there, which helps the companies to change direction towards more sustainable development. Our findings show that the crisis could have a positive impact on the sustainable development for companies that have sustainability as an integral part of their business. However, the impact might differ depending on the industry and how much a company is committed to sustainability. Finally, even though the majority of the managers we spoke to see the pandemic as an opportunity for sustainable development, companies must overcome the challenges such as slowed CR innovation to realize these opportunities.

6 Conclusion

In this chapter we will make our concluding remarks regarding our main results (6.1), we will present our theoretical contributions (6.2), our practical contributions (6.3), and finish with a review of the limitations of our study (6.4) and offer opportunities for future research (6.5).

6.1 Main Results

The purpose of this thesis was to understand how sustainability strategies and activities have been affected by the COVID-19 pandemic. While crisis scenarios imply different risks for businesses, we wanted to specifically understand the implications of the current COVID-19 crisis on corporate sustainable development. We developed the following research questions to guide our research:

1. *How are companies' sustainability strategies and activities affected by the COVID-19 crisis?*

2. *How do sustainability managers view the impact of the COVID-19 crisis on corporate sustainable development?*

To answer these questions, we collected qualitative data through in-depth interviews with sustainability managers of large Swedish companies committed to sustainability.

For the first research question, we looked at the different categories of CSR outlined in the literature, which are philanthropy, CR integration, and CR innovation. Our research showed that philanthropy is a minor part of companies' strategy, but still companies engaged in new philanthropic activities during the pandemic and existing activities have not been affected. We did not see evidence that philanthropy will continue to increase after the pandemic is over, rather it will go back to pre-crisis levels. The major part of companies' sustainability strategy focused on sustainability that is related to and integrated into their business and their strategies. We found that CR integration has not been significantly affected by the current crisis. We argue that this is because sustainability is an integral part and often the foundation of business strategies of the interviewed companies. CR integration activities are integrated and part of the core business activities, therefore they can be seen as being more likely to be crisis-proof. Looking at CR innovation, we discovered that companies view innovation as an important part of sustainable development. However, during the COVID-19 crisis, companies have been focusing on business-critical activities and due to high

uncertainty, they have been reluctant to do long-term planning. Practical issues for collaboration have also presented significant challenges for innovation processes. Overall, we found that CR innovation has been slowed by the pandemic, which could affect sustainable development in the long run.

Regarding the second research question, we discovered that managers view the impact of the pandemic as an opportunity for corporate sustainable development. While sustainability managers were worried that the pandemic would have a negative impact on their companies' sustainability agendas at the beginning of the crisis, that sentiment instead has developed into an optimistic view for the future. The crisis has revealed the vulnerability of organizations and has helped to increase awareness about the importance of sustainability. The disruption of the status quo has given companies an opportunity to reevaluate business priorities and refocus their strategic objectives.

6.2 Theoretical Implications

In this thesis we have analyzed how companies and their CSR activities have been affected by a crisis event and reviewed literature about crisis and CSR. We used an Event System Theory (EST) framework to help use navigate the interconnectedness between the macro and micro levels and understand how one event can impact activities and behaviors on all levels. In doing so we make several valuable theoretical contributions.

First, by using the EST framework we add to the crisis and CSR literature by taking a more holistic approach and investigating how the different levels interact with each other. We contribute to EST by applying their theoretical model into a relevant and ongoing empirical scenario. Morgeson, Mitchell and Liu (2015) mention that most event-oriented research takes a retrospective approach where researchers examine an event after it has happened. By analyzing the current pandemic while it is still ongoing, we contribute new and relevant empirical examples to EST.

Second, there is only limited existing empirical research that looks into the relationship between crisis events and CSR so our exploratory research adds knowledge to the relatively under-studied field (Seles *et al.*, 2018).

Finally, our research contributes to resolve the non-coherence within existing literature regarding the implications of crisis events on sustainable development and CSR activity. Some researchers argue that crisis events threaten and have negative impacts on CSR activity (Halme and Laurila,

2009; Bansal, Jiang and Jung, 2015; Panwar *et al.*, 2015) whereas other researchers argue that crisis events provide opportunities and have positive effects on CSR activity (Cohen, 2020; He and Harris, 2020; Cawthorn, Kennaugh and Ferreira, 2021). Our study breaks down CSR activity so that we can better analyze how CSR has been affected by the crisis scenario. While the different types of CSR activities have been impacted in their own ways, the sustainability managers in our study indicate that they perceive the COVID-19 crisis as a positive opportunity for their company's sustainable development. Thus, our research supports the authors who discuss the positive effects a crisis can have on CSR activity.

6.3 Practical Implications

Alongside the theoretical contributions we also strive to make several practical contributions with our research. From a managerial perspective, the finding that sustainability leaders view the crisis as more of an opportunity than threat for sustainable development can have several implications. First of all, sustainability managers can look into our findings to justify their continued commitment towards sustainability related goals amid the current pandemic. Our findings can be used by sustainability managers as a reference point that similar companies have also remained focused and committed to their CSR activities and sustainability goals. Next, our explanation and categorization of CSR activities can help companies review and re-focus their current sustainability strategies. Breaking down their existing sustainability plans by our categorical distinctions can help managers understand where there is the most potential to improve and where the company should focus moving forward.

In general, our findings imply that a crisis can have a significant impact on organizations and companies need to be cognizant about that. The pandemic disrupted businesses unexpectedly and it highlights that the future is ambiguous, as many unforeseen events can happen. Therefore, companies need to be resilient for future shocks and prepare for crisis scenarios. Additionally, the thesis highlights the importance of having sustainability integrated into the business. Integrated sustainability activities are not reduced during a crisis, because they are integral to the everyday business activities and could even lead to an increased focus in a crisis to ensure the company will reach its targets. Thus, CR integration supports companies staying committed to their sustainable development throughout crises. While our research showed threats towards CR innovation, managers should work to ensure that innovations for sustainability receive the required focus and

attention even in crisis situations, and thus recommit to activities and initiatives that might have been postponed amid the pandemic. We have shown that CR integration and CR innovation are seen as more effective in supporting companies' sustainable development than philanthropy and therefore, companies that want to enhance their sustainability efforts should try and put their focus on CR integration and CR innovation activities.

6.4 Limitations

Several limitations need to be considered for our research approach and findings, which could also offer opportunities for future research. First, our study focused on companies based in Sweden, which is generally seen as a global leader in sustainability and CSR (Strand, Freeman and Hockerts, 2015), so while our findings might be generalizable to other large organizations in Sweden and the Nordic region, we cannot assume the same generalizability globally. Next, the companies we have interviewed are already committed to the SBT initiative, and thus have a strong existing commitment to sustainability. The strong existing commitment to sustainability potentially limits the generalizability of the findings as these companies could be less likely to abandon their current plans and strategies as compared to companies that have a lesser focus on sustainability related concerns. Another limitation of our study is that our interview sample of 12 interviews could be seen as narrow and limited. While we address the quantity of interviews in section 3.2.1, it is worth reiterating that saturation is often used to assess sufficiency in qualitative research and in our limited sample we did see repetition and consistency across the interviews. Ironically, the effects of the pandemic that we looked to study, also contributed to our inability to conduct more interviews, as several potential participants declined our proposal for an interview because they had to prioritize their own work.

6.5 Future research

Our study and research findings lead to new opportunities for future research. With national responses differing drastically across the globe, conducting similar research investigating how the pandemic affected sustainability strategies and activities of companies outside of Sweden would also be interesting. Future research could also do a comparative study to examine if the effects differ across various different settings (e.g., small vs. large companies, financially constrained vs. non-financially constrained companies). Additionally, there could be several types of quantitative

research studies designed to investigate similar research questions. For example, a quantitative study could investigate financial funding and support of various CSR activities and compare if budgets and spending has changed in response to the pandemic. Finally, our research has been conducted while the pandemic is ongoing, in the future a similar study could instead reflect on the pandemic, look back at its impact on business, and see how companies have developed.

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8 Appendix

Appendix 1: Interview Guide

I. Introduction

- Introducing interviewers and topic of research
- Asking for permission to record the interview and talking about confidentiality

II. Familiarization

- What is your responsibility within the company?
- What kind of projects are you working on?
- We chose to reach out to you and your company because of your commitment to the science-based targets. Is there anything you can tell us about those goals and why you joined the initiative?

III. CSR Strategy

- What sustainability challenges is company X facing?
- How are you handling those sustainability challenges?
- How does company X engage in philanthropy?
- Can you speak about the relationship between sustainability and innovation at company X?

IV. Pandemic situation

- How has the pandemic affected what you and your team are doing?
    - How did your priorities change?
- How has the pandemic affected your business and sustainability strategy?
- Do you view the pandemic as more of a threat or an opportunity for the company's CSR agenda / sustainable development?
    - You mentioned some opportunities/threats, do you also see any threats/opportunities?

V. Company support

- How has the organization supported the sustainability strategy?
- Has that changed in any way during the pandemic?

VI. Additional questions if relevant

- What would have helped you to be better prepared for the crisis?
- What are your learnings from the COVID-19 pandemic?
- Has the pandemic impacted your progress towards any of the goals you have set?