The role and dynamics of CSR in Swiss SMEs

Submitted for the partial fulfilment of the degree of Doctor of Philosophy PhD

by

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2016
Abstract

Corporate Social Responsibility (CSR) frameworks worldwide have been dominated by the concerns and needs of large companies whose highly formalised CSR management systems often failed in previous years to prevent anti-social and illegal behaviour. Thus, there is growing interest in informal processes, relationships and organisational cultures – and corresponding business models – that embed and exemplify CSR. It is proposed that detailed study of Small and Medium-sized Enterprises (SMEs) with informal and non-systematic approaches to CSR can shed light on the process and effect of cultural embedding of CSR values. This research focuses on a sample of SMEs in Switzerland to investigate the “raison d’être” that make up such informal CSR. Firstly, using a stakeholder map methodology, it explored the current state of CSR in Switzerland and identified SMEs as being the most significant CSR stakeholders. A network analysis resulting in specific parameters confirmed the importance of SMEs and their pursuit of an unconventionally informal and idiosyncratic CSR core logic. By method of interviewing 40 SME owner-managers, the next research step examined in more detail such dynamics and patterns among Swiss small business CSR. A Delphi process aggregated the results into an overarching small business model for CSR – L’EPOQuE. This model has six key features: 1) a visionary Leadership approach, where the leader “is” the business and vice versa, 2) long-term and trust-based relations to Employees, 3) niche Products, 4) driven by networks and informal, flat Organisations, 5) by efficient Quality, and 6) by Education to establish ethics during work socialisation. A further Delphi process explored the features’ consistency with criteria of conventional models. It confirmed the six key features and encouraged at the same time slight modifications with regard to nomenclature of sub-features resulting in L’EPOQuE 2.0. This heightened the power of this CSR-driven approach to be a new template for informal set-ups, and niches. It emerges from the difficulties some mainstream
business models have to satisfy the needs of business at the nexus of culture and economic rationale. The sixth section explored, in four focus group discussions, motives inherent to the role and dynamics of CSR in Swiss small firms. The results support earlier findings and confirm the intrinsic motivation in Swiss SMEs coming from their philosophy of stewardship and aspiration and ambition of excellent craftsmanship. Accordingly, Swiss SMEs are particularly looking at social and labour issues of CSR. This contrasts with the approach of Multinational Enterprises (MNEs), which are primarily interested in environmental aspects and assume a financial benefit from their engagement. This raises two arguments in CSR: one is that companies evidently can be competitive in CSR (and economically) with a flexible, ethics-based approach, which contradicts the exclusivity and predominance of the “business approach” and its formalised systems aiming at profit-maximisation. This suggests that CSR can be intrinsic to the business or extrinsic, so that, secondly, the question arises under what circumstances one is to be preferred over the other and what the cost of a mismatch would be. Ultimately, a comparative overview over 15 different countries to explore explicit vs. implicit CSR (using the categories of intent, codification, motives, and language) revealed a universally supra-national CSR approach in SMEs from Switzerland and elsewhere. Thus, it is concluded that SME culture and an informal CSR core logic are strongly formative and supersede forces of market economies, nationally cultural patterns, and language. Hence, CSR classifications of countries by their market system, as found in the comparative capitalism literature, do not match the practices in SMEs as they mirror neither their business nor CSR. This raises again questions on the universality and generalisability of unmediated, explicit management concepts, especially in the context of small firms. At the same time, this confirms L’EPOQuE 2.0 as spanning across business models, mirroring culturally independent key features of SME businesses. In other words, there is a much bigger portion of “SME” than “Switzerland” in L’EPOQuE 2.0.
Acknowledgement

I would like to express my gratitude to my supervisors – Walter Wehrmeyer and Ian Christie – for continuously pushing me to (or sometimes over) my intellectual boundaries. They provided me support and precious insights. I would also like to thank the Centre for Environmental Strategy and Postgraduate Researcher Centre staff for their helping hands and continuous, patient support.

In still gratitude to my – unfortunately unknown – grandfather, who was a founder and owner-manager of a foundry having deeply engraved the solidarity and responsibility emerging from the position as company leader to my genes and encouraged me to do this research that should shed light on likewise patrons – innovative in arduous external situations, showing friendship even in the case of hardship (e.g., during wars). Likewise, my parents deserve great gratitude passing me down these values, virtues, and responsibilities.

Special thanks to all Swiss SME owner-managers in this study who have met me firstly with a portion of suspicion but finally offered me valuable insights into their companies and supported me with their visions, spirit, kindness, and their special sense of humour.

Many thanks to Alex for all the crazy “Zottis”! Oliver Brunko, who designed the artwork of L’EPOQuE and L’EPOQuE 2.0 deserves profound respect!

I dedicate this dissertation to all who intentionally or unintentionally, willingly or unwillingly encouraged me with their visions, values, and virtues to do this research. I am still speechless about the deep, personal, and outstanding findings I was allowed to get in touch with during this research.
Statement of originality

This thesis and the work it refers to are the results of my own efforts. Any ideas, data, images or text resulting from the work of others (whether published or not) are fully identified as such within the work and attributed to their originator in the text, bibliography or in footnotes. This thesis has not been submitted in whole or in part for any other academic degree or professional qualification. I agree that the University has the right to submit my work to the plagiarism detection software TurnitinUK for originality checks. Whether or not drafts have been so-assessed, the University reserves the right to require an electronic version of the final document (as submitted) for assessment as above.

Stéphanie Looser
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Abbreviations

ARE Bundesamt für Raumentwicklung
B2B Business to Business
B2C Business to Consumer
CEO Chief Executive Officer
CFO Chief Financial Officer
CFR Corporate Financial Reporting
COPOLCO Committee on Consumer Policy
cp. Compare with
CSID Canadian Social Investment Database
CSP Corporate Social Performance
CSR Corporate Social Responsibility
e.g. exempli gratia (for example)
EoC Economy of the Communion
EU European Union
f. folgende Seite (following page)
FCAB Federal Consumer Affairs Bureau
FINMA Eidgenössische Finanzmarktaufsicht
ff. fortfolgende Seiten (following pages)
GAAP Generally Accepted Accounting Principles
GIIRS Global Impact Investing Rating System
GRI Global Reporting Initiative
i.e. id est (that is to say)
IFRS International Financial Reporting Standards
ISO International Standards Organisation
ISO/WG SR ISO Working Group on Social Responsibility
KLD Kinder, Lydenberg and Domini
KPMG Klynveld, Peat, Marwick and Goerdeler
L'EPOQuE Leadership, employees, product, organisation, quality, education
MAXQDA Qualitative Datenanalyse (with the name MAX)
MBA Master of Business Administration
Mio. Million(s)
MNE Multi-national Enterprise
NCPs National Contact Points
NGO Non-Governmental Organisation
NPO Non-profit Organisation
NSBs National standards bodies
PhD Doctor of Philosophy
PRESOR Perceived Role of Ethics and Social Responsibility
pp. Pages
ROA Return on Assets
SECO Staatssekretariat für Wirtschaft SECO
SGB Schweizerischer Gewerkschaftsbund
SME Small and Medium-sized Enterprise
SR Social Responsibility
TMB Technical Management Board
UK United Kingdom
US United States
Zefix Firmenindex des Eidgenössischen Amtes für das Handelsregister
ZEW0 Zentralstelle für Wohlfahrtsorganisationen
1 Introduction

Corporate Social Responsibility (CSR) frameworks worldwide have been dominated by the concerns and distinctive needs of large companies and by efforts to direct CSR through a formal management system (Weber, 2008: 251; Mason and Simmons, 2013: 81; Cassimon et al., 2015). However, most businesses are small organisations and approaches to social responsibility in these companies are less well researched and understood.

Given the numerous and well-publicised problems and scandals involving large corporations whose highly formalised CSR systems often failed to prevent anti-social and illegal behaviour, there is growing interest in informal processes and relationships that foster organisational cultures that embed and exemplify CSR. It is proposed that a detailed study of Small and Medium-sized Enterprises (SMEs) with informal and non-systematic approaches to CSR can shed light on these issues of cultural embedding of CSR values.

Multiple motives, such as internal desire, morale, virtues, or external pressure and/or financial added value can be applied as reasons to “do some CSR” (Maas and Reniers, 2014: 114). This wide spectrum of motives for CSR is responsible for its diffuse character and an endless list of definitions. A comparative and extensive overview can be found in van Marrewijk (2003: 98ff.) or Kakabadse et al. (2005: 277ff.). Whether companies are “not interested at all” or widely known as “sustainably responsible” is another facet that characterises CSR or, to be precise, the developmental phases of companies regarding their CSR engagement (Maas and Reniers, 2014: 111). The question of why firms should be interested in CSR is, indeed, a matter of ongoing debate (McWilliams and Siegel, 2001: 121).

Evidently, social responsibility as a concept is not easily assessed as it pits individual against community, business against society, and economic goals versus ethical inclination (Lorenzo-Molo and Siloran Udani, 2013: 128). This thesis takes a closer look at a “raison
“d’être” or business model, which might occur at this nexus between businesses, their corporate cultures, employees, communities, and society (Lorenzo-Molo and Siloran Udani, 2013: 128).

Bowen (1953: 37) saw CSR as the “obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of society”. Consequently, companies should consider their responsibility towards several societal stakeholders and their objective to generate profit, which is based, inter alia, on their stakeholder relationships. These relationships encompass many interests, first and foremost of which are social and environmental issues (Russo and Perrini, 2009: 211).

This concept is built on many attempts to define the nature and rules of CSR, where after the symbiotic and long-term relationship between “business and society” became central (Swanson, 1999: 508; Castelló and Lozano, 2011: 15). In other words, the integration of business into society is crucial, where society is lending its legitimacy and prestige to business (Garriga and Melé, 2004: 61) and business takes on a responsibility for its operations (Russo and Perrini, 2009: 211).

Such institutional norms, which evolve from public opinions, educational systems, professions, ideologies, and certification bodies (Scott, 1987: 500), act as a social contract (Robin and Reidenbach, 1987: 49) that organisations should respect in order to attain legitimacy and cultural support (Du and Vieira, 2012: 418ff.). CSR actions are thus means by which organisations can satisfy these socio-cultural norms by contributing to long-term social, economic, and environmental benefits (Kotler and Lee, 2005: 65; Palazzo and Scherer, 2006: 79).
In the political and business debate that started in the early 1990’s, corporate responsibility issues have gained importance mainly due to the realisation that development centred only on economic growth paradigms is unsustainable (Katsoulakos and Katsoulakos, 2007: 361). So the view developed that, for a process aimed at balancing economic growth with environmental sustainability and social cohesion, more pro-active roles of states, companies, and communities are needed (Katsoulakos and Katsoulakos, 2007: 361). This debate founded interlinked movements in the corporate world under the names of CSR, corporate sustainability, corporate governance, and corporate citizenship (cp. Sections 2.1 and 2.2).

Corporate sustainability represents a business management approach that should in the long-run provide better value for shareholders as well as for other stakeholders. Corporate governance reflects the way companies address legal responsibilities and provides the foundations on which CSR and corporate sustainability practices can be built to improve responsible business operations (Katsoulakos and Katsoulakos, 2007: 361). Corporate citizenship regards companies as societal citizens that also have certain responsibilities towards society, such as economic, legal, ethical, and philanthropic responsibilities (Matten et al., 2003: 115; Justice, 2002: 8). Scherer and Palazzo (2007: 1111ff.) think of corporate citizenship as a more political interpretation of CSR. In accordance, the Enquete Commission of the German Bundestag (2002: 457) understands CSR as “an ideal generic term and the roof, under which corporate citizenship is integrated”. As a consequence, the field of responsible business strategy has become a dynamic and challenging subject.

The process of globalisation and international trade reflects increased business complexity and demands for the abovementioned conceptualisations of this complexity in order to reach greater transparency (Jamali and Mirshak, 2007: 251). Traditionally, governments were responsible for improvement of living conditions, but today, society’s needs have
stretched the capabilities of states (Jamali and Mirshak, 2007: 253). Jamali and Mirshak (2007: 249) conclude that the private sector as key creator of value and managerial resources is the principle growth engine and has a duty to contribute to equitable and sustainable economic growth. CSR recognises this role of business as an active partner in a world of shrinking resources and, thus, of scarcity (Jamali and Mirshak, 2007: 253). Weber (2008: 251) or Carroll and Shabana (2010: 99ff.) state that in general companies can profit from a strategic engagement in CSR by reducing costs and risks (e.g., energy-saving and environmentally sound production practices), gaining competitive advantages (e.g., investor relations management), by developing reputation and legitimacy (e.g., transparency practices), and by seeking win-win outcomes (e.g., charitable donations to education and stakeholder engagement).

To conclude, the definition of CSR is a matter of ongoing discussion recognising that numerous definitions can lead to confusion and misperception. In order to collect data with regard to the six research questions posed here (see next Section 1.1) that cover a wide range of different CSR aspects – i.e., various stakeholders’ CSR, CSR in SMEs, with regard to motives and different manifestations of CSR and, finally a comparative overview – a broad definition of CSR is needed. As a consequence, the European Commission’s (2011: 6) definition of CSR as: “the responsibility of enterprises for their impacts on society” is adopted in this thesis.

Although this wide understanding of such a complex concept could be a drawback, especially on internal validity, it enables at the same time, more importantly, the identification of different idiosyncratic business agendas, various motives and diverging manifestations of CSR, and lastly, cultural leverage in order to motivate further investigations. This allows the collection of rich data for a qualitative, in-depth exploration of the role and dynamics
of CSR in Swiss SMEs as core purpose of this research in the pursuit of grounded theory principles (as outlined in Section 1.2.1 and visualised in Figure 1).

Above all, CSR gives rise to a discussion on the nexus of society, companies and their respective contribution. This research focuses on a sample of SMEs in Switzerland to investigate the role and dynamics of CSR with a special eye on processes, values, and relationships that make up informal, CSR-oriented organisational cultures manifesting in a respective “raison d’être” or business model.

1.1 Research Questions and Aim

This research answers the question “What are the role and dynamics of CSR in Swiss SMEs?” Several research steps helped to answer this question. Specifically, the research questions (1-6) posed in this programme of work are:

1) What are the characteristics of the Swiss CSR stakeholder environment?

2) How do patterns of CSR practice in Swiss SMEs relate to their business practices? Is there a Swiss business model?

3) How do key drivers, peculiarities, and dynamics of Swiss SMEs determine the Swiss CSR business model?

4) How consistent is the Swiss model with conventional business models? How do the relative surroundings reflect the need for new templates?

5) How are Swiss companies motivated for CSR and how does CSR manifest in SMEs compared to Multinational Enterprises (MNEs)?

6) How do CSR approaches in SMEs on a global scale relate to Swiss SMEs? To what extent do the identified CSR agendas allow categorisation according to explicit/implicit CSR?
An overview of the different data gathering methods employed for the different research questions can be found in Table 1, more details in Section 1.2.1 and alongside the specific sections.

<table>
<thead>
<tr>
<th>Question / Section</th>
<th>Method</th>
<th>Outcome</th>
<th>Publication / Conferences (see also storage media in Appendix 19)</th>
<th>Comments</th>
</tr>
</thead>
</table>
Swiss stakeholder salience, concerns, and ethics. CRRC Conference. 2014. University of Leeds. | This is the initial exploratory part of the project, involving 27 interviews with stakeholder representatives |
Swiss small business model as value driver for CSR. First Academic CSR Summit @ German CSR Forum. 2015. Ludwigsburg. | This is the follow up exploratory part of the project, involving 40 company interviews |
| 3) Section 4       | Delphi method, action research as a way to deepen understanding of the model’s application and robust- | Clear understanding of how the business model functions and how accepted it is across | An emerging template for CSR in Switzerland. Corporate Ownership and Control Journal. 2015. Vol. 12(3). pp. 541-560.  
Tue Gutes und sprich nicht darüber – implizite Unternehmensverantwortung bei Schweizer KMU. In Wagner, R., | This evaluates and verifies the model |
| 5) Section 6 | Face-to-face focus group discussions with large and small company leaders | Clear insight into the role and place for intrinsic or extrinsic CSR agendas, and how they link with business practices | Doing well or doing good? *UmweltWirtschaftsForum*. 2015. Vol. 4. Doing well or doing good? Intrinsic and extrinsic CSR in Switzerland. *CRRC Conference*. 2015. Kedge Business School Marseille. Ethics of the firm, for the firm or in the firm? Purpose of extrinsic and intrinsic CSR in Switzerland. *Social Responsibility Journal*. 2016. Vol. 12(3). in press This compares the SME CSR business model with extrinsic CSR approaches (e.g. in large companies) |

Table 1: Research questions and corresponding methodology
Evidently, CSR is a complex phenomenon. To meet this complexity a number of instruments or measures respectively were developed that should operationalise CSR and differentiate it from similar constructs, in terms of application in the organisational context and measurement for academic purposes (D’Aprile and Talò, 2013: 158). These measures could be positioned alongside the qualitative vs. quantitative and individual vs. organisational scales and include interviews with responsible persons, content analysis of documents, corporate publications and websites, case studies, forced-choice surveys, reputation indices and databases, and behavioural and perception scales (Waddock and Graves, 1997: 310).

The next section outlines some of the best-known methods to investigate CSR while it clearly points at the difficulties each methodology has in order to elaborate the six approaches chosen here specifically tailored to gain insight into each research question (as shown in Table 1).

1.2 The wide spectrum of CSR Methodology

Content analysis of social and environmental corporate reports, interviews with responsible people and case studies are positioned among qualitative methods on the individual as well as the organisational level (Stanwick and Stanwick, 2006: 4f.). Databases and indices concerning reputation, surveys, and perceptual and behavioural scales are seen as quantitative methods at the organisational and individual levels of analysis (Maignan and Ferrell, 2000: 288ff.).

Among these, the Fortune Corporate Reputation Index, the Kinder, Lydenberg and Domini (KLD) database and the Canadian Social Investment Database (CSID) are the most common ones (Wood, 1995: 197f.).
Despite the wide adoption of these reputation indices and databases, some criticism concerning both the theoretical and methodological aspects should be mentioned: 1) in most cases, these methods are not based on theoretical frameworks; 2) the dimensions evaluated by these methods are frequently culturally rooted in the countries in which they have been developed (Maignan and Ferrell, 2000: 289). 3) Single- and multiple-issue indicators are more objective than the qualitative (and, arguably, sometimes subjective) evaluation by experts.

CSR perceptions of individuals were the groundwork for instruments on the individual level. For instance, the Corporate Social Orientation scale to evaluate managerial values alongside Carroll’s hierarchical pyramid model (1979) (see Figure 2) was developed by Aupperle (1984: 34ff.). Singhapakdi et al. (1996: 249f.) developed the Perceived Role of Ethics and Social Responsibility (PRESOR) scale. It was tested by Quazi and O’Brien (2000: 50ff.) as a potential cross-national model of CSR to evaluate both the managerial perceptions of the role of ethics in corporate effectiveness and the organisational values of managers.

The criticism here is: 1) these perceptional methods do not adhere to the mainstream framework model on CSR; 2) they have, in many cases, only been tested on executives without considering the perceptions and values of employees. Hence, the perceptional scales reveal their non-exhaustive nature with regard to the analysis of CSR as an organisational process. To address these weaknesses two main scales have been constructed in the academic field to measure the organisational level and behaviours. First, Maignan and Ferrell (2000) developed a behavioural corporate citizenship scale based on Carroll’s hierarchy of responsibilities and on stakeholder management theory that involves three main stakeholders (employees, customers, and the public). This scale was empirically tested on
executives from the United States and France (Maignan and Ferrell, 2000: 284). Because of its limitations (e.g., small sample and weak transition to praxis), Turker (2009a: 415) has recently developed a CSR scale that evaluates socially responsible corporate behaviours in relation to a wide range of stakeholders.

Despite the mentioned limitations these scales, with their inclusion of behavioural and perceptual aspects, have been the first serious attempts to grasp the multidimensional nature of CSR based on relevant theoretical frameworks. They allow, for instance, to analyse the relationships between CSR and the commitment of employees (e.g., Riordan et al., 1997: 405; Maignan et al., 1999: 462; Peterson, 2004: 304; Brammer et al., 2007: 1711f.; Turker, 2009b: 199), counterproductive organisational behaviours (Viswesvaran et al., 1998: 9ff.), and organisational reputations (Greening and Turban, 2000: 262f.). As a consequence, a number of researchers – i.e., Albinger and Freeman, 2000: 249; Jenkins, 2004: 44f.; Jenkins, 2006: 244; Murillo and Lozano, 2006: 239; Spence, 2007: 540; Russo and Tencati, 2009: 344 – looked at the organisational agency of employers and executives.

To conclude, although the academic interest is growing significantly and the literature has emphasised the behavioural dimension of CSR and its social nature, virtually all studies, scales, and measures have not yet considered the psychosocial features that are able to explain how and why CSR might be fostered in organisations.

In other words, the status quo known from empirical studies seems useful in gathering descriptive information about the socially responsible behaviours of organisations without normatively analysing and/or considering the cognitive and affective components helpful in fostering responsible corporate behaviours. In order to contribute to a closing of this gap, the research here covers descriptive (i.e., in Section 2), normative (in particular in sections 4, 5, and 9), and analytical aspects (i.e., Sections 3, 6, 7, and 8).
This short review of existing methods shows indeed that most of them have some epistemological and methodological limitations. For the purpose of this study CSR has been conceptualised as a psychosocial construct whose cognitive, affective, and behavioural factors are strictly interconnected with business idiosyncrasies and characteristics of lead actors, with the core logic, motives and manifestations of CSR in companies, with a set of multiple stakeholders, and, most importantly, extended beyond economic considerations.

1.2.1 This thesis’ research framework and methodological approach

As outlined above, the in-depth exploration strived for in this thesis requires a research framework that is as complex as the topic it tries to grasp. As a consequence, this research is primarily qualitative and exploratory and follows grounded theory rules to refine and keep track of ideas in order to generate hypothesis and comparative power retrospectively (Patton, 2002: 544f.). It is epistemologically linked to social constructivism since it assumes that reality is constructed by human beings interacting in a cultural setting (Scott, 1995: 65). These latent social patterns should be revealed by conceptualising codes from collected data (Creswell, 2007: 71).

Therefore, qualitative data on the individual as well on the corporate level was collected. In order to do so, various methods were applied ranging from interviews with company leaders and employees and with representatives from Swiss economy and politics, to focus group discussions, Delphi processes, and company site visits. Methods are outlined (per research question and section) in Table 1 and in the six related methodology sections. Figure 1 demonstrates the corresponding research framework and the underlying hermeneutical integration as inherent core principle of this research based on grounded theory.
In general, hermeneutical integration means permanent and parallel analysis of findings by existing theory and by accompanying literature studies (Creswell, 2007: 67ff.). Following
Mitchell and Jolley (1992: 87) the results of this permanent analysis are subsequently aggregated and again exposed to new empiricism. This should be achieved at the stage of problem analysis by various stages of subject understanding (Creswell, 2007: 35), including a preliminary meeting with a consultant and a SME owner-manager. Hence, a preconception is gained, which should then be transferred during the different empirical stages into an understanding of “the whole”. Ultimately, the results are to be materialised in various forms of conclusions, recommendations, leading to substantial contributions to the body of science, practitioners, and policy makers.

To find out what the role and dynamics of CSR in Swiss SMEs are Section 3 covers research question 1 with regard to the CSR stakeholder environment in Switzerland. Section 4 looks then on research questions 2 and 3, hence, on patterns of Swiss small business CSR and the underlying business model. This model is further verified in Section 5 answering research question 4. Research question 5 and the motives for CSR are explored in Section 6. To close the comprehensive overview, Section 7 conducts a comparative analysis and answers research question 6. This is followed by an assessment of the research’s quality in Section 8 and final conclusions, further research steps, and implications in Section 9. The data collection and analysing methodologies are discussed in the corresponding section.

This research adopts a quantitative definition of SMEs issued by the Federal Statistical Office (FSO, 2013): SMEs have fewer than 250 employees, their turnover or balance sheet total is below Euro 50 Mio or Euro 43 Mio respectively. Accordingly, large companies exceed these numbers. MNEs are companies that operate on a global scale with facilities and other assets in at least one country other than its home country (Financial Times, 2015). With regard to size: very large multinationals have budgets that exceed those of many small countries (Financial Times, 2015).
A truly multinational company has at least 20% of its sales in each of at least three different continental markets (Financial Times, 2015). This is opposed to the way large companies are defined here: they may have international business operations but their location and strategic and organisational orientation remains regionally focused (Gabler, 2015). The same can be said for SMEs and the international relations they foster. In other words, many small companies have multinational business relations as well, e.g., as exporter, second-tier supplier, or customer. This will be shown particularly in the stakeholder analysis (in Section 3.4.2) and with regard to the SME business model (Section 4.4.3).

The following section 2 sheds light on different theoretical concepts and issues for discussion, ranging from diverging understandings of CSR, its historical background, to formal instruments, and their drawbacks and benefits. Therefrom, it becomes evident why it is heuristic and neat to look at culturally embedded, informal CSR in small companies. According to the hermeneutical research framework there will be additional theoretical inputs at later stages.
2 Corporate Social Responsibility (CSR)

As said, the notion of CSR is not new in our society. Bichta (2003: 85f.), for instance, argues that the “soul” of CSR is what the French philosopher Rousseau (1762) defined as “the social contract” between business and society. For Rousseau (1762) the relationship between society and corporations is a “symbiosis” enabling social members to act independently in a civil society that share the same will (Bichta, 2003: 85).

Over centuries the concept of CSR attracted a lot of attention – from those who found that CSR was irrelevant to business (e.g., Freeman and Liedtka, 1991: 94f.), to those (e.g., Friedman, 1962) who indeed see the relevance of CSR but think of it as a “bad idea” for business, to the large amount of authors who regard CSR as an important business strategy (Asongu, 2007: 14; Weber, 2008: 248).

Dahlsrud (2008: 7-11) analysed 37 definitions of CSR and identified five dimensions inherent in the concept: the environmental, the social, the economic, the stakeholder, and the voluntariness dimension. With a 97% probability, at least three of these dimensions are used in a random definition of CSR (Dahlsrud, 2008: 5). Van Marrewijk (2003: 102) included all five dimensions in her definition: “In general, corporate sustainability and CSR refer to company activities – voluntary by definition – demonstrating the inclusion of social and environmental concerns in business operations and in interactions with stakeholders”.

Accordingly, there are three general approaches to CSR (Wang and Juslin, 2009: 511ff.): the shareholder approach sees social responsibility of business primarily in increasing shareholder profits engendering the CSR business case. The stakeholder approach, in turn, recognises the need to balance other stakeholders’ and firm interests. Finally, the societal approach acknowledges the broad responsibility companies should fill in society. The defi-
nition here of CSR as “the responsibility of enterprises for their impacts on society” (European Commission, 2011: 6) could be largely aligned with the latter.

Van Marrewijk (2003: 101) added a fourth perspective, the philanthropic approach, which appears to be a strategic response to changing circumstances, new corporate challenges, and society’s claims towards companies ultimately to rethink their position and act as a part of the complex, societal context. For Godfrey (2005: 781) philanthropy is the marriage between CSR as strategy and CSR for legitimacy.

The CSR between 1960 and 1970 was indeed mainly driven by social, and not economic, considerations and by peer pressure among corporations to become more philanthropic (Carroll, 1999: 275; Carroll and Shabana, 2010: 99). There was no impetus, demand, or pressure to increase profit by applying CSR activities (Vogel, 2005: 31).

CSR was also understood to have different hierarchical layers ranging from the bottom of economic responsibility, to legal, ethical, and philanthropic responsibility as increasing levels (Carroll, 1991: 41). Accordingly, Carroll (1991) organised his four-part definition of CSR in a pyramid construct as shown in Figure 2.

![Figure 2: A hierarchy of CSR](Carroll, 1991: 497ff.)
Economic performance forms the groundwork while the second layer indicates the following of law (Carroll, 1991: 497ff.). “The obligation to do what is right, just, and fair, and to avoid or minimise harm to stakeholders (employees, consumers, the environment, and others)” is the third level and actually the most important one to Carroll (1991: 497ff.). Philanthropic responsibility to improve the life of communities forms the top level of pyramid (Carroll, 1991: 497ff.). This model has been criticised for inconsistency in explaining why and how CSR should be hierarchical, and also for attempting to combine various allied concepts such as business ethics, corporate citizenship, and stakeholder management (Nkiko, 2013: 381).

Visser (2005: 18ff.) later discussed a CSR pyramid for developing countries and suggests that culture may have an important influence on perceived CSR priorities. In developing countries, economic responsibilities still get the most weight, however, philanthropy is given second highest priority, followed by legal and ethical responsibilities (Visser et al., 2005: 97).

As the socio-economic needs of developing countries are immense and companies cannot thrive in societies that fail, philanthropy is one of the ways to improve own medium- to long-term economic interest and at the same time to heighten communities’ prospects in which businesses operate (Visser, 2005: 19). This conclusion will be discussed in the comparative analysis in Section 7 that especially looks at developing countries.

For a long time, the relationship between society and companies has been one of the main topics of discussion for academics and practitioners. However, they mainly targeted on the tension between business and society and ignored what actually should be of interest, namely, the co-dependencies. Accordingly, Porter and Kramer (2006: 81) argued that “successful corporations need a healthy society and at the same time a healthy society
needs successful companies”. Empirical findings indicate evolutionary changes in companies as companies move from superficial CSR to culturally embedded CSR (i.e., in a business model) and the application of corresponding business practices (Høgevold et al., 2014: 363).

Other researchers found different companies having different motivations for CSR relative to their dependence on outside pressure ranging from passive conformity, active resistance (Zheng et al., 2014: 395f.) to voluntary (Lynch-Wood et al., 2009: 57ff.; Fitjar, 2011: 34; Armstrong and Green, 2013: 1924f.), and/or unintended deployment (Studer et al., 2008: 298f.; Arend, 2013: 6).

The essence of current mainstream CSR is “doing good to do well” (Zadek, 2000: 57; McWilliams et al., 2006: 9). Hence, CSR became a core function of business strategy addressing the question of “whether companies can perform better financially by addressing both their core business operations as well as their responsibilities in a broader society” (Kurucz et al., 2008: 109f.). For Du and Vieira (2012: 416) CSR represents a way for companies to achieve such ethical standards and a balance of economic, environmental, and social requirements thereby considering the concerns and meeting the expectations of their stakeholders. Whether this is a strategic decision with a commercial attempt or coming from core logic and culture is matter of further analysis below, particularly in Section 6.

### 2.1 Where CSR, business, and society intersect

Katsoulakos and Katsoulakos (2007: 361) distinguish between two interrelated CSR dimensions: 1) CSR as an intrinsic “moral activity” and a new vision for the world based on a global partnership for sustainable development on the one hand, and 2) CSR as an extrinsic “business case” or, more precisely, a business management approach that should in the long run provide better value for shareholders on the other.
The former has no need for formalisation, because it is driven by norms and values, where moral legitimacy can only be gained through “moral reasoning” (Schultz et al., 2013: 689) and the “forceless force of the better argument” (Habermas, 1984: 43). Here, neither the expectations of society nor of corporations are dominant (Scherer and Palazzo, 2007: 1099).

The latter is often built on principal-agent relations, in which stakeholders seek protection through formalised management systems, contracts, certificates (e.g., International Standards Organisation (ISO) 14001), or in the legal system (Sundaram and Inkpen, 2004: 358). It is driven by the assumed positive relationship between corporate social activities and financial performance so as to maximise profit (Vogel, 2005: 21; Porter and Kramer, 2006: 89; Sridhar, 2012: 318). This emphasis on performance is based on mainstream economics following “the predominant neoclassical system of the homo oeconomicus” (Richter, 2010: 637ff.). Many studies postulate this “business case” between CSR and profit (Orlitzki et al., 2003: 421f.; Margolis and Walsh, 2003: 299). More corresponding research results can be found in Section 6.3 for Switzerland and in Section 6.1 for other contexts.

In order to identify such idiosyncrasies, while being aware of the embedded contradictions, this study defines extrinsic, business case CSR by “expectations of the market or external stakeholders, primarily designed to improve the economic performance of the company” (Looser and Wehrmeyer, 2015e). This is aligned with the financial motive. The respective drivers, effects, implications, as well as resulting business models are not beyond any doubt as this research elaborates in the following.

By contrast, intrinsic CSR coming from a moral duty is defined by “core values held within the organisation, which cover what the organisation is about, what its social values are, what it stands for” (Looser and Wehrmeyer, 2015e). This involves ethical and altruistic
motivation: a conclusion supported by many others (inter alia by: Graafland and van de Ven, 2006: 115; Graafland and Mazereeuw-Van der Duijn Schouten, 2012: 378) and closer looked at particularly in Section 6.1.

Katsoulakos and Katsoulakos (2007: 365) have also noticed that CSR and corporate sustainability are overlapping movements. Companies practicing CSR often address sustainability issues and these concepts are seen as interchangeable, even if there are different motivations behind the two movements and still discussion as to whether the former is subsystem to the latter or vice versa. Therefore, and also within this research, many different concepts of responsibility are subsumed under the term of CSR. As noted, ambiguity in how CSR is understood has led to the concept being regarded as too laxly defined (Van-Marrewijk, 2003: 98) or as “a jungle” (Crane et al., 2013: 9ff.).

Perceiving CSR as a business opportunity raises criticism, such as that CSR is only an “emancipatory rhetoric” (Banerjee, 2008: 61) that serves to secure the interests of key beneficiaries (Mason and Simmons, 2013: 78) over marketing mechanisms (Powell, 2011: 1369), e.g., by “instrumentally manipulating and deploying evocative symbols in order to gain societal support” (Suchman, 1995: 599). There is also the criticism that “CSR as business case” subsumes social responsibility under profit and thus introduces a limit to the range of CSR activities that can be done – profitably.

Critical voices opine that especially “strategic giving may be used to the detriment of consumers and society” (Polonsky and Wood, 2001: 23) and corresponding CSR or sustainability reports, largely applied by MNEs, may serve as “veils hiding activities” (Deegan, 2008: 292ff.) with the primary purpose to reconstruct eroded legitimacy (Banerjee, 2008: 58; Gond et al., 2012: 221), which culminated in others (e.g. Henderson, 2001: 39f.) arguing that CSR might be even “dangerous and wasteful”.

20
Some scholars argue that strategic CSR has even the power to turn crises into branded, competitive advantage and, in some case, utilise it to cover-up serious malpractice (Neron and Norman, 2008: 22f.). In other words, extrinsic CSR (e.g., in MNEs) is more situationally determined by short-termism while intrinsic CSR (often found in small businesses, as shown in the following) is more sustainable and based on long-range goals. Section 6 will further explore these differences in CSR motives and manifestations between small companies and large corporations.

Obviously, one of the differentiation criteria concerning CSR is its communication: companies having a “business case” agenda issue CSR reports and use CSR for openly publishing and demonstrating their policies and practices to their stakeholders while those practicing intrinsic CSR are more discreet (Polonsky and Wood, 2001: 27ff.). There might also be a discrepancy in what is communicated: especially MNEs report formally about CSR and respective activities, making CSR a strategic decision, while intrinsic companies (i.e., SMEs) discuss rather their values. There are significant parallels to the dichotomy of implicit and explicit CSR, which Section 7 explores in detail.

Comparably, Castelló and Lozano (2011: 15) showed that CSR is often considered simply “a façade” and only a means of strategic rhetoric in search for legitimacy based on the company’s economic rationale, although they found some trends towards more “morale” and quality in stakeholder dialogues. Porritt (2007: 270) harshly calls CSR “as the self-contained box into which companies pack their “good stuff” while continuing to pursue their core business without their products ever becoming genuinely sustainable”.

Apart from this dark picture of an only extrinsically motivated and at heart economics-driven approach to CSR, many enlightened businesses also strive to serve society in a broader ethical, “morally active”, and socially sensitive way. This less utilitarian perspec-
tive on CSR sees companies not exclusively profit-driven, but also as agents that intrinsically enact, perpetuate, and somewhat reinforce wider societal values (Looser and Wehrmeyer, 2015a: 784).

This divergence and/or transition of intrinsic and extrinsic CSR are substantial with regard to fully understand the role and dynamics of CSR in Swiss SMEs. How these different views manifest in different companies and cultural set-ups formed the six research questions looked at here. Thus, this field is further explored below.

Accordingly, Hemingway and Maclagan (2004: 39) see two dimensions, the “locus of responsibility” and the “motives for CSR”, as essential. The former analyses whether the decisions about CSR are made on the corporate (as in the term “CSR”) or on the individual level (Hemingway and Maclagan, 2004: 40). The latter explores the motivational aspect of whether CSR is a commercial instrument (comparable to the aforementioned “business case”) or based on idealistic or even altruistic impetus (or “moral activity”) (Hemingway and Maclagan, 2004: 44). The authors are convinced that individual managers’ organisational decisions are driven by a variety of personal values (based on philanthropy, religion, etc.) in addition to official corporate objectives (Hemingway and Maclagan, 2004: 37).

Obviously, this depends largely on the amount of autonomy linked to individuals’ roles in the organisation and the amount of stakeholder influence (by way of political processes) (Hemingway and Maclagan, 2004: 42). Following this framework, it is possible to conclude from a manager’s, owner’s, Chief Executive Officer’s (CEO’s), or any other leader’s opinion on the attitude towards CSR of his/her organisation and vice versa. In other words, a way to approach CSR practices of a company is by analysing and understanding the attitude of the people at the top of the organisation because corporate social commitment is,
among others, maintained, nurtured, and advanced by the individuals leading the organisation (Quazi, 2003: 43).

Vitell et al. (2003: 72) argue comparably: individuals must first perceive their responsibility to be important before their behaviours are likely to reflect greater social responsibility. Arguably, this might be more important in small firms where “business and life are less separate” (Fuller and Tian, 2006: 289) and where the founders are often owner-managers and employees (Vallentin and Morsing, 2008: 25). Notably, there is still discussion and ambiguity as to whether communicated values, beliefs, etc. indeed reflect individual opinions (i.e., Sen, 1997: 11; Hansla et al., 2008: 7ff.; Fassin and van Rossem, 2009: 581; Fabrizi et al., 2013; Huang, 2013: 239; Chin et al., 2013: 221).

Following Friedman (1962: 64), Hemingway (2005: 38), Spence (2007: 541), or Murillo and Lozano (2009) CSR is always driven by self-interest, regardless of the size of a company or whether CSR is considered a “business case” and driven by commercial purposes or by moral aspects. Other authors found that territorial cohesion (Del Baldo, 2010b: 235), culture, and location of business owners (Ede et al., 2000: 139) drive CSR.

To conclude, these views highlight the context-specific nature of CSR engagement and the personally inspired ethics as the driving force behind CSR (Garriga and Melé, 2004: 61), which might be heightened in relation to small businesses where the owner-manager “is” the business and vice versa (Nkiko, 2013: 381). Exploring how this fits within the strong social and societal values of Swiss business is one of the research objectives here. As said, different CSR concepts and principles emerged in the last decades. They can be aligned somewhere alongside the continuum between corporate conformance and performance, ranging from informal approaches without searching for conformation with formal instruments to a whole set of standards, certificates, and officially and well-known guidelines.
This is worth a closer look in order to provide a comprehensive overview over the different facets of CSR (in Switzerland and elsewhere).

2.2 From corporate conformance to performance

Corporate Social Performance (CSP) is how Wood (1991) interprets CSR. She defined organisations as open systems, in which firms take resources from their larger environment and emit their outputs back to the same environment wherefrom benefit as well as harm can arise (Wood, 1991: 699). She organised “the principles of responsibility as inputs, processes of social responsiveness as throughputs, and finally, performance as outputs and outcomes” (Wood, 1991: 701) as shown in Table 2.

<table>
<thead>
<tr>
<th>Principles of Responsibility</th>
<th>Processes of Social Responsiveness</th>
<th>Outcomes and Impacts of Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legitimacy: Businesses that abuse the power society grants them will lose that power</td>
<td>Environmental Scanning: Gather the information needed to understand and analyse the firm’s social, political, legal, and ethical environments.</td>
<td>Effects on people and organisations.</td>
</tr>
<tr>
<td>Public Responsibility: Businesses are responsible for outcomes related to their primary and secondary areas of involvement with society</td>
<td>Stakeholder Management: Active and constructive engagement in relationships with stakeholders.</td>
<td>Effects on the natural and physical environments.</td>
</tr>
<tr>
<td>Managerial Discretion: Managers and others are moral actors and have a duty to exercise discretion towards socially responsible, ethical outcomes</td>
<td>Issues/Public Affairs Management: A set of processes that allow a company to identify, analyse, and act on the social or political issues that may affect it significantly.</td>
<td>Effects on social systems and institutions.</td>
</tr>
</tbody>
</table>

Table 2: Wood’s model of Corporate Social Performance (CSP) (Wood, 1991: 701)

Notions of ethics and management decision-making ideals change over time, because capitalism and liberalism are not constant: their understanding could change quickly from year to year depending on political and economic situations (Bhimani and Soonawalla, 2005: 24).
166). As Friedman (1970: 32f.) stated: “If businessmen do have a social responsibility other than making maximum profits for stockholders, how are they to know what it is?”

Elkington (1999: 15) or Tullberg (2012: 314) have voiced strong support for social accountability reporting and management on moral and shareholder profit grounds.

Whilst debates on the merits of mingling social concerns with corporate stewardship and reporting options continue, the Sarbanes-Oxley Act (SOX) of 2002 made the option of reporting on responsibility concerns a compulsory task. As a regulation by law, it is meant to protect the interests of shareholders by a code of practice (Bhimani and Soonawalla, 2005: 166). It was set up to restore investor confidence in (listed) companies after the Enron scandal and applies since stricter controls on managerial and financial processes (Benston and Hartgraves, 2002: 115f.).

Additionally, a more recent discourse has emerged concerning the widening of the conception of governance by inclusion of management control practices, such as risk management, succession planning processes, communications policies, and other measures of managerial efficiency (Treuhand-Kammer, 2009: 129). In a number of contexts swift changes are ongoing where value creation and strategic financial management are being viewed as desirable features of statutory corporate governance measures (Bhimani and Soonawalla, 2005: 166).

The widening role of corporate responsibilities might include CSR and stakeholder value creation priorities and should end in a continuum for locating corporate financial reporting and corporate governance responsibilities alongside these requirements. Figure 3 demonstrates one option on how they can be aligned between corporate conformance and performance.
**Figure 3: The CSR continuum** (adapted from Bhimani and Sonnawalla, 2005: 168)

However, literature suggests that good corporate governance is associated with increased transparency and lucid financial disclosures (Mallin, 2002: 254). Thus at one end of the continuum, stress is placed on corporate conformance (e.g., Biggs, 2003: 23). Here, financial reporting standards (such as GAAP or IFRS) are a requirement for publicly traded companies. Compliance is achieved via standards that are directly or indirectly legally enforceable and audits seek to provide relative assurance (Treuhand-Kammer, 2009: 131). Accordingly, a principal oversight mechanism available at the “conformance edge” is the auditing process.

Potential codes and standards aligned with corporate performance are extremely arduous to develop and apply and voluntary compliance may rely in many cases on best practice tools and techniques, and oversight mechanisms are much less needed and evident (Bhimani and Sonnawalla, 2005: 168). Table 3 gives an overview over the best known conformance and performance instruments.

Corporate governance controls have been the topic of discussion for several years, with discourses intensifying in the aftermath of recent accounting scandals, the demise of Arthur Andersen, and its close relation in Enron’s audit activities (Benston and Hartgraves, 2002: 115f.). Following Bhimani and Sonnawalla (2005: 168) various corporate governance and policy reforms have been suggested, including improving the selection of auditors and the process of auditing, improving financial reporting standards, strengthening internal managerial controls, and monitoring compensations packages.
The UK Cadbury Report (published in 1992) pointed to the regulation of corporate governance – recognising that the interests of shareholders could also be served by allowing managers to take risks and to innovate – and focused mainly on financial accountability (Short et al., 1999: 342).

<table>
<thead>
<tr>
<th>Corporate financial reporting</th>
<th>Corporate Governance</th>
<th>Formal CSR</th>
<th>Shareholder Value Creation</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP</td>
<td>Sarbanes-Oxley Act</td>
<td>GRI</td>
<td>Balanced Scorecard</td>
</tr>
<tr>
<td>IFRS</td>
<td>Audit Committees</td>
<td>SA 8000</td>
<td>Strategic Scorecard</td>
</tr>
<tr>
<td></td>
<td>Internal Audit</td>
<td>ISO 9000</td>
<td>Economic Value</td>
</tr>
<tr>
<td></td>
<td>Internal Control</td>
<td>ISO 26000</td>
<td>Added</td>
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<td></td>
<td></td>
<td>Stakeholder advisory panels</td>
<td>Business Performance Management Tools</td>
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<td></td>
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<td>Quality</td>
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<td></td>
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<td></td>
<td>Management</td>
</tr>
</tbody>
</table>

**Table 3: Conformance and performance mechanisms** (adapted from Bhimani and Sonnawalla, 2005: 171)

A PriceWaterhouseCoopers (2004) study of 177 large US multinational companies found that 62% of boards increased the time and effort they spent on governance issues in 2003. This is a finding similar to the behaviour of MNEs (as found in Section 3.4.1) and of capital providers (in Section 3.4.7). Although these measures seem to have achieved some goals, they are not without critics, especially amongst SMEs (Fassin, 2008: 367f.) and financial institutions (Isaac-Kesseli and Ziltener, 2012: 456f.; Schneider, 2012: 4f.).

Ultimately, shareholder value creation can either focus on internal management tools (Balanced and/or Strategic Scorecard, quality management, etc.) or on externally stated figures (e.g., Economic Value Added) (Bhimani and Sonnawalla, 2005: 167) – see also Wang and Juslin (2009: 511ff.) for the shareholder approach of CSR. Arguably, these models might be all a little misleading as they assume that the organisation as a whole has one and only one approach. In fact, there are companies that are really very active in one part of CSR and are only meeting legal standards in another part.
This diversity is often an outcome of their business strategy. This discussion is widened in Section 3.5 to the national scale and in Section 7 to the global context culminating in an explanatory framework in Section 7.4.3.

Even though Section 2.1 tried to aggregate the essential, only little can be “written” (or said) about informal and implicit CSR (i.e., moral activities and voluntary compliance) as it manifests in “unwritten” rules. Section 6.1 will add more details on intrinsic CSR and Section 7.2 highlights the patterns of implicit CSR. More can be said with regard to formal CSR. It appears that formal institutions need respective instruments and formal guidelines in order to report on corporate conformance, while informal organisations and institutions show performance that is less measurable (see also Section 3.4.10).

The following sections (2.2.1 and 2.2.2) highlight some of the best-known CSR related initiatives, as a way to provide an overview over CSR theory that is as comprehensive as possible. Though this thesis will mostly look at informal CSR, to know formal instruments is crucial to understand the alternative: on the one hand the field of large corporations (with regard to the stakeholder analysis and especially as counterpart of SMEs in the motivational analysis in Section 6) but also the political and economic pressure that informal businesses tailored to informal contexts, e.g. in small or start-up companies or oligopolistic markets (further explored in Section 5.3.2), experience on a daily base, and what the options might be if it came to CSR regulation by law. The latter is especially scrutinised in Section 9.6. This adds an important element leading to a holistic picture of the role and dynamics of CSR in Swiss small business.

2.2.1 CSR related guidelines in a nutshell

The UN (United Nations) Global Compact (UNGC) is the largest voluntary corporate responsibility initiative with currently the participation of 8,000 companies and 4,000 non-
businesses from over 161 countries and a total of 32,919 public reports issued (UNGC, 2015). Enjoying universal consensus, the principles of the UN Global Compact are derived from 1) the Universal Declaration of Human Rights (UDHR), 2) the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, 3) the Rio Declaration on Environment and Development, and 4) the United Nations Convention against Corruption (UNGC, 2012).

It provides a strategic policy initiative described in ten universally accepted principles in the areas of human rights, labour, environment, and anti-corruption and is a practical framework for the development, implementation, and disclosure of sustainability policies and practices (UNGC, 2004). This universal acceptance is based on the fact that every state, if it wants to have a seat in the UN, must ratify the UDHR. To help advance sustainable business models and markets, the Global Compact offers participants a broad spectrum of work streams, management tools, and resources (UNGC, 2009). Businesses are invited to align formally their operations and strategies with these principles (UNGC, 2010).

As social, political, and economic challenges and opportunities affect business in a very strong manner, many companies recognise the need to collaborate and partner with governments, civil society, labour, and the United Nations alongside the UNGC initiative (UNGC, 2012). The OECD guidelines provide voluntary principles and standards for responsible business conduct in areas such as employment and industrial relations, human rights, environment, information disclosure, combating bribery, consumer interests, science and technology, and lastly competition and taxation (OECD, 2011).

These recommendations express the shared values of governments of all countries home to many of the largest MNEs or from which a large share of international direct investments originates (OECD, 2011). The guidelines aim to stimulate positive contributions of enter-
prises to economic, environmental, and social progress worldwide (OECD, 2011). The support for the guidelines is provided by an implementation mechanism of national contact points (NCPs) and agencies established by adhering governments. Beside the promotion of the guidelines NCPs also assist enterprises and their stakeholders to take appropriate measures to foster the implementation of the guidelines and to provide a mediation and conciliation platform for resolving practical issues (OECD, 2011).

In 1977, the International Labour Organisation (ILO) adopted the tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) (ILO, 2006). This instrument was the result of negotiations between workers’ and employers’ organisations and governments (ILO, 2006). In 2000, revisions introduced the Fundamental Principles and Rights at Work and updated references to other instruments of the ILO in 2006 (ILO, 2006). These voluntary principles can guide multinationals, governments, employers’ organisations, and trade unions in adopting social policies and should also inspire good practices by national and multinational enterprises. The principles comprise areas such as employment, training, conditions of work and life, and industrial relations (ILO, 2006). Section 3.4.4 will particularly highlight these partnerships in the context of the Swiss labour market.

Economic, environmental, and social sustainability and governance performance are the four core subjects of the Global Reporting Initiative (GRI) founded in Boston in 1997 (GRI, 2012). Its vision and mission is transparent sustainability reporting (GRI, 2012). The GRI is a non-profit, multi-stakeholder and network-based organisation, which provides companies and organisations a comprehensive sustainability reporting framework. This includes the reporting guidelines, sector guidelines, and other resources (GRI, 2012). Companies all around the world use it widely (GRI, 2012).
In March 2011, GRI published the GRI G3.1 guideline, an update and completion to G3, with expanded guidance on reporting of gender-, community-, and human rights-related performance (GRI, 2012). Different to the Global Compact, G3 has no fundamentally ethical reasoning behind it. Finally, the GRI G4 is a combination of the Global Compact and a few other global standards, including ILO and OECD (GRI, 2012).

In 2001, ISO and COPOLCO, the Committee on Consumer Policy, identified the need for a social responsibility standard (ISO, 2010a: 8). ISO is famous for its expertise in developing harmonised international agreements based on double levels of consensus – among the principal categories of stakeholder, and among countries as ISO is a network of the national standards bodies (NSBs) of 163 countries (ISO, 2010a: 5). In 2003, the multi-stakeholder ISO “Ad Hoc Group on Social Responsibility” (SR), which had been set up by ISO’s Technical Management Board (TMB), completed an extensive overview of social responsibility initiatives and issues worldwide and in 2004, ISO held an international, multi-stakeholder conference on whether or not it should launch work in such issues (ISO, 2010a: 8).

Other well-known ISO standards are ISO 9000, ISO 14000, and ISO 14001. The latter sets criteria for an environmental management system. It is known as a generic management system standard while certification is performed by third-party organisations. Similar to ISO’s quality management standard ISO 9000 (see also Table 3) ISO 14000 pertains to the organisation rather than a product. ISO 14000 is one part of the EU Eco-Management and Audit Scheme (EMAS, 2008). However, the approaches are independent and distinct.

EMAS is a voluntary environmental management instrument developed by the European Commission in 1993 (EMAS, 2008). The EMAS Regulation of the European Union (entailing 52 articles and 8 annexes) sets the requirements an organisation should meet in or-
der to register with EMAS (2008). The regulation includes the environmental management system requirements of the international standard for environmental management (ISO 14001) as well as additional requirements such as employee engagement, ensuring legal compliance, or the publication of an environmental statement (EMAS, 2008).

SA8000 is an international voluntary standard aiming to improve the working conditions of employees and one of the world’s first auditable social certification standards for decent workplaces, across all industrial sectors (SAI, 2008). Issued by the non-governmental organisation Social Accountability International (SAI, 2008), it mainly targets multinational companies to fulfil minimum social and labour standards. SA8000 is based on the ILO Conventions as well as UN and national laws and includes industry and corporate codes (SAI, 2012). Compliance with SA8000 means that companies have adopted policies and procedures that protect workers’ basic human rights, i.e., SA8000, management systems that support principles against child labour, forced and compulsory labour, health and safety, freedom of association and right to collective bargaining, discrimination, disciplinary practices, working hours, and remuneration (SAI, 2008).

Other tools companies frequently apply or search for a certification by are product labels. Some of the most common ones are briefly introduced.

2.2.2 Voluntary and compulsory, CSR related labels

The Blue Angel is a certification for environmentally friendly products and services. It has been awarded already since 1978 and is, hence, the oldest ecolabel worldwide covering around 10’000 products and services (Der Blaue Engel, 2010). Minergie, on the other hand, is a widely accepted brand for new and refurbished buildings, but also products and services, building systems, components and materials, and is mutually supported by the Swiss Confederation, the Swiss Cantons alongside with Trade and Industry (Minergie,
Accordingly, the latter show high interest in such environmental aspects (see Section 6.3.2). The main indicator to quantify the required building quality is energy consumption. The construction and building sector (including suppliers, architects and engineers as well as manufacturers of materials, components and systems) has developed a wide range of products and services for Minergie buildings (Minergie, 2015).

The Cradle to Cradle (C2C) Products Innovation Institute is a non-profit organisation focusing on how industry can become “less bad” and set up to be a resource for those who aspire to do “more good” (C2C, 2015). The C2C Product Standard evaluates products and their manufacturers based on achievement in five categories: Material Health, Material Reutilization, Renewable Energy and Carbon Management, Water Stewardship and Social Fairness (C2C, 2015). Product certification is available at five different levels (Basic, Bronze, Silver, Gold, and Platinum), with each higher level addressing a more rigorous set of requirements (C2C, 2015).

The Forest Stewardship Council (FSC) is an international non-profit multi-stakeholder organisation aiming at promoting responsible management of the world’s forests, which sets standards and certificates and labels forest products (FSC, 2012). FSC wants to advance responsible forest management globally and create business value for products from FSC certified forests. It is active in six areas: Forests, Chain of Custody, Social Policy, Monitoring and Evaluation, Quality Assurance, and Ecosystem Services (FSC, 2012).

The Marine Stewardship Council (MSC) is an independent non-profit organisation defining standards for sustainable fishing (MSC, 2013). Fisheries can voluntarily be assessed by an independent expert team and seafood products can display MSC’s ecolabel if these products can be traced back to these fisheries throughout the whole supply chain (MSC, 2013).
These are all voluntary labels. Apart from them, there exist a number of compulsory ones, e.g., the green dot (Der Grüne Punkt, 2015) or the EU Ecolabelling system (European Commission, 2015). The former targets at the recycling of packaging materials of consumer goods and is the license symbol of a European network of industry-funded systems (Der Grüne Punkt, 2015). Its logo is a worldwide protected trademark (Der Grüne Punkt, 2015). Although the European Commission (2015) notes that its Ecolabel is voluntary the competitive edge by the commitment of hundreds of companies across Europe and resulting consumer pressure make it to some extent compulsory.

To conclude on the last two sections, there are numbers of high-level declarations of principles related to social responsibility and there exist many individual programmes and initiatives. The challenge, however, is how to realise such principles in practice and how to implement social responsibility effectively and efficiently even when the understanding of what “social responsibility” means may vary from one programme to another (ISO, 2010a: 5).

Given the analysis so far it became evident that CSR will only or, at least, better work if it transforms markets at the institutional, behavioural, consumer, and leader level. Ultimately, it will create more impact if it becomes a matter of corporate culture and deeply embedded values – a conclusion even the loudest prophets of formal systems agree on. Thus, this issue is worth to be further discussed by this thesis.

2.3 Why care about stakeholders?

Obviously, all kinds of organisations and their stakeholders are becoming increasingly aware of the need for and benefits of socially responsible behaviour: people have become more conscious of what they buy and how goods and services have been produced. As a result, social responsibility is an important subject nowadays and organisations aiming at
long-term profitability and credibility have to realise the need to act in accordance with norms of “right and wrong” (Rasche et al., 2013: 658). Stakeholders (i.e., customers, consumers, governments, associations and the public at large) generate pressure (Rasche et al., 2013: 658). At the same time, organisational leaders recognise that lasting success should be built on credible business practices and culture (Du et al., 2012: 161), and the habitual prevention of such activities as pollution, fraudulent accounting, and labour exploitation.

Accordingly, as operations of organisations grow in scale and diversity (e.g., due to globalisation), many actors are involved so that the importance of stakeholder management increases not only to respond to stakeholder pressure but also to achieve a better society (Russo and Perrini, 2009: 211). Current research suggests that a CSR perspective on business performance has to be achieved by considering the voices of multiple stakeholders (Lozano, 2005: 68).

Especially in regard to legitimacy, Ashford and Gibbs (1990: 178) have elaborated that one of the key challenges of today’s companies is to persuade key stakeholders of the usefulness of their output, procedures, structures, and leadership behaviours. It also keeps companies close to the culture and preferences of their customers.

Direct benefits to the community, diligent stakeholder management and dialogue, and strategic manipulation of perceptions (e.g., through instrumental public relations) are current ways to influence key actors (Palazzo and Scherer, 2006: 75). Drews (2010: 429f.) has shown that an increasing fraction of stakeholder groups regards an organisation’s stance in CSR as a significant influence on the current and even more so on the future relationship with it. The attention is also shifted to inter-stakeholder relations and common interests, paying respect to the fact that stakeholder analysis involves a complex web of relationships rather than just a series of dyadic connections between a stakeholder group and a company.
(Rasche et al., 2013: 658). A new perspective also proposed by Post et al. (2002: 16f.) and by Campbell (2006: 931) in his attempt to integrate institutional analysis into CSR research. The first research step follows closely the perspective of Post et al. (2002) and Campbell (2006) by answering the questions of who the relevant CSR stakeholders in Switzerland are and which relationships are established among them; hence, focusing on the stakeholders enables one to obtain a truly holistic picture of CSR issues, in Switzerland and elsewhere.

To conclude, these aspects warrant the following research on myriad stakeholder influences, personal responsibilities, and on the status of formalisation within Swiss CSR. In a first step, the next section’s aim is to answer research question 1: “What are the characteristics of the Swiss CSR stakeholder environment?”
3 CSR Stakeholders in Switzerland

Switzerland has a long tradition of people and stakeholders sharing the viewpoint of CSR as “moral activity” (Gentile and Lorenz, 2012: 81; Christen Jakob, 2012: 191) and as “implicit part of the day-to-day business” (Matten and Moon, 2008: 419). Many companies tackle a myriad of responsibilities in terms of protecting the environment, developing the community, corporate volunteering, or conserving resources in the pursuit of societal benefit (Berger et al., 2012: 56ff; van Schie et al., 2012: 71).

Concrete actions like respecting employees’ rights, state-of-the-art regulations for health and safety at work, equal hiring of handicapped workers, long-term investments, recycling and circular economy initiatives, buying organic and fair-trade food/textiles, or at least local products, are standard in Switzerland driven by voluntarisms and not by regulation (Baumann-Pauly et al., 2013: 698) and good examples for turning the abstract concept of CSR into tangible and easily understandable, single facets. This makes Switzerland a valuable research field for CSR.

The explanation for the heightened awareness of CSR issues in Switzerland may lie in its political/historical background that is examined in the following.

3.1 CSR in Switzerland

Switzerland, officially known as the Swiss Confederation, is a federal parliamentary republic. Federalism is one of the most important features of the Swiss state. The central government must pay respect to 26 individual cantons, with regard for their budgets, languages, unique geographies, social practices, etc. (Linder, 2005: 45). Switzerland is characterised by a form of direct democracy where society retains the civic rights to challenge
any law passed by parliament (by referendum) and introduce supplements to the federal constitution (by initiatives) (Kriesi, 1980: 45ff.).

Although predominantly German-speaking (the other linguistic and cultural regions are French-, Italian-, and Romansh-speaking), Switzerland is not bound by a sense of common ethnic or linguistic identity. Instead, the strong sense of identity and community evolves from a common historical background, traditionally common values, its direct democracy and federalist system, and from “Alpine symbolism” (Federal Administration, 2008).

Moreover, the principles of subsidiarity and liberalism determine the relationship between state, economy, and third sector (mostly professional associations). As the state is traditionally weak, there is a strong incentive for the other sectors to organise themselves.

Thus, Switzerland has a strong third sector and philosophical, economic, political, and social independencies are very important to the Swiss (Helmig et al., 2010: 24). It is also the birthplace of the Red Cross, another indicator for its long tradition in third sector movements (Helmig et al., 2010: 78), and has a long history of “armed neutrality”. In other words, it was not involved in either of the World Wars and can therefore rely on traditional businesses with an uninterrupted mode of family capitalism and “Mittelstand”/small business culture (Linder, 2005: 112). As another facet of economic and political neutrality, Switzerland is notably not a member of the European Union (EU) or the European Economic Area, and business is mainly embedded in local value chains (Federal Administration, 2008).

Switzerland has a stable and prosperous economy based on high-tech products and services. Its wealth is mainly borne by SMEs as the economic backbone (SECO, 2012b). Indeed, the majority (i.e., 99.8%) of all companies are SMEs, which employ about 70% of
Swiss labour (FSO, 2013), contribute 20% of export value (Credit Suisse, 2014), and 60% of Swiss GDP (SRF, 2013).

Although Switzerland is home to several large multinational corporations (e.g., Glencore, Nestlé, Novartis, ABB, and Adecco), its predominant economic sectors are manufacturing (FSO, 2013), largely of specialist chemicals, health and pharmaceutical goods, and scientific and precision instruments (Federal Administration, 2008). These goods are mainly produced by Swiss SMEs which are often niche actors, highly specialised, and, although not widely known, in many cases world or at least, Swiss market leaders (SECO, 2011; SECO, 2012b).

Hence, Switzerland is regarded as the land of the “hidden champions”, on the one hand in an economic sense, related to its highly specialised and quality-oriented SMEs (e.g., Brûlé, 2005), but also with respect to CSR, as for instance shown in the Swiss Corporate Sustainability Report (Berger et al., 2012: 71) or Enderle (2004: 57). According to Berger et al. (2012: 73) responsible values are widespread, anchored in tradition, and sometimes also in “mission statements”, although CSR activities are still not openly communicated, not connected with markets, and not used as differentiation strategy. This might be related to the cultural context of direct democracy and federalism, where the community counts and not the individual.

Although decency characterises Swiss business, Berger et al. (2012: 54) found some trends towards more reporting (e.g., Code of Conducts, CSR or sustainability reports), which could be traced back to the need to increase stakeholder engagement and dialogue in order to sustain competitive advantage. As Gentile and Lorenz (2012: 81), Gentile (2012: 175), Samuel et al. (2012: 111), and Lorenz and Spescha (2012: 121) showed in a set of comparative studies, Swiss CSR seems to be mainly driven by traditional values and ethics.
Similar to many European countries (Matten and Moon, 2004: 34; 2007: 23; 2008: 414), strategic or “explicit” CSR is still very seldom in Switzerland, on the contrary, it is predominantly internally communicated and inter-sector CSR relationships (e.g., between small businesses and NPOs in order to implement strategic win-win situations) are almost non-existent (Berger et al., 2012: 23ff.).

Considering the significant role of SMEs in Switzerland’s economic development, their collective “grandness”, and cumulative impact on Swiss society, an in-depth understanding of SME CSR practices seems to be crucial. Such an understanding could create an effect on local society as well as on SMEs themselves (Morsing and Perrini, 2009: 5). Given the importance of lead actors especially in small companies (as elaborated in the previous sections) this cannot be achieved without looking at the values, beliefs, and ethics of Swiss small firm owner-managers. Consequently, this thesis also focuses on these characteristics of Swiss CSR while it seeks to verify the various specifics found by others (e.g., Matten and Moon, 2004: 36; Berger et al., 2012: 65; Christen Jakob, 2012: 191).

As aforementioned, CSR cannot be separated from the social context and stakeholder concerns. To establish a stakeholder dialogue or engagement, it is vital to explore the complex web of relationships and potentially similar or divergent interests in CSR and the nexus between stakeholder interests and CSR in companies. At this stage, it can be concluded a research gap exists regarding this interplay in Switzerland. Hence, this study seeks to fill this gap, with a special eye on the small business perspective. Given the absence of “a consolidated and generally accepted model in regard to the CSR-SME relationship” (Russo and Perrini, 2009: 215) this research contributes substantial insight into this open question.
Hence, the next section examines various approaches to different stakeholders and their concerns in order to provide the most suitable combination of instruments for this study’s needs.

3.2 CSR and stakeholders: who is to what extent important?

One option to identify stakeholders is Freeman’s (2010) strategic model, mainly focusing on large companies’ stakeholders and their power and interests. Freeman (2010: 52ff.), who importantly shaped the stakeholder theory, defines stakeholders “as groups and individuals who can affect, or are affected by, the achievement of an organisation’s mission” and argues that “stakeholders of a firm have thus a strong interest in its operations and results and may decide over its success or failure”.

Freeman (2010: 57ff.) proposes three steps of stakeholder management: 1) the organisation has to identify stakeholders and their perceived stakes; 2) the organisation’s implicit and explicit relationships with these stakeholders have to be analysed; 3) it must be examined whether these relationships, notably, the set of transactions and negotiations among the organisation and its stakeholders, fit with the current stakeholder map – i.e., if the organisation understands its stakeholders, has organisational processes to take them into account and is able to balance their interests to achieve its own purpose (Freeman, 2010: 58). In order to identify stakeholders, Freeman (2010: 55) developed 12 generic stakeholder categories that affect organisational missions.

As shown earlier, the interrelations and stakes of any involved stakeholder (not only companies), their mutual dependencies, and their similar or divergent interests are influencing or deciding as well. Consequently, Freeman’s (2010: 60f.) power-interest grid is a tool too broad for analysing and prioritising stakeholders with respect to this research’s purpose.
Furthermore, as Mason and Simmons’ (2013: 81) stakeholder systems model of CSR demonstrates, board decisions to react on stakeholder claims and agendas are strongly shaped by stakeholder salience and legitimacy. Similar to the research here, Mason and Simmons (2013: 82) also undertake a holistic approach to CSR that integrates not only shareholder interests but wider stakeholder concerns by identifying stakeholder groups that seek recognition for their CSR claims.

However, as this model targets a method to evaluate stakeholder satisfaction with companies’ CSR effectiveness and equity and a framework for incorporating stakeholder assessment in overall company evaluation of CSR (Mason and Simmons, 2013: 81), it takes again the perspective of companies and is too strongly focused on formal stakeholder strategy instead of the heuristic rationale of the analysis proposed here.

By contrast, for example the St. Galler Management Model merges this strategic stakeholder view with an ethical dimension targeting every actor, independent from its power or interest, as well as normative and long-term conditions (Ulrich, 2001: 39). Its aim is to work against a reductionist consolidation of management into individual disciplines and sees management as an expression of the “interpretive turn” in social sciences (Rüegg-Stürm, 2005: 7). Hence, it resembles a holistic, cybernetic, and organic framework that tries to master complexity by a careful and contextual analysis of communicative, relational, and social clusters (Rüegg-Stürm, 2005: 6f.). Since reality (or social order) is seen to be founded upon constructing and interpretative social processes (Rüegg-Stürm, 2005: 7), the St. Galler model fits this research’s attempt to include the voices of multiple Swiss CSR stakeholders and their complex web of mutual, social relations.

Considering this and the previously identified economic, political, regulatory, and social idiosyncrasies of Switzerland as well as of actors involved in the topic of CSR leads to the
eight strategic/ethical stakeholder groups (notably 12 sub-groups) examined in this research: companies (large national companies, MNEs, and SMEs), consumers, trade unions, Non-Profit-Organisations (NPOs) (cooperating and not cooperating), support providers (certifiers and consultants), capital providers, media, and government. The identification of these groups is highly suitable in regard to relevant actors within Swiss CSR (compared also with Sections 3.1 and 3.3.1).

For the subsequent prioritisation of stakeholders, the salience framework (Mitchell et al., 1997: 874) is the most appropriate model as it allows a fine gradation of stakeholders and their ability to influence CSR. It also permits an accurate attribution of stakeholders to their categories and the identification of a defined Swiss stakeholder map.

The salience model (i.e., Figure 4) argues that a definition of “who or what really counts” is crucial. This materiality is to be identified based on the stakeholders’ possession of three attributes: power, legitimacy, and urgency (Mitchell et al., 1997: 854).

This is useful for the mapping of stakeholders as it allows a differentiation of their CSR practices. Figure 4 demonstrates how stakeholders can become salient corresponding to their power, legitimacy, and urgency – leading to different categories with priorities ranging from 1 to 8 (further described in Table 4).
Power can refer to physical resources of force, violence, or restraint (so-called coercive power); to material or financial resources (utilitarian power); or can be symbolic (normative power) (Mitchell et al., 1997: 865f.).

According to Suchman (1995: 574), legitimacy is “a generalised perception or assumption that actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions”. This suggests that legitimacy is a societally desirable good that is broader than self-perception, and has to be defined as a result of negotiation at different layers of society (Mitchell et al., 1997: 866f.). It also asserts that an assessment of legitimacy cannot be done without a reference to wider systems of norms, values, and beliefs, making this an essential consideration of CSR actions and their underlying ethical concepts (Slote, 2011: 67ff.).

Urgency is based on two attributes: time sensitivity and criticality. The former can be seen as the degree to which managerial delay in attending to the claim or relationship is unacceptable to the stakeholder, whereas the latter refers to the importance of the claim or relationship (Mitchell et al., 1997: 867f.). Combining power, legitimacy, and urgency results in
eight categories of stakeholders with declining priority – definitive, dependent, dangerous, dominant, demanding, discretionary, dormant, and non-stakeholder (Mitchell et al., 1997: 874) – see Table 4.

As previously mentioned, within Swiss CSR, stakeholder influence differs, thus, it is helpful to take stakeholder engagement, or response strategies, into account, as proposed by Beach (2009: 24). This approach predicts the link between stakeholder salience and stakeholder engagement by suggesting that the latter differs depending on the former as a function of two variables: quantity and quality (Beach, 2009: 24).

This research needs to categorise stakeholders, so it is helpful to take decisions about mutual stakeholder response patterns into account as quality and quantity of stakeholder engagement are likely to differ for different groups (Beach, 2009: 22). Consequently, information about current or potential response strategies (in combination with stakeholder descriptions in Table 4) delivers another facet for adequate categorisation of Swiss CSR stakeholders.
Table 4: Categories, strategies, and priorities of stakeholders (response strategies adapted from Beach, 2009: 24; categories and priorities adapted from Mitchell et al., 1997: 874)

As said, being aware of inter-stakeholder relations and mutual interests in order to resolve stakeholder concerns is crucial. Bryson’s (2011: 417) stakeholder-issue interrelationship-approach is a method to visualise relationships between stakeholders by indicating their common interests (i.e., issues/stakes/concerns, all of which are interchangeably used here) with a tie, arrow, or line between the involved actors, preferably by different labels or colours (e.g., Figure 5).
Bryant (2003: 37) calls this a “preliminary problem structuring diagram” that should help to understand which stakeholder has an interest in which issue and how stakeholders might be related to other groups through their relationships with the issue.

By applying this diagram, a structuring of issue clusters, or sections, is reached. This allows a number of actual or potential areas for cooperation or conflict to become apparent (Bryson, 2011: 417).

![Stakeholder-Issue Interrelationship Approach](image)

**Figure 5: Stakeholder-Issue Interrelationship Approach** (adapted from Bryant, 2003: 37)

Combining the St. Galler model (Rüegg-Stürm, 2005: 70), the salience framework (Mitchell et al., 1997: 874), Bryson’s (2011: 417) stakeholder-issue interrelationship-approach, and Beach’s (2009: 24) strategies to react on performance gaps will draw a differentiated picture of actor priorities and issue clusters in the CSR discussion. A map of stakeholders, their relative salience, and pertinent issues therefore allows exploration of emerging or dormant problems likely to lead to an alliance large enough to secure adoption of preferred solutions and to protect them during implementation (Bryson, 2011: 417).
The previous sections explored literature on CSR definitions, the national context of Switzerland, stakeholder theory, and how the nexus between them determines the components behind the engagement of organisations in CSR and paves the way for further research. The next section outlines the methodology applied to draw the relative map.

3.3 Methodology on Swiss CSR stakeholders

To build up a basic understanding of the stakeholders’ attitudes towards the topic of CSR in Switzerland, publicly available documents, reports, statements, etc. by academics and stakeholder group representatives were analysed. Some of the most known and widespread initiatives shall be mentioned next.

3.3.1 Document analysis

Apart from academic literature websites from different governmental departments (e.g., SECO State Secretariat for Economic Affairs, 2005, 2009, 2012a, b; FCAB/BFK Federal Consumer Affairs Bureau, 2014a, b; The Swiss Federal Council, 2013; Stadt Zürich, 2012a, b, c; ARE Bundesamt für Raumentwicklung, 2012; Swiss Post, 2012; FINMA Swiss Financial Market Supervisory Authority, 2008), Chambers of Commerce (e.g., Switzerland Global Enterprise, 2014), professional bodies (e.g., Swiss Institute of Certified Accountants and Tax Consultants, 2013; Economiesuisse, 2012), from companies (e.g., Electrolux, 2012a, b; Novartis, 2012; Nestlé, 2014a, b, c), capital providers (e.g., Zürcher Kantonalbank, 2012a, b, c; UBS, 2012a, b; Bank Vontobel, 2014), consumers (e.g., Konsumenforum, 2014; Kassensturz, 2014), from NPOs (e.g., Ethos Swiss Foundation for Sustainable Development, 2012; Fairtrade, 2012; MultiWatch, 2012, 2014; Recht ohne Grenzen, 2012; Coalition of Swiss NGOs, 2010; AI Amnesty International CH, 2012), from trade unions (e.g., SAH Schweizerisches Arbeiterhilfswerk, 2012; Travail Suisse,
2011, 2013; SGB Schweizerischer Gewerkschaftsbund, 2006), consultants (e.g., KPMG, 2011), and European Multi-Stakeholder Forum (2004) were examined.

Documents were downloaded and analysed not only to capture definitions, interpretations, and understandings of CSR, but also to gain a broad picture of how powerful, legitimate, and urgent the different stakeholder groups’ claims might be. This document analysis depicted an already fairly accurate picture of stakeholder salience, concerns, interests, and issues. Notably, it allowed also a verification of the eight (respectively 12) stakeholder groups previously identified following the St. Galler model (Rüegg-Stürm, 2005: 70).

These results laid the groundwork for the interviews. Notably, despite the strengths of this online research, in regard to research quality, it is worth noting that CSR information on institutional websites, etc., is not audited and might be biased by internal interests.

The interview questions were developed based on general concerns, specific interests, stated options for companies/government/NPOs and other actors to influence policy, economy, and society (related to power), and on statements in regard to legitimate or urgent claims of stakeholder groups. The merging of these results with the findings from the interviews enables a generalisation of individual interviewees’ statements to a company, as well as to some extent to a national, level. Furthermore, face-to-face, personal interviews allow contextualised discussions and an open-ended, exploration of the Swiss CSR context, wherein “speech is considered data” (Forsyth, 1992: 469f.) that constitutes organisational realities.
3.3.2 Interviews: sample description of stakeholder study

The selection of the interviewees was based on the maximum variation strategy following grounded theory to ensure a wide range of characteristics, experiences, and practices (Atteslander, 2010: 274ff.). This should allow gathering of ideas and perceptions suitable for the identification of patterns of attitudes, values, models, etc. across heterogeneous cases (i.e., stakeholder groups) (Patton, 2002: 544f.). Therefore, the sample was randomly selected from the Swiss online telephone book tel.search.ch (2015) with respect to the different stakeholder groups defined by the St. Galler model (Rüegg-Stürm, 2005: 70). The Swiss online telephone book – tel.search.ch (2015) – allows for sectorial and corporate search, which secured that only institutions were reached.

The stakeholder group “consumers” is represented by a consumer organisation, since interviews among a representative number of consumers would have asked for a substantive logistical effort disproportionate compared to other stakeholder groups. Including a representative number of consumers in this research would have shown greater variability with literature whilst just adding further complexity. Furthermore, it is not the only group that is studied in general “by proxy” (Atteslander, 2010: 137f.).

The institutions were initially contacted by phone to seek their participation and to secure their expertise in this topic. Expertise is defined here as “many years of experience, domain-specific knowledge, and skills” (Mieg and Naef, 2005: 11). This definition is likely to prevent the most common methodological error regarding interviews: namely, persons are interviewed as experts on a particular issue who only have an opinion but no experience. To avoid this bias – notably in every research step of this thesis (with regard to research questions 1-6) – it was ensured when contacting potential interviewees that the face-to-face interview will only take place with an experienced and responsible person who thus
has the defined expertise regarding his/her institution in combination with CSR. As elaborated in Section 2.1, the people at the top of an institution seem to matter most as they assess “social responsibility to be an important topic” and develop corresponding strategic directions.

Accordingly, this perspective of “responsibility matters here” and “this is the right place to seek culture/moral” is adopted here (Looser and Wehrmeyer, 2015a: 790). In order to further heighten the reliability of results, some interviews were not only with leading persons, but together with other members of management, e.g., Chief Financial Officer (CFO) of organisation 8, or employees of organisations 7, 13, and 17.

While following grounded theory to gather data until a certain theoretical saturation is reached (Atteslander, 2010: 21ff.) and trying to pay some respect to the statistical distribution of institutions in Switzerland (FSO, 2013), this research culminated in 27 exclusively face-to-face interviews. Table 5 provides a brief, quantitative overview over the different organisations.

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<th>Stakeholder group</th>
<th>Sector</th>
<th>Count</th>
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<tbody>
<tr>
<td><strong>Company</strong></td>
<td>MNE</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Large national</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>SME</td>
<td>12</td>
<td>44</td>
</tr>
<tr>
<td><strong>NPO</strong></td>
<td>Cooperating</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Not cooperating</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td><strong>Trade union</strong></td>
<td></td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td><strong>Support provider</strong></td>
<td>Certifier, consultant</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td><strong>Capital provider</strong></td>
<td>Banks</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td><strong>Media</strong></td>
<td></td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td><strong>Government</strong></td>
<td>Economic affairs</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Research affairs</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td><strong>Consumers</strong></td>
<td>Consumer organisation</td>
<td>1</td>
<td>3</td>
</tr>
</tbody>
</table>

Table 5: Quantitative sample description
The organisation code identity (ID) and a qualitative description of the interviewees (position, experience, and educational level, stakeholder group, etc.) are indicated in Table 6. Since some organisations requested anonymity all organisations are anonymised by a code ID (first column in Table 6).

<table>
<thead>
<tr>
<th>Code ID</th>
<th>Stakeholder group / sector (function, experience in company, educational level)</th>
<th>Industry / target group</th>
<th>Facts and Figures</th>
<th>Aim / Specification</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Company: Large national company (CEO, 12 years, Master's degree)</td>
<td>Food / Swiss consumers</td>
<td>391 employees turnover (2012): Mio. 210 EUR</td>
<td>Family business, established 50 years ago and one of Switzerland’s top brands within the Swiss food industry.</td>
</tr>
<tr>
<td>2</td>
<td>Company: MNE (CEO, 20 years, Master's degree)</td>
<td>Software Engineering / international customers</td>
<td>300 employees private equity owned</td>
<td>Develops individual high-end software solutions for the financial, public, retail, and telecommunication market in Asia/Pacific and Switzerland.</td>
</tr>
<tr>
<td>3</td>
<td>Company: MNE (CEO, 3 years, Master's degree)</td>
<td>Concrete / worldwide supply</td>
<td>80’000 employees in 70 countries turnover (2012): Mia. 21 EUR</td>
<td>Core businesses include the manufacture and distribution of cement, aggregates, concrete, etc.</td>
</tr>
<tr>
<td>4</td>
<td>Company: SME (owner/marketing manager, 20 years, Master's degree)</td>
<td>Software Engineering / Swiss corporate customers</td>
<td>200 employees turnover (2013): Mio. 37.7 EUR</td>
<td>Established 1984, develops individual high-end software solutions for the financial, public, retail, and telecommunication sector.</td>
</tr>
<tr>
<td>5</td>
<td>Company: SME (owner-manager, 22 years, Bachelor's degree)</td>
<td>Public elements / Swiss and international customers</td>
<td>55 employees turnover (2013): undeclared</td>
<td>Founded in 1907 as locksmith's and blacksmith's shop, produces in the fourth generation public elements (e.g. signage, information carriers).</td>
</tr>
<tr>
<td></td>
<td><strong>Company:</strong> SME (owner-manager, 18 years, national certificate)</td>
<td>Construction / Swiss construction business</td>
<td>246 employees turnover (2013): ca. Mio. 100 EUR</td>
<td>Established 1983 and totally owned by the management, is a service company in the scaffolding industry serving events, housing, and construction.</td>
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<tr>
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</tr>
<tr>
<td>6</td>
<td><strong>Company:</strong> SME (CEO, 10 years and employees, 3/5 years, all national certificates)</td>
<td>Flowers, plants and decoration / Swiss corporate customers</td>
<td>54 employees turnover (2013): Mio. 54 EUR</td>
<td>Established 1948, co-operatively organised wholesale platform for flower, plant, and decoration suppliers and corporate customers.</td>
</tr>
<tr>
<td>7</td>
<td><strong>Company:</strong> SME (owner-manager, 40 years and CFO, 30 years, both Master's degrees)</td>
<td>Timepiece industry / Swiss and international customers</td>
<td>16 employees turnover (2013): Mio. 8 EUR</td>
<td>Established 1934 and totally owned by the family, produces luminous markings for the timepiece industry, photo luminescent safety and security markings.</td>
</tr>
<tr>
<td>8</td>
<td><strong>Company:</strong> SME (owner-manager, 24 years, national certificate)</td>
<td>Logistics, construction / Swiss construction industry</td>
<td>83 employees turnover (2013): undeclared</td>
<td>Established 1914 and totally owned by the family, with core competences in concrete, construction logistics, mineral products, and unbuilding.</td>
</tr>
<tr>
<td>9</td>
<td><strong>Company:</strong> SME (junior owner-manager, 4 years, national certificate)</td>
<td>Electricity and ICT / Swiss individual and corporate customers</td>
<td>150 employees (45 apprentices) turnover (2014): Mio. 23.5 EUR</td>
<td>Established 1947, is a family business operating security, electricity, automation, and telematics services and installations, e.g. solar panels, etc.</td>
</tr>
<tr>
<td>10</td>
<td><strong>Company:</strong> SME (owner-manager, 25 years, national certificate)</td>
<td>Book-trade, publishing industry / Swiss book retail and wholesale</td>
<td>40 employees turnover (2013): Mio. 39 EUR</td>
<td>Established 1989, is a logistic company for the media industry, retailing 56'000 products, is independent and totally owned by the management.</td>
</tr>
<tr>
<td>11</td>
<td><strong>Company:</strong> SME (owner-manager, 34 years, national certificate)</td>
<td>Agriculture / Swiss individual and corporate customers</td>
<td>50 employees turnover (2013): Mio. 9 EUR</td>
<td>Produces in the fourth generation agricultural products (vegetables, meat, plants, and flowers).</td>
</tr>
<tr>
<td></td>
<td><strong>Company:</strong> SME (owner-manager, 16 years and employees, 8/10 years, all Master's degrees)</td>
<td>Consulting, Audit / Swiss individual and corporate customers</td>
<td>12 employees turnover (2013): Mio. 2 EUR</td>
<td>Established 1998, totally owned by the manager, offers tax advisory and consultancy, audit and certified accountancy.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>13</td>
<td><strong>Company:</strong> SME (owner-manager, 28 years, national certificate)</td>
<td>Spice, fruits, nuts trade / Swiss food industry</td>
<td>30 employees turnover (2014): Mio. 45 EUR</td>
<td>Established 1986, totally owned by the management, trades raw materials for the Swiss food industry ranging from ingredients for ice cream, chocolate, soups, cereals etc.</td>
</tr>
<tr>
<td>14</td>
<td><strong>Company:</strong> SME (owner-manager, 12 years, national certificate)</td>
<td>Wines / Swiss individual and corporate customers</td>
<td>10 employees turnover (2013): Mio. 6 EUR</td>
<td>Established 25 year ago, trades Swiss and European organic wines.</td>
</tr>
<tr>
<td>15</td>
<td><strong>Consumer:</strong> Consumer organisation (CEO, 5 years, national certificate)</td>
<td>Consumables / Swiss consumers</td>
<td>4 part-time and 2 full-time employees</td>
<td>Independent and liberal, offers free-of-charge advice for consumers (telephone, email, and website).</td>
</tr>
<tr>
<td>16</td>
<td><strong>NPO:</strong> cooperating <em>Social Enterprise</em> (founder/CEO, 5 years, Bachelor's degree and employees, 2/3 years, national certificates)</td>
<td>Third sector / Swiss society</td>
<td>20 part-time employees</td>
<td>Aim is the job and social integration of mentally or physically disabled people in the first job market.</td>
</tr>
<tr>
<td>17</td>
<td><strong>NPO:</strong> cooperating <em>Foundation</em> (CEO, 5 years, PhD degree)</td>
<td>Third sector / Swiss society</td>
<td>4 employees</td>
<td>Foundation with the aim of information and integration of disabled people through social networks, ambassadors, and company events.</td>
</tr>
<tr>
<td>18</td>
<td><strong>NPO:</strong> cooperating, well-established Association (development manager, 15 years, Master's degree)</td>
<td>Third sector / Swiss society</td>
<td>18 employees</td>
<td>Established 1902, offers as non-governmental association in the tax consultant and audit sector advice for members.</td>
</tr>
<tr>
<td>19</td>
<td><strong>NPO:</strong> not cooperating <em>Ecology group</em> (marketing manager, 18 years, Master's degree)</td>
<td>Third sector / worldwide society</td>
<td>Worldwide 2400 part- and full-time employees</td>
<td>Established 1971 in Canada, highly visible by using direct action and lobbying e.g. on</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>21</td>
<td>(head of section, 3 years, Bachelor's degree)</td>
<td>(owner-manager, 25 years, Master's degree)</td>
<td>(CSR manager, 12 years, Master's degree)</td>
<td>(CEO, 5 years, Master's degree)</td>
</tr>
<tr>
<td></td>
<td>Third sector / Service Public</td>
<td>Consulting sector / Swiss academics and business</td>
<td>Finances / international individual and corporate customers</td>
<td>Finances / Swiss individual and corporate customers</td>
</tr>
<tr>
<td></td>
<td>Offers support from labour law specialists. It represents 13’000 employees from public institutions.</td>
<td>Business consultancy specialised in integrated management systems (including environmental, quality, social, and health security certifying).</td>
<td>Product portfolio includes a range of accounts, business and property financing facilities, commercial credits, and expert investment advice.</td>
<td>Established 1990, represents about 30’000 Swiss clients, provider of ethical banking services.</td>
</tr>
</tbody>
</table>

Table 6: Organisation code ID and qualitative sample description

The interviews were based on pre-tested questions (see Appendix 1) derived from theory and document analysis corresponding to the themes of CSR (urgency, power, and legitima-
cy) of the different stakeholders in Switzerland, the conditions, stakes, interrelations, and the similar or divergent interests of these actors regarding Swiss CSR.

In the first part, interviewees were asked about their understanding of CSR where after different concepts (as stated in Section 2.1) and concrete actions of CSR (e.g., in Section 2.2) were introduced and discussed. After this discussion and paying respect to the fact that CSR is a broad umbrella term the participants agreed on “the responsibility of enterprises for their impacts on society” (European Commission, 2011: 6) as definition here (see again Section 1).

The experts were subsequently asked about their general attitude towards CSR in Switzerland, about their influence and power on Swiss CSR, how legitimate and/or urgent their concerns and claims in regard to CSR are, and whether there will be any changes in these estimated levels in near future. Subsequently, they should evaluate other stakeholder groups’ power, legitimation, urgency, and claims.

In order to obtain a different viewpoint on their approach to other stakeholders, they were asked about their response patterns to other actors within Swiss CSR. Whether a stakeholder is seen as “legitimate but does not afford attention”, or “has high expectations of support”, “is irrelevant within the CSR topic”, or “is unwilling to become involved” provides significant hints to stakeholder categories strictly following Beach’s (2009: 24) strategies to react on performance gaps within stakeholder relationships (compare with Table 4). On this basis, the interviewees were requested to name their issues, interests, claims, and concerns in CSR and which ones they assume to have in common with others. Within this structure, responses were encouraged in a way that was not guided by any judgements of expected behaviour in order to reveal underlying feelings and attitudes, to avoid socially
desirable responses, and to undertake estimates of power-, legitimacy-, urgency-levels and stakes in the experts’ own words.

3.3.3 **Interview analysis: qualitative coding**

The interviews took on average one hour and were conducted between October 2013 and April 2014. They were subsequently transcribed and coded using MAXQDA (for the data files see storage media in Appendix 19). The simple transcription procedure was used, which puts the focus on a transcript smoothed from colloquial language, on a legible text, and mainly on the content of the conversation (Dresing and Pehl, 2011: 2). This research is, in general, based on qualitative analysis where qualitative coding is defined as “the process by which segments of data are identified as relating to, or being an example of, a more general idea, for instance, theme or category” (Lewins and Silver, 2007: 22).

The decision in favour of a category-based evaluation (in this part using MAXQDA) fell since this allows a review of all interviews on the basis of the research topics by parallel analysis of the data. By coding and categorising, differences, similarities, and action patterns were identified in order to find mutual concerns (or common interests) between stakeholders (as suggested in Section 3.2).

The code tree created at the beginning of the coding process is based on a procedure of *in-vivo* coding. *In-vivo* coding refers to a passage where meaningful and significant key statements are directly marked as code and transferred into the code system (Verbi, 2012). Therefore, firstly the code tree was wide, and then rapidly condenses to the relevant aspects. This, on the one hand, ensures that the tree is not too specific; on the other hand, a sufficient and appropriate number of statements are outlined. In addition, this enabled the identification of specific answers in regard to the research questions related to power, urgency, legitimacy, and concerns of the different stakeholders.
During the evaluation, it turned out that due to the comprehensive statements of the experts, more open categories had to be selected. This final code tree and the quantitative analysis of the codes given are shown in Appendix 2.

The reasons for the individual categories are based on comments, or code memos respectively (see Appendix 3), strictly following grounded theory rules for coding (Strauss and Corbin, 2008: 89). Finally, the different statements were weighted (with a default mean = 50, maximum = 100, minimum = 0) in order to analyse the “softer” conversation components, such as intonation and gestures. A stronger weighting particularly points to facts that were emphasised by the experts through their parallel gesture or intonation (for an excerpt of the coded and weighted data see Appendix 4).

The correlations gained by coding the whole interview and weighting the core statements made the analysis of the interviews an integrating and hermeneutic procedure. In sum, the coding process allowed for cross-case analysis to identify patterns and construct typologies as suggested by Patton (2002: 544ff.). This helped to relate the identified patterns to other observations or research results, e.g., from document analysis.

3.3.4 Triangulation and quantitative analysis

Although the research is mainly exploratory, the results were also analysed in a quantitative manner. Therefore, the quantitative number of codes given in the interviews for the perceived own and others’ power-, urgency-, and legitimacy-levels were transferred into a stakeholder map. Triangulating these results with findings from the pre-analysed documents leads to clear assignations of stakeholder priorities/categories (as defined by Mitchell et al., 1997: 872f.).

A stakeholder for instance, who is regarded by its co-stakeholders as powerful and legitimate with urgent claims, an estimation congruent with self-image and pre-analysed docu-
ments, is categorised as definitive stakeholder. In the map, the different priorities are depicted by concentric circles: e.g., a definitive stakeholder has priority 1 and is consequently positioned on the most central circle. On the contrary, an actor with little power/legitimacy and without urgent claims is shown on the very outside circle, labelled as “non-stakeholder” (as outlined in Figure 8).

The decisions about whether others see a group as powerful, legitimate, with urgent claims, or not, were based on majority view. In most cases, the external assessments were surprisingly concordant. If self-ratings were found to differ from the ratings of others, the previously analysed publicly available documents were consulted, compared, and triangulated in order to reach a final decision based on a majority of references.

If it were still not possible to make a decision on that basis, new documents were sought and examined until an accurate assignment to a stakeholder category was possible. This situation was only the case for “trade unions” and “cooperating NPOs”. The former was externally assessed as powerful, legitimate with urgent claims, whereas the trade unions themselves see their influence as limited because they are less interested in the broad concept of CSR.

Document analysis (e.g., on the websites of Travail Suisse and SAH) supported the latter and thus helped to make a final decision on this group’s power-, legitimacy-, and urgency- levels. Cooperating NPOs on the other hand see themselves as relatively weak (compared to their not cooperating counterparts); however, external opinions differed because these NPOs’ expertise seems to be greatly appreciated by most other stakeholder groups. In this specific case, the consultation of external documents (e.g., Novartis, 2012; Nestlé, 2014a; ZEWO, 2014) supported the external opinion, and thus a final assessment was possible.
To identify individual issues (or concerns/interests) the same procedure was chosen: the main themes were identified over document analysis and verified from different stakeholder’s viewpoints during the 27 interviews. Thus, interviewees were asked about their own and others’ interests and concerns in CSR. The triangulation of external and self-assessment with documents helped again to gather a holistic and quite complete picture of CSR concerns stakeholders had in common with other groups (compare again with Figure 5). These findings were systematically aggregated by the coding process and then transferred into ties in the stakeholder map to on the one hand visualise but also to quantitatively analyse the qualitative data.

A draft of the map was subsequently reviewed by the interviewees in order to ensure that the coding matches their perspectives. This draft map is intentionally not displayed here since it contains data that was not anonymised so that the participants were able to identify themselves and the actors in their proximity.

During the Delphi-like process (Atteslander 2010: 164f.), they were sent the draft map by email alongside instructions to reflect their position (notably not their priorities) in relation to the actors in their sphere of influence, and to verify their issues that were aggregated by the coding of their various inputs. The interviewees were asked to give feedback via email or telephone. Figure 6 shows the process of stakeholder analysis.

**Figure 6: Process of stakeholder analysis**

During this process and the discussions herein, stakeholders were moved around on their concentric circle (corresponding to their priorities) until every actor was satisfied with its relative location. Overall, there were only few and minor adjustments necessary. With re-
gard to issue clusters, all interviewees agreed on three generic (actual or potential) areas of interest. Subsequently the actors in the map were anonymised by their code ID (as given in Table 5).

As this part of the thesis applies stakeholder mapping in order to visualise and also to analyse the gained data quantitatively the next section explores network analysis methodology.

### 3.3.5 Network analysis: software and parameters

The aforementioned visual and quantitative analysis is run by the network analysis software “VennMaker”. VennMaker presents a compromise between highly standardised network questionnaires for quantitative evaluation and the collection of qualitative information by intuitively drawing networks on the computer (Kronenwett and Schönhuth, 2011: 123). As a network analysis software tool, VennMaker is able to calculate network parameters. These parameters give additional hints as to the importance and embeddedness of individual actors in the Swiss CSR network, which can be described as follows:

*Degree* is considered a simple mass number for prestige, popularity, and social support, and refers to the number of direct relations of each actor (Kronenwett and Schönhuth, 2011: 122). In this research for instance, SMEs have 9 ties to other stakeholders (representing common concerns/interests, etc.). This results in an un-standardised degree value of 9. In order to standardise this parameter and make it comparable across different networks, the sum of ties is divided by the sum of actors involved (thus by 12 actors in this research). The result is a SME degree value of \( \frac{9}{12} = 0.75 \). In this study, only the standardised values were considered.

To conclude, a value of 0 is given to an actor with no relations, and a value of 1 is given to an actor directly connected to all other actors (Wasserman and Faust, 1994: 203f.), e.g., in this research: \( \frac{12 \text{ (ties)}}{12 \text{ (actors)}} = 1 \). Notably, VennMaker ignores whether there are
one or more relations between two stakeholders (Kronenwett und Schönhuth, 2011: 123). This differentiation is not relevant as the value is standardised.

Proximity prestige calculates how close the respective actor stands to his sphere of influence by adding the path distances. The path distances are calculated by summing up the steps to the actor. The resulting values are added and divided by the number of actors in the sphere of influence. After that the reciprocal value is built in order to standardise the parameter for comparison with other networks (Wasserman and Faust, 1994: 194). Because the depiction of the several steps needed in the example of SMEs is far too complex, Figure 7 demonstrates the calculation in a simpler example (for “EGO”).

![Diagram](image)

**Figure 7: Calculation of “proximity prestige“ and “closeness“** (adapted from Wasserman and Faust, 1994: 203f.)

Given the path distances of C->EGO = 2; A->EGO = 1; B->EGO = 1, consequently, the sum of all path distances is 4. The number of actors in the sphere of influence of EGO is 3 (namely A, B, C). Hence, proximity prestige of EGO is: \(1 / (4 / 3) = 0.75\). To conclude, if all actors are connected to the respective actor, standardised proximity prestige is 1 and, if there are no relations, proximity prestige is 0 (Wasserman and Faust, 1994: 203f.).
Closeness is a proximity-based centrality measure that takes the path distances of all directly and indirectly related actors into account. By contrast to proximity prestige, here, all unconnected actors are omitted from the calculation (Wasserman and Faust, 1994: 203f.). Consequently, if no actor is isolated (as it is the case in this stakeholder analysis), proximity prestige and closeness have the same value (Kronenwett and Schönhuth, 2011: 110). The calculation of this parameter follows the same principle as above shown for proximity prestige. Because the manual calculation of these three parameters would be too time consuming, VennMaker is applied to execute this analysis.

However more interestingly, proximity prestige is connected to social power and the privilege not to reciprocate choices; degree points to direct and immediate choices and is therefore one factor of urgency; and closeness provides information about authorities or, in other words, about the legitimacy of actors (Wasserman and Faust, 1994: 203f.).

Moreover, a stakeholder with many relationships can be placed centrally on the basis of a presentation by the Spring Embedder, a layout algorithm, which provides additional information about which actors are relatively isolated and whether there are groups within the network that are highly connected to each other (Kronenwett and Schönhuth, 2011: 110). The underlying centrality scores of the centrality analysis are calculated by summing weighted scores for ties around a stakeholder.

Essentially, network software tools calculate which stakeholder has the most immediate and more distant ties of influence leading both to and from them, while immediate ties are weighted higher than distant ones (Bryson et al., 2002: 416f.). These scores are then transferred into a diagram (e.g., Figure 8). A detailed calculation of these scores would go far beyond the scope of this study, thus, a depiction of the particular calculation steps and a
demonstration of the Spring Embedder function is accessible on the Website of University of Constance (2004).

To summarise, centrality is a factor combining prestige, popularity, and social support, whereas salience answers the questions of how powerful, urgent, and/or legitimate CSR issues are among stakeholders (compare with Figure 4).

Figure 8 outlines the basic configuration of VennMaker: the different stakeholder groups are presented by eight sectors (based on the St. Galler model’s understanding of stakeholder groups) and by individual symbols, where common issue clusters (i.e., concerns/stakes/interests) are presented as coloured ties between the different actors (following Bryson’s (2011: 417) stakeholder-issue interrelationship-approach, set forth in Section 3.2).

Figure 8: Basic configuration of VennMaker
The centre of the network map (in this research demonstrated by “CSR”) has the x- and y-values of 0 and the network map is understood as a graph with horizontal x-axis (left hand is negative, right hand positive) and vertical y-axis (upper half is negative, lower quadrants positive).

This coordinate system enables a precise location of any involved actor by its x- and y-values (as implemented in Table 7). To have CSR in the centre of the map visually stresses this research’s rationale to look at many stakeholders’ salience and concerns not from the perspective of one specific company, rather a CSR view on multiple stakeholders is applied.

3.4 Findings: stakeholder salience and concerns

The integration of internal and external statements from the 27 face-to-face interviews permitted the following final and distinct rating of stakeholders as a combination of their power-, legitimacy-, and urgency-levels (Mitchell et al., 1997: 874).

To start with some general observations: despite the attempt to find more female participants, only organisations 4 and 5 are represented by women. However, according to official statistics (FSO, 2013), this sample’s distribution with a majority of male interviewees represents the gender distribution regarding leading positions in Switzerland. Thus, it is not classified a bias since it reflects reality.

The majority of the interviewed persons have at least three years of experience in their current position and their educational level ranges from national certificates to PhD degrees. As said, the number of organisation and more details are stated in Table 6. Overall, this study (Looser and Wehrmeyer, 2015a: 798) identified SMEs, MNEs, and cooperating NPOs as being the most significant stakeholders, in that order.
3.4.1 MNEs and large national companies

Due to their listing on stock markets, public attention, and their activity in critical areas, MNEs are continuously expected to raise their CSR activities so as to improve their image, market share, and profit, which is based on a calculus of utility and on CSR purely seen as “business case” to generate more income (compare also with Section 6.3).

Hence, their sense of urgency, with regard to the importance and time sensitivity of their claims as defined by Mitchell et al. (1997: 867f.), is usually bigger than that of nationally active larger companies. Further, due to their size, purchasing power, globalised activities, and dependence on image and public scrutiny, MNEs indeed have substantial coercive and utilitarian power (Mitchell et al., 1997: 865f.) to foster CSR. This opinion is supported by the not cooperating NPO (organisation 20), consumer organisation (16), support provider (organisation 22), and trade union (organisation 21), by SGB (2006), FINMA (2008), SECO (2009), KPMG (2011), Ethos (2012), and Travail Suisse (2013), which therefore ask for more regulation for MNEs.

In addition, MNEs and large Swiss companies have legitimacy in their specific playing field, which is on the one hand the self-perception of organisations 1-4 but also the assessment of other powerful stakeholders, such as the government (organisations 26 and 27). This finding is supported by the fact that the governmental CSR strategy is focused only on “big business” (SECO, 2009).

On the other hand, if large national companies did broadly comply with CSR, its application might trickle into their network and influence other Swiss stakeholder groups. In other words, nationally active companies have high power as well. Combining high levels of power, urgency, and legitimacy, it can be concluded that MNEs are definitive stakeholders.
Large nationally operating companies are, mainly due to less urgent claims than those of MNEs, rather *dominant* stakeholders within Swiss CSR.

### 3.4.2 SMEs

SMEs, on the other hand, are very active in the field of CSR in a somewhat subtler way. This is because SMEs, unlike large companies and MNEs, are found not to be very familiar with the scientific or technical term “CSR”, they consequently do not usually have formalised programmes to manage CSR, nor issue external reports. However, the interviews reaffirmed the commonly held perception that even though SMEs do not apply CSR out of strategic reasons or in a systematic way they still may be engaged in CSR due to family tradition, the owner-manager’s personal values, prudence, embeddedness in community, their willingness to “give something back to society”.

This is unconventional because, though a clear-cut system or strategy towards CSR is missing, there is clear evidence that SMEs are very active and engaged in CSR. Examples of this strong CSR practice beyond formal systems include handshake instead of formal contracts with customers, employees, suppliers, etc. (therefore saving transaction costs), democracy and absolute transparency (therefore trust), quality aims, altruistic and philanthropic values, and visionary instead of profit goals. There is good reason to believe those idiosyncrasies to be part of an underlying business model. This deserves further scrutiny and these features are analysed in more detail in the following Sections 4 and 5.

Another example is in the publicly communicated core elements of organisation 4: the equal treatment of all employees, transparency in all respects (especially performance indicators, salaries, and bonuses), and majority votes where every employee has the option of a veto against management. For this reason, this organisation’s employees jointly decided against entrance into global markets despite that this might have been economically bene-
ficial, because they feared not being able to continue to enjoy full transparency and democratic values when exposed to worldwide competition.

The existence of such idiosyncrasies is also verified by the statements of many stakeholder groups, first and foremost by government support (i.e., organisations 26 and 27; SECO, 2012b) of the fact that SMEs are led by an “Unternehmer” by contrast to MNEs’ managers. Notably, the topic of “Unternehmer”, the nexus and link of SME owner-managers and “entrepreneurs”, theory on “Unternehmertum” and “entrepreneurship”, and how CSR can interlink these concepts will be further explored in Section 4.2.

Various results from research (Baumgartner et al., 2004: 24ff.; Schur et al., 2005: 14ff.; CDI, 2011: 18ff.) and from the interviews (e.g., organisations 17 and 18) confirm that the integration of disabled people into the staff is an ordinary practice of Swiss SMEs. This shows their adherence to the stewardship concept – including loyalty in the case of hardship.

Organisation 7’s CEO, for instance, stated that for over 10 years two of his 54 employees have been handicapped and simultaneously fully accepted by their co-workers, who confirmed to appreciate highly this socially responsible detail of their daily work. This orientation of taking responsibility for others goes definitely beyond CSR as “façade” and the “business case” mantra of CSR providing better value for shareholders (see also identified motives and manifestations later in Section 6.3).

By SMEs bearing the Swiss apprenticeship system – about 200’000 apprentices are employed at SMEs (FSO, 2012), within organisation 10, for instance, are 45 out of 150 employees apprentices – such expressions of personal ethics at work are deeply embedded during the process of work socialisation and responsible business practices are established from the start of employees’ careers. The development of an ethical groundwork by exp-
rience points consequently to the guidance by virtues (i.e., practical wisdom, justice, friendship, courage, and temperance) and morale.

Considering the above, it is evident that more research is needed to explore further efforts on CSR virtues and on how these virtues can be applied in the Swiss small business context. Examples of such virtues are: 1) practical wisdom (prudence) that helps identifying the right thing (Ruisi, 2010). Prudence is normally based on three sources: knowing the company, having a clear hierarchy of end-means business, being aware of the structure of the company, the competitive and social environments, human resources, their aspirations, corporate values and operational mechanisms (Zamagni, 1995: 33; Del Baldo, 2013: 135). Other virtues are: 2) justice (friendship), 3) courage (fortitude) and 4) moderations (temperance), all of which are required by repetition of acts (Melé, 2009: 26). The former refers to benevolence and care for the good of others and compromises all virtues in regard to human relations (honesty, loyalty, gratitude, generosity, and solidarity). The latter regulates human inclination with moderation of satisfaction and pride for the present or future results (Del Baldo, 2013: 132). Courage means the pursuit for what is good to the company in spite of obstacles in an appropriate way (Del Baldo, 2013: 131). How these virtues are woven into the business model will be specifically discussed in Section 4.4.3, further implications are explored in Section 9.1.

The interviews and the publicly available reports suggest that running an SME is more of a lifestyle decision to chase innovation and visions rather than primarily a wealth-maximising strategy. Often, SME owner-managers are envied for this libertarian lifestyle, even though they sacrifice economic security to pursue their ideal. They stated that responsibility and altruism are often important elements of their upbringing and such ethically aware behaviour is not a commercial strategy but a habitual characteristic of their business.
This is strongly supported by organisation 5 whose CEO mentioned the peculiarly “parallel” educational world of family business children within the worldwide family business network. Her children went to private schools that foster the strengths of the children and do not try to fix issues of weak school performance. These schools teach social responsibility for instance by letting the pupils clean the school house, organise and cook lunch, and look after the smaller pupils during school breaks.

By doing so, they learn on the one hand to negotiate with food suppliers, but also to bear responsibility for their fellow students’ nutrition, health and security, for the tidiness of the place where they study, and to have a relation to the “real” working life. By personalizing such duties, ethically responsible behaviour is increased in contrast to most public Swiss schools, where cleaning and cooking duties are passed on to workforces often belonging to a lower social class. Later, children of family business owners are mutually exchanged in traineeships and educated in companies that belong to the network (e.g., in China, India, USA) in order to be aware of cultural differences that may serve their later role as leader of the family business.

This in part explains the relative ease with which SME owner-managers are operating often highly developed and far-reaching CSR programmes, but do not link these activities with the “bottom line”, nor are the activities necessarily formalised and publicly presented. For this reason, they have high legitimacy and social support based on their philanthropic profile, their function as societal pillars, and their long-term continuity passing the business down to their children, all of which are layers of legitimacy (Suchman, 1995: 574) as noted in Section 3.2.

Overall, SMEs show high investment in social capital, which leads to regionally strong networks to customers, who mutually rely on the SMEs’ traditional image. Due to these
regionally grown supply chains, SMEs are often more sustainable for the same product as a result of shorter transportation distances.

Further, their business strongly relies on reciprocal, trust-based deals. Organisation 5’s, 9’s and 10’s CEOs, organisation 8’s CEO and CFO, for instance, emphasised that they only do business within the family business network and would rather sacrifice a deal, contract and the opportunity to make a deal if business partners asked for costly formalisation by a contract and did not rely on the handshake between them. These five stressed that their international trade partners (SMEs e.g., from China, India, or Thailand) rely on this trust-based business practice as well. In other words, their traditional values determine also their global business and supply chain.

Such corporate cultures expressed by values of prudence and loyalty, trust and ethics result in staff turnover rates of only 3% or less and within organisation 8, for example, in employee relationships that have been lasting for three generations. Moreover, due to their limited size, SMEs are very innovative and capable of adapting new trends very quickly, accounting for the Swiss market leadership of many SMEs (i.e., organisations 5, 6, 8, 9, 14 and 15). To conclude, Swiss SMEs have both a high legitimacy and also high CSR power and urgency – even higher levels than MNEs paying respect to their “Swissness“ – and are consequently definitive stakeholders.

3.4.3 Consumers

The interviews showed surprisingly strongly that consumers (represented by a consumer organisation) are not very interested in the social aspects of products or in CSR in general, and, although their interests differ across industries and products, consumers’ purchase decisions are driven by price and brand/image. This was verified by cross-comparison with external sources, inter alia Ethos (2012), FCAB (2014a, b), Konsumentenforum (2014),
Kassensturz (2014), but also with the media (organisation 25) and explains the reported, negligible consumer interest in CSR labels and why scandals in food or textile industries only have a low and short-term impact on consumerist behaviour.

Based on these low criticality and time sensitivity (Mitchell et al., 1997: 867f.) in regard to current CSR issues, consumers show therefore very little urgency. The herein interviewed MNE CEOs support this assessment above all with the argument that their CSR reports are mainly read by capital providers and support providers, which was confirmed by the former (organisations 23 and 24) and the latter (organisation 22), and rarely by consumers.

Nevertheless, in regard to legitimacy, consumers and consumer organisations are very relevant stakeholders for companies as a result of negotiation at two societal levels (Mitchell et al., 1997: 866): 1) the former should buy the companies’ products and 2) the latter should not lobby against them. The interests and preferences of consumers can strongly influence the decision of companies to comply with CSR expectations.

Thus, this stakeholder possesses financial (purchasing) and restricting (coercive) power (Mitchell et al., 1997: 865f.). However, not all companies are similarly dependent on individual or corporate customers, especially those who sell to other businesses (B2B) or which are even further removed from consumers.

This argument is verified by the statements of various stakeholder groups, first and foremost by MNEs (organisations 2 and 3) and support providers (organisation 22), but also by several SMEs (e.g. organisations 11, 12, and 14), all of which strategize on consumer relationships and often fail upon the consumers “two faces” in regard to CSR (e.g., good products for cheap prices). In other words, thanks to high levels of power and legitimacy but no urgent pressure (compared to Table 4), consumers are mainly dominant stakeholders.
3.4.4 Trade unions

Trade unions’ interest in the broad concept of CSR is limited because they are found to be mainly interested in a small aspect of CSR: namely in employees’ rights. In other words, they are not an urgent group within CSR because Swiss employees’ rights are highly respected and secured by law, and though it is an important issue in general, it is currently not timely pressing or critical at all (supported by findings in Section 6.3.2).

However, trade unions do have some influence because labour conditions such as wage differences (e.g., between genders) or the inclusion of handicapped people into labour markets are common topics of discourse in Switzerland, as stated by the trade union itself, the social enterprise (organisation 17), the government (organisation 26) and further supported by several publicly available sources (i.e., SGB, 2006; SAH, 2012; Economiesuisse, 2012; Travail Suisse, 2013).

As already mentioned, labour relations are highly regulated, detailed, and strictly enforced; reaching a level of CSR that is arguably higher than in many other countries. However, strikes are quite rare in Switzerland compared to other countries, and industrial relations are determined by dialogue and mutual respect, so that trade unions’ power in regard to their financial or coercive restrictions (for definitions see Mitchell et al., 1997: 865f.) on Swiss economy is limited with respect to CSR issues.

Nevertheless, unions have symbolic power as they defend an important and sensitive interest of society and, more importantly, their legitimacy is secured by law (e.g., Bundesverfassung, 2014). Overall, this stakeholder possesses legitimacy but no power (and its claims are currently not urgent) and is shown to be discretionary.
3.4.5 NPOs: not cooperating and cooperating NPOs

The document review as well as the interviews showed that not cooperating (or activist) NPOs could have some (restricting and financial, but mainly normative) power (Mitchell et al., 1997: 865 – elaborated in section 2.3), however only with respect to MNEs and especially to MNEs’ business conduct abroad. Their scrutiny and monitoring of Swiss companies’ CSR-related behaviour are comparatively weak and consequently their urgency is low. Since NPOs are also of only little relevance to locally operating Swiss companies, they have almost no power in the context of Switzerland. These statements were verified by both interviewed MNEs (organisations 2 and 3), by some SMEs with export experiences (organisations 7, 8 and 14), by the Coalition of Swiss NGOs (2010), and MultiWatch (2014).

Furthermore, they lack legitimacy due to the absence of CSR legislation, which would provide the necessary system of norms (Suchman, 1995: 585) to justify these NPOs’ actually often illegal actions against MNEs. This argumentation is strongly verified by the marketing manager of organisation 20, who stated that in regard to pressure from NPOs on Swiss companies his organisation focus on MNEs in foreign countries and not on irresponsible actions of Swiss companies. He argued that the rule of law works well in Switzerland – contrary to many other foreign countries – and violations of e.g., human rights or the like do seldom occur in Switzerland.

Persons affected by corporate misbehaviour can usually help themselves since they find support within the law and from many counselling institutions that exist in Switzerland and, hence, do not need that much activism by NPOs. Considering this (no power, legitimacy, or immediacy), they are categorised as non-stakeholders.
Cooperating NPOs are more interested in CSR so as to enable a dialogue with companies. Their expertise in CSR is highly respected, which was emphasised by MNEs (organisations 2 and 3), some SMEs (organisations 6, 7, 9 and 14), the support provider (organisation 22), Proofit (2012), and ZEWO (2014), therefore their urgency is significant. Since these relationships are generally strongly based on cooperation, cooperating NPOs have greater relevance and consequently a higher level of societal legitimacy.

Moreover, cooperating NPOs do not often apply pressure since this might harm their reputation within society and companies with which they have an incentive to cooperate in order to attain donations or sponsorships. Organisations 17’s and 18’s CEOs stated that there exist institutions that foster CSR engagement in areas like the integration of disadvantaged people but that the pressure on companies is less strong since the burden of suffering is less heavy in Switzerland compared to other countries, since, as explained before, Swiss law works well.

They further explained that CSR encompasses less sensitive topics in Switzerland since the state secures basic needs. Thus, Swiss companies have to take on few responsibilities for these profound needs and can concentrate in cooperation with NPOs on more advanced approaches to CSR, e.g. circular economy initiatives.

This finding is largely supported by the later identified efficiency inherent in the “raison d’être” of Swiss SMEs (Section 4.4.3). Though cooperating NPOs lack power, they play a crucial role for CSR advancements, in inter-sector relationships aimed at innovative exchange without a primarily profit goal, and in the establishment of win-win situations for CSR and society. Overall, they have urgent and legitimate claims and are therefore regarded as dependent stakeholders.
3.4.6 Support providers: certifiers and consultants

Certifiers, in their role as support providers, have interests in the promotion of formal CSR – this is to some extent their core business. Nevertheless, because a potential formalisation is neither timely sensitive nor somewhat critical (Mitchell et al., 1997: 867), their claims are not urgent at all. With respect to legitimacy, however, certifiers have a significant amount of legitimacy since MNEs and larger companies usually prefer formalised CSR tools or external assurance of their programmes (e.g., Vogel, 2005: 39; Schneider, 2012: 5f.; Bank Vontobel, 2014; UBS, 2012a, b) in order to prove that their behaviour is “desirable, proper, or appropriate within the social system of norms” (Suchman, 1995: 574).

This assessment is strongly supported by the interviewed large national (organisation 1) and the multinational companies (i.e., organisations 2 and 3), all of which spent significant amounts of their annual budgets in the (re-)certifications on e.g., ISO 14001. However, given the role of SMEs and from the interviews, SMEs turned out to be the most crucial group due to their prevalence (FSO, 2013). Yet, certification is often too costly, too formalised and wide-ranging to fit with the informal ethics- and community-based interpretation of CSR in SMEs.

Moreover, in the absence of CSR legislation SMEs do not feel much pressure to obtain CRS certification, an interpretation that was shared not only among most of the interviewed SMEs but also by government support (organisation 26) of the fact that certificates on CSR are not deciding within the public procurement process (see also Stadt Zürich, 2012a, b, c). This considered, certifiers are legitimate, but do not have much financial, restricting, or symbolic power (and almost no immediacy), making them discretionary stakeholders.
Consultants on the other hand target, and are mainly ordered by, large national and multinational enterprises (and some SMEs that want to formalise their CSR). Even though they are actively introducing their clients to CSR tools, these attempts are again not urgent due to the lack of legal regulations, which makes consulting services neither timely pressing nor critically deciding (Mitchell et al., 1997: 867ff.).

However, consultants offer technical or managerial competence and expertise, which MNEs, large national companies (and some SMEs) need, so that there is actually considerable demand for consulting, which was verified by “big business” (organisations 1-3) and some SMEs: the formers involve consultants mainly due to shareholder pressure and external assurance that they “do something” in regard to the “business case” CSR, the latter needed some advice in order to heighten their competitive advantage (organisation 9) and export opportunities (organisations 8 and 14). In other words, Swiss consultants do have some legitimacy and power, mainly with respect to upcoming advancements. This leads to their rating as dominant stakeholders.

### 3.4.7 Capital providers

The interviewees, especially organisation 24, the support provider (organisation 22), but also Vogel (2005: 35ff.), FINMA (2008), KPMG (2011), UBS (2012b), Zürcher Kantonalbank (2012a, b, c), and Isaac-Kesseli and Ziltener (2012: 456ff.), argued that for Swiss capital providers, CSR is only lucrative when it comes to so-called Socially Responsible Investments (SRI) by which the CSR compliance of a company can be assessed and fed into the financial market as a differentiation criterion. Indeed, for them CSR is only viable if it is a “business case”.

However, as already mentioned, the majority of Swiss companies are SMEs (FSO, 2013),
which are in most cases totally self-financed (and also self-owned) and thus less likely to
have large-scale investors. Further, they are usually not listed in the stock market.
Overall, the majority of Swiss companies are less exposed to CSR evaluations by the capital
market. Hence, in the Swiss CSR playing field, capital providers have little urgency
(mainly because there is no time pressure or criticality in relation to the majority of Swiss
companies). Because SMEs are perceived as “proper, or appropriate” (as defined by
Suchman, 1995: 585) within the Swiss society’s system of norms, values, and definitions
and therefore do not need any external assessment by the financial market, the legitimacy
of capital providers is limited as well.

Nevertheless, they can still exercise their financial (utilitarian) and by possibly excluding
companies from debt capital also coercive power (Mitchell et al., 1997: 865) in the value
chains of larger companies and MNEs. In this way, and if the company goes to the capital
markets, the power of financial institutions could trickle down to SMEs as well. Conse-
quently, this group is seen as dormant.

3.4.8 Media

As shown by the statements from almost all companies, all four NPOs, the trade union
(organisation 21), support provider (organisation 22), and the consumer organisation (or-
ganisation 16), the Swiss media has significant power due to its close monitoring of com-
panies’ actions and possible interventions in cases of irresponsible behaviour. This power
is mainly based on the option to damage images, which makes it coercive and, as a conse-
quence, also restrictively utilitarian (Mitchell et al., 1997: 865f.).
However, they mainly concentrate on larger and well-known companies because small
businesses are less widely known and consequently less attractive for media reporting.
This argument is validated on the one hand by the absence of negative reporting on SMEs in general, but also by all SME owner-managers stating that they do not feel any (negative or positive) attention from the media.

For that reason, SMEs are unlikely to become, for example a target of comprehensive media campaigns. And although the media are meaningful actors within the political and economic playing field, they are mainly interested in breaking news.

Therefore, the media has no urgent claims in CSR unless companies were involved in environmental, economic, or social scandals, and thus irresponsible business activities become critical and time sensitive (Mitchell et al., 1997: 867ff.). Notably, the gatekeeping function of newspapers or TV and radio stations could be partly compensated by the internet that provides additional sources of information and therefore has a “democratising effect” (Palazzo and Scherer, 2006) by playing a key role in the formation of campaigns. Overall, the media has high legitimacy due to its independent status, which is enshrined in the Swiss Federal Constitution (Bundesverfassung, 2014). In other words, considering high power and legitimacy but no urgent pressure, this stakeholder is dominant.

### 3.4.9 Government

Due to Switzerland’s politically and economically liberal constitution, stronger legislation with respect to CSR (e.g., demands for companies to follow compulsory CSR guidelines) is unlikely to be introduced (SECO, 2009). Even if the EU or other trade partners were to ask for binding compliance to CSR instruments, the Swiss government would rather follow its liberal tradition of letting the market organise itself, a statement verified by all interviewed companies (organisations 1-15) and supported by the government’s CSR strategy focusing on development assistance in third world countries and transnational businesses but not on formalisation (SECO, 2009; Schneider, 2012: 4f.).
Apart from that, the question of “how much CSR regulation would actually add or rather remove” remains, an open-ended discourse astonishingly strongly emphasised by all cooperating NPOs (organisations 17-19), most SMEs (i.e., organisations 4-9, 11-16), the consumer organisation (16), by Ulrich (2001: 45), and by Economiesuisse (2012), which fear that more regulation only motivates regulated companies to evade detection by finding holes in the system. This is a finding surprisingly strongly supported by the comparison of motives for CSR with regard to research question 5 (in Section 6) and by the comparative overview over SMEs from Switzerland and 15 other countries (in Section 7).

Above all, due to low importance and time sensitivity (Mitchell et al., 1997: 867f.) of CSR issues for the government, the urgency to implement CSR is limited, but might grow to some extent providing that CSR would be adopted by a large number of MNEs. This may then trickle down (or up) the supply chain to SMEs. With respect to the government’s legitimacy and power, the state is a very powerful and legitimate stakeholder, for example within the legislation process or in its role as a very large buyer.

The latter argument is validated by document support (e.g., Stadt Zürich, 2012a, b, and c) and by organisations 2, 3, 4, 5 and 10, all of which are offering on calls for bids. In other words, although the state might not enforce CSR-specific laws, it does have influence on companies’ decisions to comply with CSR issues through its own conditions within public procurement. Nevertheless, the government will influence Swiss companies’ behaviour only indirectly by CSR promotion and support programmes, and therefore – considering power and legitimacy but no immediacy – it is a dominant stakeholder.

To aggregate the above findings to answer the question (research question 1) of “What are the characteristics of the Swiss CSR stakeholder environment?”, a network map (compare
Figure 9) is drawn (using VennMaker), including all the relevant data from literature re-
view, document analysis, and expert interviews.

3.4.10 Aggregation of results: network analysis

Following Bryson’s (2011: 417) recommendation on drawing a diagram of stakeholder-
issue-interrelationships (as demonstrated in Figure 5), in the map, a line indicates that a
stakeholder has an interest in an issue, though its specificity is likely to differ (or to be in
conflict) between stakeholders. Therefore, the lines are labelled with different colours and
shapes, to indicate clearly what the nature of their relationship – e.g., common or different
interest or concern – is.

The exact identification of positions and issues (or concerns) is derived from the triangula-
tion of coded self-reports, external assessments, and publicly available documents as out-
lined in Section 3.3.3. To repeat the methodology briefly:

1) the majority of statements in regard to power, legitimacy, and urgency (for the coding
see Appendix 2, 3, and 4) led to priorities and thus to positions on the concentric circles,
ranging from definitive to non-stakeholder;

2) these positions led to a draft map that was reviewed by the participants in order to verify
whether this fits with their perspective. Minor adjustments led to the final map (cp. with
Figure 9);

3) the identified issue clusters (also based on the coding by MAXQDA) and the results
from the document analysis were transferred into coloured ties between stakeholders. Not-
tably, solid or dashed lines represent differing interests within one issue.

Three primary issues were identified as mutual stakes, concerns, or interests of the in-
volved stakeholders in CSR:

1) whether the approach to CSR is formal or informal (labelled with a red line);
2) whether more regulation is wished/necessary or a liberalistic, non-regulative approach is preferred (blue line);

3) and whether the lack of binding of (existing or future) instruments is judged positively as opportunity or negatively as threat (green line).

The visual aggregation (in Figure 9) and its analysis answer the question of how the individual concerns are mutually amplified or attenuated in the perception of the involved stakeholder groups:

![Stakeholder map of Swiss CSR](image)

**Figure 9: Stakeholder map of Swiss CSR**

Obviously, when it comes to regulation, “big business” and “Swiss business” appear as two internally consistent clusters. The former prefers formalised structures because they fit
its business model, allow meaningful reporting, and offer external validation and a defence measure against outside criticism that they do not deploy enough CSR.

Indeed, for them CSR is the “business type” (as defined by Katsoulakos and Katsoulakos, 2007: 361f.) driven by commercial motives with a “locus of responsibility” lying on the corporate level, as outlined by Hemingway and Maclagan (2004: 39f.). Notably, as business and life are more separate in the context of MNEs, this generalisation drawn from individual statements and the congruency between communicated values and actual opinions is matter of current discussion, as already addressed in Section 2.1.

However, the CEOs’ claims were corroborated by their company websites and other independent sources and it was found that they were at least accurately reflecting their employers’ CSR programmes.

Small businesses prefer unformalised patterns because it is consistent with their business model. It is less expensive due to less consulting and it can remain piecemeal, ethics-, and vision-driven. In other words, for them, CSR is a “moral activity” and they are “doing the right thing although no one is looking” – as stated by the owner-manager of organisation 5, for more details compare with Looser and Wehrmeyer (2015a: 806). Swiss companies, especially SMEs, may find it ethically and procedurally difficult to formalise “the way we do business here”, because CSR is seen as a cultural and personal factor, not a business driver anyway.

Combining this conscious business reflection with their continuous moral evaluation of actions, outputs, structures, and procedures (Suchman, 1995: 574) provides moral legitimacy, because it is not driven by profit, rather by the “forceless force of the better argument” (Habermas, 1984: 43). Moreover, because owner-managers have high autonomy in
regard to their decision, the “locus of responsibility” (Hemingway and Maclagan, 2004) for their CSR lies definitely on the individual level.

Due to this “personalisation” (comparable to the findings of Fuller and Tian, 2006: 297f.; Vallentin and Morsing, 2008: 17ff.; Quazi, 2003: 829; Vitell et al., 2003: 73ff.) this study found a strong interconnection of business and life within the interviewed SMEs. Consequently, in the first place, SME owner-managers maintain, nurture, and advance responsible practices, and perceived responsibility to be important before such behaviours were implemented in their companies.

One reason for the differences between the aforementioned groups may lie in the “multi-national” orientation of MNEs and it remains a matter of discussion as to how CSR would change when a SME grows into a MNE.

In other words, Swiss SME culture might come under considerable pressure to move from their virtue ethics tradition to a more utilitarian and regulation-based model of CSR if the organisation grew to a sufficient scale or if it came to be embedded in extensive market systems where major customers require CSR standards and reporting within their frameworks of an utilitarian calculus. In other words, globalisation does not only weaken ethical and cultural traditions of companies, but it also leads to an extensive discussion about societal backgrounds as sources of legitimacy, to more salience on legitimacy issues in general, and to a debate on the stress field between government, companies, and civil society (e.g., Beck, 2000: 54f.). Notably, globalisation may lead to a re-conceptualisation of legitimacy in the political context (Nanz and Steffek, 2004: 321).

The integration of these results enables a centrality analysis (in Figure 10), which explores the reconciliation, amplification, or attenuation of mutual stakeholder concerns and the aggregation of the various claims to the three primary issues from the viewpoint of the
most embedded stakeholder groups. This analysis, conducted by the network analysis software VennMaker and its Spring Embedder function (University of Constance, 2004), identifies SMEs as the most central group.

Figure 10: Centrality analysis of Swiss CSR

Other key actors in Switzerland are MNEs, cooperating NPOs, consumers, media, large national companies, and the government because:

1) they have either high priorities (i.e., in that order: MNEs, NPOs);
2) are strongly embedded in their direct environment (i.e., in that order: consumers, media, large nationals); or
3) have a prominent position (i.e., government).
Further analysis of network parameters (calculated by VennMaker in Table 7), such as degree, proximity prestige and closeness, reveals the social power (therefore importance), the urgency, legitimacy, and social embeddedness of SMEs in Swiss CSR.

This result holds despite their following of an intrinsically informal and idiosyncratic approach to CSR without any wish or need for regulations or binding instruments.

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Priority (Figure 4)</th>
<th>Degree</th>
<th>Proximity prestige</th>
<th>Closeness</th>
<th>x network value</th>
<th>y network value</th>
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<tbody>
<tr>
<td>SMEs</td>
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<td>0,775</td>
<td>0,775</td>
<td>-13,14</td>
<td>-21,94</td>
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<tr>
<td>MNEs</td>
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<td>0,672</td>
<td>-6,46</td>
<td>-31,91</td>
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<tr>
<td>Cooperating NPOs</td>
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<td>0,657</td>
<td>0,657</td>
<td>-9,76</td>
<td>36,02</td>
</tr>
<tr>
<td>Consumers</td>
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<td>0,490</td>
<td>0,621</td>
<td>0,621</td>
<td>53,92</td>
<td>-22,84</td>
</tr>
<tr>
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<td>0,593</td>
<td>0,593</td>
<td>-50,39</td>
<td>30,88</td>
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<tr>
<td>Large national companies</td>
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<td>0,560</td>
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<tr>
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<td>0,523</td>
<td>0,523</td>
<td>22,34</td>
<td>-56,66</td>
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<tr>
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<td>0,481</td>
<td>0,481</td>
<td>-21,41</td>
<td>-55,60</td>
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<td>0,453</td>
<td>-62,94</td>
<td>-25,98</td>
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<tr>
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<td>0,366</td>
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<td>0,531</td>
<td>0,531</td>
<td>-37,79</td>
<td>90,33</td>
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<td>Not cooperating NPOs</td>
<td>8</td>
<td>0,252</td>
<td>0,467</td>
<td>0,467</td>
<td>33,82</td>
<td>82,57</td>
</tr>
</tbody>
</table>

Table 7: Network parameters calculated by VennMaker (priorities adapted from Mitchell et al., 1997: 874)

Considering also potential response strategies, which relate to the corresponding categories (i.e., priority) as stated in Table 4 (adapted from Beach, 2009: 24), it can be noted:

1) SMEs and MNEs (priority 1 = definitive stakeholders) need attention. Whilst MNEs are already widely recognised SMEs should be considered more;
2) cooperating NPOs (priority 2 = dependent) are expected to collaborate with other groups in order to get more attention (this is congruent with the conclusions below in Section 3.5);

2) dominant stakeholders’ (priority 4) – i.e., consumers, media, large national companies, the government, and consultants – claims are less urgent though they have some expectations;

3) trade unions and certifiers (priority 6 = discretionary) do not afford much attention at this stage;

4) capital providers (priority 7 = dormant) seem to be unwilling to get more involved, and lastly

5) not cooperating NPOs (priority 8 = non-stakeholders) are currently irrelevant in Swiss CSR.

This fits well with the map and centrality analyses and the perspective on response strategies confirms the ratings alongside the salience model (in Sections 3.4.1-3.4.9).

In sum, the stakeholder and network analyses point to many interesting conclusions and raise at the same time issues for discussion and further research especially with regard to the nexus of key drivers and dynamics for CSR in Swiss small firms and the features of their business core logic.

### 3.5 Discussion and conclusions from stakeholder and network analyses

The analysis so far points to SMEs as key actors within Swiss CSR. Since they rely predominantly on their regional and ethical background to guide their responsible conduct, they are unlikely to apply extensive and/or unspecific CSR instruments. Often, this approach lacks a theoretical anchor, a commercial pursuit or strategic purpose, but rather is based on a long-lasting tradition where physical closeness is translated into a morally correct business.
As the interviews show, Swiss SMEs have a decidedly and literally unconventional approach to CSR, for instance by providing absolute transparency regarding decisions and payroll, or by abolishing hierarchies.

And since Switzerland has a long history of SMEs this thesis sheds more light on the idiosyncrasies and informality of their underlying business models. Such models offer a useful, heuristic evaluation of the contribution of formal management systems (e.g., in MNEs) in comparison to the virtue ethics-driven and unformalised SME business conduct.

In general, a business model is defined in many ways, for instance as “a description of sources of revenues” (Timmers, 1998: 4), or “how a firm delivers value to customers and coverts payment to profit” (Teece, 2010: 181), “the organisation’s core logic for creating value” (Linder and Cantrell, 2002: 12), “a detailed conceptualization of an enterprise’s strategy at an abstract level” (Campanovo and Pigneur, 2003), or as “a system of interdependent activities that transcends the focal firm and spans its boundaries” (Zott and Amit, 2010: 221).

This study defines a business model as “the rationale of how an organisation creates, delivers and captures value” (Osterwalder and Pigneur, 2010: 14). This fits the context of Switzerland well, where the so far identified patterns of a potentially underlying business model govern how a company can (socially, economically, and ecologically) sustain manifesting in an emerging template of CSR rooted in traditional Swiss values and attributes.

It is a matter of ongoing discussion whether a business model is a management instrument, a conceptual tool to understand the working of businesses, or an expression of the leader’s values (D’Aprile and Taló, 2013: 160) or education (Huang, 2013: 242), thus, aligned with leadership (Du et al., 2013: 167).
Some (Gond et al., 2012: 221; Kalakou and Mácario, 2013: 12) see a business model as something extrinsic, as part of the management system, as a “silo” (Zott et al., 2011: 1035), or shell, implemented in a top-down manner, comparably to the business case for CSR. Others (Zott et al., 2011: 1029; Du et al., 2013: 168) think of it as something intrinsic, as core of the business evolving from the values of the lead actor. Arguably, this depends largely on the kind, size, and particularly on the ownership structure of business.

Apart from first evidence for the existence of an overarching SME core logic, a number of other conclusions should be drawn at this stage: Firstly, because SMEs seem to successfully solve the conundrum of being flexible, innovative, and economically prospering while not sacrificing their traditionally responsible values, Swiss society needs to understand better these business behaviours, especially as the SMEs under research turn out to be significant practitioners of strong CSR principles and activities.

Secondly, these SME practices are also much closer to the European Commission’s (2011: 6) definition of CSR as “the responsibility of enterprises for their impacts on society” than many other companies’ CSR programmes. The spread of this information seems to be a suitable task for the media.

They have a duty to take on responsibility as a dominant stakeholder with high legitimacy and to give a voice to radically ethics-driven SME business models. In the case of CSR as “moral activity” communication plays an important role, especially in regard to “moral legitimacy”, which is based on a forceless dialogue and deliberative democracy with stakeholders (Palazzo and Scherer, 2006: 81f.).

Schultz et al. (2013: 687) showed that moral, value-based, and emotionally touched communication, as above suggested in the case of Swiss SMEs, functions as symbolic source with the potential to break up new CSR discourses. In order to carry such “symbolic capital“ (Fuller and Tian, 2006: 291) and to enhance the SME “credit of renown” (Bourdieu,
activities must first be perceived as being of value. Symbolic capital and its link to social capital was in specific researched by owner-manager’s narratives were claims relating to the firms’ contributions to wider society, relationships with customers, employees and stakeholders (Fuller and Tian, 2006: 292). These narratives were coded and classified in a framework of social capital. The analysis revealed a range of strategic orientations towards the development of social and symbolic capital, alongside the continuum ranging from “being responsible for oneself” to “being responsible for others” (Fuller and Tian, 2006: 291).

Such intangibles (Del Baldo et al., 2014: 2) were repeatedly monitored for instance as “intellectual capital” by Edvinsson and Malone (1997: 35), or as “entrepreneurial capital”, inter alia by Pret and Shaw (2010: 9); Lam et al. (2008: 902); or Firkin (2003: 67). Del Baldo et al. (2014: 2) “suggest that three other elements could be included [...]: “renewal capital”, in terms of innovative solutions, products and services available for the firms, “trust capital” (i.e., trust embedded in firm’s internal and external relationships) and “entrepreneurial capital” (i.e., competence and commitment related to entrepreneurial activities in the organisation”. At this stage it is still debatable whether there exists causality between symbolic capital and performance.

However, Erikson (2002: 285) identified in his research that entrepreneurial capital (as a consequence of the leader’s symbolic capital) as most important asset and competitive advantage. This evidence demonstrates the significance of the power inherent in the social relations of SMEs (and their leaders) as a force for ethical behaviour and source of knowledge-based resources (Wiklund and Shephard, 2003: 1310), and suggests that normative theories of the development of social capital may provide “competitive advantage” (Anderson and Miller, 2003: 22) through responsible behaviour for small business in the global economy (see also the forces of “coercive isomorphism” in Section 7, Table 18).
This shows at the same time the bright as well as the dark side of social, symbolic, and entrepreneurial capital: Consequently, entrepreneurs from a higher socio-economic class had access to highly effective business support, and these networks provided a network from which opportunities could be both recognised and realised (Anderson and Miller, 2002: 30). Further research should also consider interaction effects, as not all relationships might work in an additive manner. At the same time, a longitudinal study that measures the present value of future entrepreneurial behaviour is difficult to operationalise, but would indeed be valuable (Erikson, 2002: 287) to clarify the abovementioned question of causality and its direction.

Above all, this is in contrast to CSR as a rhetorically persuasive instrument in the “business case”, where power legitimates corporate actions and CSR is a matter of exploiting the attractive features associated with CSR in order to create profit (Schultz et al., 2013: 688). Thus, the media is regarded by the interviewees as an instrument to support the former, the moral and democratising dialogue, and improve the access to conversations in order to equalise imbalances in financial, coercive, or even symbolic power (Papacharissi, 2010: 55) between stakeholders of different power and quality. Lastly, policy makers, public institutions, the scientific community etc. should remember the insights from this stakeholder analysis with regard to dependencies, responsibilities, duties, and interests when emphasising different systems of CSR (compare also with the conclusions on intrinsic and extrinsic CSR in Section 6.4 and the various implications in Section 9).

Arguably, 27 interviews are insufficient to provide a conclusive depiction of stakeholders concerned with CSR in Switzerland. However, the results are sufficiently robust within the dataset, and heuristic, to warrant the indicative discussion presented here with regard to SME CSR practices and their wider context below.
Further, the triangulation procedure established data reliability and internal validity, whereas the use of rival theories and research with differentiating studies fostered external validity. This research so far maintains high construct validity as well, due to data collection in chronological and easily traceable order, the hermeneutic integration of new data from multiple sources, the transcription and coding process (using MAXQDA), and due to the review of positions and interrelation of stakeholder groups together with participants.

In summary, because of the evident nexus between interests, concerns, and issues of SMEs in CSR and their business features, it is concluded to CSR as being the “soul”, deep, profound, coming from culture, and somehow generic to Swiss SMEs. As said, these idiosyncrasies interestingly point at the existence of a core logic, a “raison d’être”, or, a business model, as value driver for Swiss small business CSR.

At this stage, patterns of CSR in small firms and their assumed underlying model lack detailed analysis of key factors, driving forces, and responsibilities. Hence, the next part strives for filling these gaps.

In particular, it targets research question 2: “How do patterns of CSR practice in Swiss SMEs relate to their business practices? Is there a Swiss business model?” and research question 3 “How do key drivers, peculiarities, and dynamics of Swiss SMEs determine the Swiss CSR business model?”

In order to find an answer to these questions, the next section provides the theoretical research context and clarifies the concepts used. This is in accordance to the research framework (Figure 1) and its postulated integration of new literature, theories, etc.
4 Patterns of CSR practice in Swiss SMEs

Swiss companies, especially SMEs, seem to have a long tradition of realising public goals beyond compliance to mandatory, legal requirements (Berger et al., 2012: 34; Gentile and Lorenz, 2012: 81). Such features were also reported from other cultural backgrounds, e.g., by Jenkins (2006: 250), Pedersen (2010: 161), MacGregor and Fontrodona (2011), or Del Baldo (2013: 135).

However, what CSR means for SMEs is not easily assessed. In general, SMEs are often socially close to the local community because, apart from others, they often have recruited from the local community (Schoenberger-Orgad and McKie, 2005: 580ff.). SME owner-managers often have strong social and historically grown ties, since per definitionem, the local (cultural, ethical, social, political, etc.) specificity of a SME must be higher and more significant than with a multinational company (Del Baldo, 2010a).

It seems to be paradoxical to research on CSR in SMEs, because the “corporate” aspect within CSR assumes that SMEs are corporations with separate entities – legal, however with limited liability (Spence, 2004: 120). In other words, although a myriad of SMEs are corporations, others are organised in a different way. Notably, at the same time they are still (legally) “incorporated” in some form.

Therefore, also different expressions or terms are used by other authors – small business social responsibility (Lepoutre and Heene, 2006: 263), responsible business practice (Moore and Spence, 2006: 127f.), or responsible entrepreneurship (Fuller and Tian, 2006: 289), while others like Murillo and Lozano (2006: 229ff.), Williamson et al. (2006: 326f.) etc. decided to use the term “CSR”, since this is a familiar concept, arguably with various facets. In line with the latter, this thesis will also use the term CSR when discussing social commitment in small business (and other stakeholders).
One aim of the thesis is the identification of the underlying SME business model, which might be unconventional, compared to strongly formalised business models of MNEs. Therefore, this thesis adopts a bottom-up perspective and presents data collected from interviews with 40 SME owner-managers. By doing so the aim is to explore how SMEs understand CSR and how they link their conceptual understandings to the context of their business and the action taken.

This means also that the local context must have higher relevance for SMEs, their strategies and management and, therefore, this context (and thus the framing of CSR in SMEs) needs to be looked at closer. The next section tries to explore what role CSR might play in the small firm context (elsewhere and in Switzerland).

### 4.1 The SME-CSR nexus: a complicated relationship

A common assumption made about SMEs is that this sector is homogeneous and that the defining characteristic is size (Wilkinson, 1999: 211). Actually, SMEs vary a lot by sector, technology, or size (Curran and Blackburn, 1994: 11; Campopiano et al., 2012: 339).

Yet, as outlined in Section 1.2.1, this study defines SMEs by size: SMEs have less than Euro 50 Mio turnover (Euro 43 Mio balance sheet total) and less than 250 employees. Within the SME category, small businesses have less than 50 employees and have a turnover or balance sheet total that does not exceed Euro 10 Mio. Micro-businesses are defined as not to have more than 10 employees and a turnover/balance sheet total of not more than Euro 2 Mio. However, size only delineates, it does not fully characterise, SMEs.

The most common SME form – so as in the case of Switzerland (FSO, 2013) – is the owner- or family-managed company, where ownership and the centre of control are congruent (Jenkins, 2004: 41f.). Hence, this person (or circle of persons) has the legitimacy to decide upon company resources, for e.g., CSR related programmes, and this allows some freedom
and autonomy in decision making (Jenkins, 2004: 47ff.). Although they often have less formalised control systems, less reports, and fewer control procedures, they have a strictly long-term orientation based on trust and reputation needs (Fassin, 2008: 371).

Above all, less formalised standards or procedures do not necessarily mean “less strict”. Owner-managers are usually well aware of activities that effect their employees, customers, suppliers, etc. and SMEs often emphasise responsible business practices since they want to “do the right things” (Fassin, 2008: 369). Despite this fact, SMEs are often unaware of the technical term “CSR” and they hardly ever report on their “doing the right things”.

Different research findings (Worthington et al., 2006: 213; Campopiano et al., 2012: 338) suggest that owner-managers do not judge it as important to talk about their social activities. Their argument is, apart from others that the actors, to whom they direct their activities, are well aware of their contribution, and that is sufficient for them (Campopiano et al., 2012: 339). Moreover, the very absence of social reporting might be felt to make manifest their social ethos better than a public showcase would (Murillo and Lozano, 2006: 229). This fits well the insights from the stakeholder analysis (cp. Section 3.4.2).

Consequently, SMEs have an unconventional, silent, sub-surface, practice-oriented, or, well, intrinsic approach to CSR, which is responsible for the preservation of the philanthropic conception and, in some cases, emphasising CSR among SMEs might be even counterproductive in light of their altruistic set-up (Ma, 2012: 439).

By contrast, many publicly-traded companies are often forced by their shareholders to spend most of their attention to maximise shareholder profit, which is one of the most significant aspects distinguishing SMEs from large companies (Harris and Martinez, 1994: 165). Shareholder-owned companies have a much more diffuse audience to satisfy and
their CSR purpose is not due to internal practices or preferences but needs to be justified and demonstrated (in cost and effect). Thus, CSR here is policy-oriented. So while SME owner-managers do not have the need to communicate their CSR, MNEs have this duty a priori, because the CSR purpose is in response to (or justification of) external stakeholders.

Many SMEs are pursuing a substantive, non-financial mission or craft that a family has long embraced and take pride in (Harris and Martinez, 1994: 165; Le Breton-Miller and Miller, 2006: 739). To many owner-managers, the company mission is personal, and, in terms of family-tradition, often more related to the family’s history and reputation representing the continuity of the family’s contribution to society (Harris and Martinez, 1994: 165). The emphasis is often on concrete technological or social accomplishments rather than on short-term financial results.

Their mission statements are not simply slogans but “steadfast beacons” that shape strategy, capabilities, and resource allocation (Le Breton-Miller and Miller, 2006: 739). As aforementioned, this suits a non-strategic CSR approach, rooted in the avoidance of irresponsibility based on the discretion and incentive of the owner-manager to forego today’s return for the sake of the future (Harris and Martinez, 1994: 165; Le Breton-Miller and Miller, 2006: 740).

According to many studies (e.g., Sarbutts, 2003: 350; Russo and Perrini, 2010: 219), SMEs are in most cases not small versions of big companies since their actions do not solely point to economic targets and profit ratios (Baden et al., 2011: 261). In order to attract and keep employees and collaborators SMEs create, for instance, a friendly atmosphere (Fassin, 2008: 371). Their CSR programmes rely on unwritten, cultural norms where honesty and integrity are key aspects (more details can be found in Sections 6.3.1, 7.2.1, and 7.4.2). Many SME leaders have in the first priority in fact a very social approach to their employ-
ees, a stronger orientation towards long-term continuity, and the goal of “survival of the firm” so as to pass the business to their children (Bridge et al., 1998: 56).

Similar patterns were also shown in the stakeholder analysis for the Swiss context (e.g., in Section 3.4.2) and will be further outlined in Section 7 on a worldwide scale. At the same time, succession and the quality of the successor are really significant issues for SME lead actors.

The SME-CSR nexus is biased in several dimensions: one bias concerns the professionalization of business in recent decades, hence a common element of such movements is “expanding formalisation” (Fassin, 2008: 369).

Mission statements, CSR/sustainability reports, policies, code of conducts, audits, and evaluations are the result (Fassin, 2008: 365). This increased need for explicit communication of CSR activities gave rise to the impression that CSR or a sustainable business practice is somehow “less” without its external reporting and extensive formalisation (Fassin, 2008: 371).

A lucrative market of reporting and auditing was established by consultants and service companies to provide new tools and reports based on financial principles/accounting standards and therefore a genuine hypocrisy of CSR communication evolved (Fassin, 2008: 369).

This gap between the initial concept of CSR as “moral duty or activity” developed on the basis of ethical concerns, which most SMEs fill by their family or long-lasting values, and the part of CSR that is auditable (following for instance GRI, etc.) is a real concern for SMEs and the danger of being judged as not responsible due to missing external reports is substantial for SMEs (Aucquier and Gond, 2006: 85).

The simplistic conclusion might assert that since SMEs do not report on CSR they consequently have no CSR or at least cannot be evaluated on that issue (Aucquier and Gond,
This study contributes to the falsification of such views by elaborating highly sophisticated CSR agendas in Swiss SMEs that are detached from formal reports but rooted in corporate cultures and evidently very successful.

However, what became evident is that SMEs are closely linked to the ethical values of their owner-managers. These lead actors were identified as “Unternehmer” (see Sections 3.4.2 and by governmental support in Section 3.4.9), who can cope with the absence of people giving them orders, set goals and control outcome, with risk and insecurity, show social extraversion (to build up networks) (Brandstätter, 2011: 228) and readiness to try new ideas to respond to changing environments (Luca et al., 2012: 176). The link between SME owner-managers and the term “Unternehmer” is explored in the next section.

Thus, besides the political/historical situation in Switzerland that seemingly fosters CSR might the explanation for the heightened awareness for CSR issues in SMEs be found in the mind-set of their lead actors. The next section outlines the relative theory so as to gain another facet leading to a potentially complete picture of key drivers and patterns of CSR in Switzerland.

4.2 “Unternehmertum”: the “sustainable” approach to CSR?

Leading economic scientists in the 18th century, like Richard Cantillon and Jean-Baptiste Say, first introduced the term “Unternehmer” (or entrepreneur) as driver of economies and advancements (Zimmermann, 2014: 21). This role turned into a passive and only statistic one during the 19th century and by the influence of the neo-classical theory, which assumed that in a system of absolute information the decision making process does not require any special knowledge of an “Unternehmer” (Peters and Kallmuenzer, 2015: 2).

Schumpeter was probably the first scholar to develop theories in the field of “Unternehmertum” and “Unternehmer”. Schumpeter (2006: 56) argued that the innovation and
technological change of a nation come from these “Unternehmer”-personalities and their wild spirits. He coined the word “Unternehmergeist”, German for entrepreneur-spirit, and asserted that the doing of new things or new ways of doing can be directly traced back to their efforts (Zimmermann, 2014: 36).

In his eyes the entrepreneur is the driver of innovation and economic development (e.g., the CSR movement), which is reached by trying new and innovative combinations of production factors, such as work, time, capital or, notably, new business models. By doing so, traditional combinations are dissolved resulting cycles of “creative destruction” (Schumpeter, 1928: 482).

Frank Knight is the second economic scientist who contributed facets to the understanding of “Unternehmertum” by introducing strategic planning and the distinction of risk and uncertainty (Zimmermann, 2014: 36). A generation ago, Baumol (1968: 68) protested against the singular view of entrepreneurs in an economic paradigm. Thereafter diverse and sometimes contradicting theories of entrepreneurship rose.

In Germany, the concept of “merchant with ethics”, as one explanation of the origins of current trends in “Unternehmertum”, emerged as a category of CSR research (Schwalbach and Klink, 2012: 221). This concept is based on trust, honesty, diligence, sustainability, and social peace, and thus, showed the tight nexus between traditional and new business traits (Schwalbach and Klink, 2012: 221).

Often SMEs operate at this intersection as the previous section outlined. Moreover, what has become apparent was that the current economic, political, environmental, and social challenges need a better understanding of the role these actors, and primarily SME owner-managers, might or should play. It is assumed that they are the key drivers of sustainable,
socially, environmentally and economically responsible, new business developments (Schwalbach and Klink, 2012: 230ff.).

Venture financing, corporate and social entrepreneurship, sustainability, entrepreneurial recognition, women and minority entrepreneurs, the global entrepreneurial movements, family businesses, and entrepreneurial education (Kuratko et al., 2015: 2) are some of the current interdisciplinary topics that should be scrutinised from the perspective of SME leaders. Overarching traits like the need for achievement, tolerance of ambiguity, locus of responsibility, the need for autonomy, dominance, and independence and capacity for endurance are identified to be crucial when it comes to being the owner and leader of a company (Brandstätter, 1997: 162; 2011: 228f.; Chan et al., 2015: 164).

“Good businessmen” and “good entrepreneurs” as business owners, founders and managers involved in firms and society and not motivated by their own profit and benefit are required in the current economic situation resulting from the greed of individuals. As said, owner-managers as well as entrepreneurs play crucial roles in a direct way in their companies but also in an indirect way for society as they contribute by innovation, as employer, by economic, social and environmental responsibility (Del Baldo, 2010a).

This is exactly where both principles intersect: both parties not only focus on earning profits but also shape corporate cultures and place importance on human values and ethical attitudes (Fassin et al., 2010: 438f.). Fassin et al. (2010: 428) especially looked on business ethic orientation as a main theme of interest for small business owner-managers, the same was done by González-Rodríguez et al. 2015) for over spanning values and issues in entrepreneurial contexts. The similarities are astonishing: the ethics of ownership as well entrepreneurship has attracted increased attention (Hannafey, 2003:107; Harris et al., 2009: 411).
Current research considers the relationship between ethical issues and managerial variables concerning the role played by entrepreneurs (Hornsby et al., 2009: 242f.) in their role as business owners. Others (e.g., Reidenbach and Robin, 1993: 645; Hornsby et al., 1993: 31f.) outlined the differences between entrepreneurs and non-entrepreneurs (Humphreys et al., 1993: 15ff.).

Especially interesting is the convergence between owner-managers of small companies and entrepreneurs with regard to ethics and decision making (Chau and Siu, 2000: 371; Buchholz and Rosenthal, 2005: 309), stakeholders (Dew and Sarasvathy, 2007: 275f.), ethics and dilemmas (Kuratko and Goldsby, 2004: 21; Payne and Joyner, 2006: 211), ethics and technological change and innovation (Hall and Rosson, 2006: 238; Brenkert, 2009: 452), ethics and training (Schminke et al., 2005: 149), and the relationship between business philosophies, values with regard to social and sustainable responsibility and business practices (Peterson and Jun, 2009: 401). For these discussion see also the arguments made about symbolic capital in Section 3.5, later about reciprocity in Section 4.4.2, and virtue ethics in Section 3.4.2 and 4.4.3.

CSR is the topic where all these issues intersect, within the establishment of new businesses but also in the prolongation and succession of long ago established family companies. CSR and ethics issues seem to bridge the gap (Swanson, 1995: 58ff.). Again, this shows that within the entrepreneurial and SME environment, CSR is a sustained topic of morale and virtues and not the exploitation of a situational opportunity (as in the business case).

As shown in the stakeholder analysis (see especially Sections 3.4.2 and 3.4.9) these are particular facets of Swiss SME leaders.

In spite of differences between owner-managers and “entrepreneurs” there are nevertheless some overlapping traits, especially regarding their values, visions, and strategy setting. Both are deeply embedded in their wider environments, use simplifying perceptual pro-
cesses and exercise their expertise in decision making, which differs significantly from non-entrepreneurs.

This justifies exploring the nexus of Swiss small businesses, their “Unternehmer” and business models, and CSR. This analysis should contribute to identify characteristics of successfully promoting one’s own business by following common determinants, virtues, deeply embedded ethics, which seems to be independent from different environmental conditions (cp. Section 7.4). This is especially interesting in light of “social enterprises” and “social business planning” as novel business ideas in Switzerland. The next section outlines the respective methodology.

4.3 Methodology on CSR patterns in Swiss SMEs

To gather ideas and perceptions suitable for the identification of Swiss CSR patterns across a number of heterogeneous companies (Patton, 2002: 544f.) the selection of the interviewees was based on the maximum variation strategy.

An initial sample of five companies (companies 1-5) was randomly selected from the online telephone book tel.search.ch (2015) that, as said, allows for sectorial and/or corporate search, which secured that only companies were reached. The businesses were initially contacted by phone to seek their participation and to secure their expertise in the topic of CSR (for the definition of expertise see Section 3.3.2).
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<td>German</td>
<td>25</td>
<td>62.5</td>
</tr>
<tr>
<td></td>
<td>French</td>
<td>9</td>
<td>22.5</td>
</tr>
<tr>
<td></td>
<td>Italian</td>
<td>6</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Romansh</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td><strong>Number of employees (full-time equivalents)</strong></td>
<td>Less than 10</td>
<td>1</td>
<td>2.5</td>
</tr>
<tr>
<td></td>
<td>11-50</td>
<td>11</td>
<td>27.5</td>
</tr>
<tr>
<td></td>
<td>51-100</td>
<td>21</td>
<td>52.5</td>
</tr>
<tr>
<td></td>
<td>101-200</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>More than 200</td>
<td>5</td>
<td>12.5</td>
</tr>
<tr>
<td><strong>Annual turnover in EUR Mio.</strong></td>
<td>Less than 10</td>
<td>3</td>
<td>7.5</td>
</tr>
<tr>
<td></td>
<td>11-20</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>21-50</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>51-100</td>
<td>19</td>
<td>47.5</td>
</tr>
<tr>
<td></td>
<td>More than 100</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Missing system</td>
<td>8</td>
<td>20</td>
</tr>
</tbody>
</table>

Table 8: Quantitative sample description

The initial contact by phone was further applied for snowballing, i.e., to gather contacts to other, somehow aligned, companies, and to have a viral sample distribution mirroring the
network character of Swiss SMEs (as outlined in Sections 3.4.2). While trying to reach theoretical saturation and paying some respect to the statistical, sectorial distribution of SMEs in Switzerland (according to FSO, 2012; 2013) this research finally included 40 exclusively face-to-face interviews. The size of the selected companies was cross-checked on the one hand by Zefix (2014), the commercial register, but also by consulting the company websites so as to secure that only SMEs were reached as they are defined by FSO (2003).

Table 8 gives a demographic, quantitative description of the different interviewees and their companies. Company code identity and more details with regard to date/time/location of interviews, industry, and company aim, specification, and history are chronologically stated in Table 9. Anonymity was important for some organisations; thus all are anonymised by a code identity.

Notably, companies 1, 2, 7, 9, 16, and 17 were already part of the stakeholder analysis – as organisations 4, 5, 6, 7, 9, and 14 respectively.

<table>
<thead>
<tr>
<th>Code ID: function, experience in company, educational level</th>
<th>Date / Time / Location</th>
<th>Industry / target group</th>
<th>Facts and Figures</th>
<th>Aim and specification</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: Owner-manager, 20 years, Master’s degree</td>
<td>19.02.14, 14.30h, Arterstrasse 24, Zurich</td>
<td>Software Engineering / Swiss customers</td>
<td>200 employees, turnover (2013): Mio. 37.7 EUR, steady increase of 16% profit and 19% turnover over the last 5 years, 25 new positions since 2012</td>
<td>Develops individual high-end software solutions for the financial, public, retail and telecommunication sector.</td>
</tr>
<tr>
<td>2: Owner-manager, 22 years, Bachelor’s</td>
<td>03.03.14, 11h, Sägereistr. 28, Glattbrugg</td>
<td>Public elements / worldwide customers</td>
<td>55 employees, doubled staff and turnover in the last 10 years, no loss since the</td>
<td>Was founded in 1907 as locksmith’s and blacksmith’s shop. It produces in the fourth generation public elements (e.g. sign-</td>
</tr>
<tr>
<td></td>
<td>degree</td>
<td>current generation took over the business</td>
<td>age, information carriers</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>--------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------</td>
<td>--------------------------</td>
<td></td>
</tr>
<tr>
<td>3: Owner-manager, 20 years, national certificate</td>
<td>13.03.14, 11h, Rönt-Rönt-genstrasse 22, 8005 Zürich</td>
<td>239 employees, private equity owned, steady increase of turnover and profit</td>
<td>Produces software solutions for quality management and transportation of dangerous goods.</td>
<td></td>
</tr>
<tr>
<td>4: Owner-manager, 5 years, national certificate</td>
<td>19.03.14, 11h, Olten</td>
<td>86 employees, total assets (2013): 1.385 Mia.</td>
<td>Established 1990, represents about 30'000 Swiss clients and is the Swiss leading provider of ethical and transparent banking services emphasising ethical principles instead of maximum profits.</td>
<td></td>
</tr>
<tr>
<td>5: Owner-manager, 12 years, national certificate</td>
<td>21.03.14, 11h, Zürich</td>
<td>246 employees, turnover (2012): Mio. 210 EUR, steady increase in turnover and profit, concentrated on Swiss market</td>
<td>A family business, established 50 years ago and one of Switzerland’s top brands and a pioneer within the Swiss food industry.</td>
<td></td>
</tr>
<tr>
<td>6: Owner-manager, 7 years, national certificate</td>
<td>27.03.14, 16h, Zürich</td>
<td>12 employees, turnover (2013) EUR 23 Mio</td>
<td>Founded 2001, offers tax advisory and consultancy, audit and certified accountancy.</td>
<td></td>
</tr>
<tr>
<td>7: Owner-manager, 18 years, national certificate</td>
<td>28.03.14 11h, Gerlafingen</td>
<td>246 employees, total equity: Mio. 8.1 EUR (1 share à 90 EUR), steady increase of profit, with great losses during the burst of the housing and construction bubble in eastern Germany after 1989</td>
<td>Established 1983, is a service company in the scaffolding industry, planning, maintaining, (de)constructing scaffolds and tribunes for events, housing, and construction and is totally owned by the management.</td>
<td></td>
</tr>
<tr>
<td>8: Owner-manager, 4 years,</td>
<td>02.04.14, 17h, Uster</td>
<td>20 part-time employees, steady increase of turnover,</td>
<td>Aim is the job and social integration of mentally or physically disabled people in the first job market.</td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>Owner-manager, years, qualification</td>
<td>Date, Time, Location</td>
<td>Industry/Role</td>
<td>Employees, Turnover (Year): Mio. Currency</td>
</tr>
<tr>
<td>-----</td>
<td>-----------------------------------</td>
<td>----------------------</td>
<td>--------------</td>
<td>------------------------------------------</td>
</tr>
<tr>
<td>10:</td>
<td>Owner-manager, 40 years, Master’s degree</td>
<td>25.04.14, 11h, Teufen</td>
<td>Industry and research / Swiss and international customers</td>
<td>16 employees, turnover (2013): Mio. 8 EUR</td>
</tr>
<tr>
<td>11:</td>
<td>Owner-manager, 34 years, national certificate</td>
<td>01.05.14, 9h, Steinmaur</td>
<td>Agriculture / Swiss individual and corporate customers</td>
<td>50 employees, turnover (2013): Mio. 9 EUR</td>
</tr>
<tr>
<td>12:</td>
<td>Owner-manager, 25 years, national certificate</td>
<td>05.05.14, 13h, Affoltern a.A.</td>
<td>Publishing / Swiss printing and book companies</td>
<td>40 employees, turnover (2013): Mio. 39 EUR</td>
</tr>
<tr>
<td>13:</td>
<td>Owner-manager, 6 years, national certificate</td>
<td>08.05.14, 11h, Zürich</td>
<td>Solar panels / Swiss individuals and companies</td>
<td>12 employees, turnover (2013): EUR 6 Mio</td>
</tr>
<tr>
<td>14:</td>
<td>Owner-manager, 4</td>
<td>14.05.14, 13h, St. Gallen</td>
<td>Electricity and ICT / Swiss individual</td>
<td>150 employees (45 apprentices), turnover (2014):</td>
</tr>
<tr>
<td>No.</td>
<td>Owner-Manager</td>
<td>Years, National Certificate</td>
<td>Business Details</td>
<td>Year, Time, Location</td>
</tr>
<tr>
<td>-----</td>
<td>---------------</td>
<td>-----------------------------</td>
<td>------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>15</td>
<td>Owner-manager, 5 years, PhD degree</td>
<td>15.05.14, 16h, Zürich Technopark</td>
<td>Energy Harvesting / international companies</td>
<td>15 employees, turnover (2013): Mio. 0.8 EUR</td>
</tr>
<tr>
<td>16</td>
<td>Owner-manager, 24 years, national certificate</td>
<td>03.06.14, 7.30h, Gebenstorf</td>
<td>Logistics / Swiss construction industry</td>
<td>83 employees, turnover (2013): Mio. 26 EUR (consolidated)</td>
</tr>
<tr>
<td>17</td>
<td>Owner-manager, 28 years, national certificate</td>
<td>12.06.14, 10h, Neuenhof</td>
<td>Spice, fruits, nuts trade / Swiss food industry</td>
<td>30 employees, turnover (2014): Mio. 45 EUR</td>
</tr>
<tr>
<td>18</td>
<td>Owner-manager, 12 years, national certificate</td>
<td>13.06.14, 10h, Winterthur</td>
<td>Construction and events / Swiss construction and event industry</td>
<td>150 employees, turnover (2013): Mio. 60 EUR, 26% EBITDA</td>
</tr>
<tr>
<td>19</td>
<td>Owner-manager, 4 year, national certificate</td>
<td>27.06.14, 11h, Winterthur</td>
<td>Waste and recyclables / Swiss corporate customers</td>
<td>90 employees, turnover (2013): Mio. 32 EUR, EBIT (2013): Mio. 16 EUR</td>
</tr>
<tr>
<td>20: Owner-manager, 25 years, national certificate</td>
<td>04.07.14, 11h, Hochdorf</td>
<td>Furniture / Swiss and international customers</td>
<td>100 employees, market share (2013): ca. Mio. 35 EUR school furniture, Mio. 7 EUR office furniture</td>
<td>Established 1934 in Zurich, produces school furniture and furniture systems for offices. Totally owned by the two CEOs. Construction sites in the middle and western part of Switzerland.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>21: Owner-manager, 8 years, national certificate</td>
<td>09.07.14, 11h, St. Gallen</td>
<td>Automotive and metal / Swiss and international customers</td>
<td>750 employees (300 in Switzerland, 300 in Czech Republic, 150 in China), turnover (2013): Mio. 140 EUR</td>
<td>A supplier for systems and components in automotive light metal design of aluminium and magnesium die-casting and a producer of die-casting parts in various alloys. Established 80 years ago with construction sites in Czech Republic and China.</td>
</tr>
<tr>
<td>22: Owner-manager, 32 years, national certificate</td>
<td>10.7.14, 9h, Winterthur</td>
<td>Road building / Government and Swiss corporate and individual customers</td>
<td>150 employees, turnover (2013): Mio. 15 EUR</td>
<td>Established 1882, is building roads mainly upon public order but also for corporate and individual customers. Offers from engineering, canalization etc. every step in the road construction process.</td>
</tr>
<tr>
<td>23: Owner-manager, 12 years, national certificate</td>
<td>23.07.14, 11h, Seon</td>
<td>Wines / Swiss and international customers</td>
<td>10 employees, turnover (2013): Mio. 5 EUR, contribution margin: 30%</td>
<td>Established 25 year ago, cultivates Swiss wines and trades Swiss and international wines.</td>
</tr>
<tr>
<td>24: Owner-manager, 19 years, national certificate</td>
<td>07.08.14, 11h, Muttenz</td>
<td>Chemical / Swiss and international corporate customers</td>
<td>80 employees, turnover: Mio. 50-100 EUR</td>
<td>Established 40 years ago, operates plants for the chloralkali industry to concentrate and/or solidify alkalis, H2SO4 recycling systems for the concentration, purification and recovery of sulfuricacid, and wet oxidation units for the treatment of wastewaters that are not readily biodegradable.</td>
</tr>
<tr>
<td>25: Owner-manager, 10 years, national certificate</td>
<td>12.8.14, 16h, Cressier, NE</td>
<td>Food / Swiss and international corporate</td>
<td>90 employees, turnover (2013): Mio. 6 EUR</td>
<td>Established 1909 as butchery in Appenzell, produces premium products like &quot;Bündnerfleisch&quot;, sausag-</td>
</tr>
<tr>
<td>26: Owner-manager, 12 years, national certificate</td>
<td>18.08.14, 11h, Neuendorf</td>
<td>Transport / Swiss corporate customers</td>
<td>300 employees, turnover (2013): Mio. 150 EUR</td>
<td>Established 1920 as producer of “Sauerkraut”. The transport department was established 1969 and steadily augmented also with international container shipping. Totally owned by the family with two subsidiaries in the Tessin.</td>
</tr>
<tr>
<td>27: Owner-manager, 24 years, Bachelor’s degree</td>
<td>20.08.14, 11h, St. Gallen</td>
<td>Waste and recyclables / Swiss corporate customers</td>
<td>240 employees, turnover: not declared</td>
<td>Established 1953 as trading company of scrap iron and gunmetal. Strongly lead by the owner family.</td>
</tr>
<tr>
<td>28: Owner-manager, 12 years, national certificate</td>
<td>29.08.2014, 11h, Greilingen</td>
<td>Housing, building, pharma, heating, transport / Swiss and international corporate and individual customers</td>
<td>95 employees, turnover (2013): Mio. 30 EUR</td>
<td>Established 1932, family owned and lead, has expertise in logistics, building and heating technologies with its steam tanks, vessels, steam generators, heat exchanger and steer boilers, further in the building of pharma reactors and tanks.</td>
</tr>
<tr>
<td>29: Owner-manager, 25 years, national certificate</td>
<td>08.09.14, 14h, Zürich</td>
<td>Construction / Swiss corporate customers</td>
<td>65 employees, turnover (2013): Mio. 150 EUR, profit 10 Mio.</td>
<td>Established 1997, independent and owner led, is a general contractor focused on renovation projects and the construction of one-family houses. Democratic decisions determine the business, where every employee has voice and a vote against management decisions. Highly customized and quality oriented solutions are the key success factors.</td>
</tr>
</tbody>
</table>
| 30: Owner-manager, 12 years, national certificate | 19.09.14, 14h, Grossaffoltern | Fertiliser / Swiss corporate customers (agriculture and garden) | 75 employees (25 in Germany), turnover (2013): Mio. 50 EUR | Established 1663, totally owned by the family is leading in the production and marketing of fertilizers. With an own research department, innovation is a
<table>
<thead>
<tr>
<th>No.</th>
<th>Position</th>
<th>Years</th>
<th>National Certificate Date</th>
<th>Industry</th>
<th>Employees</th>
<th>Turnover (2013)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>32:</td>
<td>Owner-manager</td>
<td>10</td>
<td>22.09.14, 16h, Geneva</td>
<td>9 part-time employees, turnover (2013): Mio. 9 EUR</td>
<td>Family owned care institution that helps elderly people to stay at home instead of moving into a home for elderly people. Rivals with state owned services.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>35:</td>
<td>Owner-manager &amp; marketing manager</td>
<td>10</td>
<td>01.10.14, 11h, Meiry</td>
<td>24 employees, turnover (2013): Mio. 22 EUR</td>
<td>Business consultancy specialised in integrated management systems (including environmental, quality, social, and health security certifying).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>36:</td>
<td>Owner-manager</td>
<td>5</td>
<td>01.10.14, 18h, Morges</td>
<td>18 employees, turnover (2013): Mio. 12 EUR</td>
<td>Media group issuing 5 regionally differentiated (online and print) newspapers.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>37:</td>
<td>Owner-manager</td>
<td>25</td>
<td>08.10.14, 11h, Lucerne</td>
<td>1 full-time and 2 part-time employees</td>
<td>Offers support and consultancy services for lead actors of small companies, especially with regard to succession planning and searching and establishing of the successor or inter-</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
In line with the observations above about the importance and predominance of lead actors in SMEs, it was decided to recruit interviewees from the top of organisations for this purpose. Arguably, 40 interviews are insufficient to provide an absolutely conclusive picture of CSR in Swiss SMEs. However, the results are sufficiently representative within this dataset. More importantly, they are worth to be discussed in the wider context below.

4.3.1 Interview analysis: qualitative content analysis

The interviews were based on pretested questions (see Appendix 5) that should be as neutral as possible (Atteslander, 2010: 121f.) but helpful to explore in an in-depth manner the SME-CSR nexus in Switzerland. The interviews with an average duration of one hour were conducted and digitally recorded between February and October 2014.
They were transcribed using the transcription software f4. Afterwards, the interview transcripts were qualitatively analysed by identifying relevant statements, which point to motives, responsibilities, components, and dynamics of CSR in Swiss small companies.

The qualitative analysis method used in this part is oriented at Legewie’s global analysis (1994) and Mayring’s (1996; 2003) qualitative content analysis. Apart from others (e.g., Creswell, 2007: 54; Atteslander, 2010: 274), Mayring (2003: 117) recommends qualitative content analysis in order to identify key patterns, dynamics, and typologies from heterogeneous backgrounds. This should help to relate the identified patterns to other observations or research results, e.g., from the Delphi process (see Section 4.4.2).

<table>
<thead>
<tr>
<th>Process of qualitative analysis</th>
<th>Orientated at</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Orientation, i.e., scanning the transcribed interview texts for signalling words and statements (compare with Appendix 8)</td>
<td>Legewie, 1994</td>
</tr>
<tr>
<td>2) Activation of context knowledge, i.e., remind interview situation, mood, gestures, and intonation (Appendix 8)</td>
<td>Legewie, 1994</td>
</tr>
<tr>
<td>3) Working through the texts, i.e. careful reading and marking significant statements in regard to the business model’s peculiarities, key drivers, and components (Appendix 8)</td>
<td>Legewie, 1994</td>
</tr>
<tr>
<td>4) Structural content analysis, i.e., categorise themes and contents; thereafter sequence and arrange statements (Appendix 8)</td>
<td>Mayring, 1996, 2003</td>
</tr>
<tr>
<td>5) Concentrating content analysis, i.e., paraphrasing, generalising (Appendix 9)</td>
<td>Mayring, 1996, 2003</td>
</tr>
<tr>
<td>6) Summarise text and support by quotations (see Appendix 9)</td>
<td>Legewie, 1994</td>
</tr>
<tr>
<td>7) Two-stage Delphi process (see Section 4.3.2)</td>
<td>Hasson et al., 2000</td>
</tr>
</tbody>
</table>

**Table 10: Process of qualitative analysis**

Table 10 describes the individual analysing steps whereas Appendix 8 provides an overview over working steps 1-5. Appendix 9 outlines working step 6, whereas Section 4.3.2 covers working step 7. Research steps 1-6 should answer research question 2 “How do patterns of CSR practice in Swiss SMEs relate to their business practices? Is there a Swiss
business model?” while step 7 addresses research question 3 “How do key drivers, peculiarities, and dynamics of Swiss SMEs determine the Swiss CSR business model?”

The methodology used is qualitative and, thus, interpretative to some extent. To heighten the quality (i.e., representativeness and objectivity) of this section further the results and conclusions gained from the interviews were evaluated and reflected in a two-stage Delphi process involving twelve of the interviewed SMEs.

### 4.3.2 Delphi process to elaborate the Swiss business model for CSR

In general, a Delphi process should help to gain a shared understanding in the tradition of the common ground technique (Mitchell and Jolley, 1992: 45).

To find a common ground is an approach of facilitating interpersonal relationships (Kaynak and Macaulay, 1984: 98). Thus, participants should try to take several perspectives on a topic and search for signals of recognition, which are often subtle and cause for misunderstanding (Mitchell and Jolley, 1992: 34). Consequently, this has the power to merge application and verification of results. Consensus methods such as the Delphi technique are most suitable for theory development and for answering research with a limited current knowledge base (Hasson et al., 2000: 1013). They offer procedural insights and a longitudinal perspective by analysing organisations at several points in time (Hatak et al., 2015: 291).

This process permits the critical validation of observations based on the rationale that when exact knowledge is not available, the judgement of a group is better that an individual opinion (Kaynak and Macaulay, 1984: 98). Delphi methods have specific rules (as proposed by e.g., Crisp et al., 1997: 117; Hasson et al., 2000: 1013; Donohoe and Needham, 2009: 421) that can be summarised as follows: the panel should consist of eight to sixteen
participants. The process should start with an initial questioning round, whereafter propositions are to be developed and presented after round one.

Controlled (recorded or written) feedback is recommended separated between rounds, whereas the number of iterations is based on the consensus of the experts. According to Crisp et al. (1997: 117) the response rate should be above 70 percent.

![Figure 11: Process of SME business patterns analysis and model development](image)

Figure 11 describes the research process that first aims at the identification of patterns of Swiss SME business evolving a draft model (see later Figure 12 in Section 4.4.1). This draft is subsequently reflected in the two-stage Delphi process and the outcome of this process is aggregated to the business model (Figure 13).

Notably this first version of the model (it will be characterised by the acronym L’EPOQuE) will be further validated in Section 5 leading to a version 2.0 (i.e., L’EPOQuE 2.0 – Figure 16).

Accordingly, 40 Swiss SMEs were interviewed in a first step. Secondly, twelve owner-managers (i.e., from companies 1, 3, 4, 9, 16, 19, 23, 27, 28, 31, 34, and 40) volunteered in the validation of the model by sending them the first edition (compare with Figure 12) by email alongside a questionnaire (related to the model’s components) and the instructions to reflect on it and give feedback via email or telephone. Lastly, the adapted model was discussed in a focus group discussion.

The email commenced with an open-ended questionnaire asking the owner-managers about their impression of the business model’s six key drivers in general. Subsequently, they were asked about the suitability of sub-components of each driver (for the questionnaire...
see Appendix 6). The results (exemplary answers are given in Appendix 7) were woven into the model and the main results were presented as opening remark of a focus-group discussion in February 2015.

All experts answered the email (i.e., response rate of 100%), eight attended the iteration meeting (i.e., from companies 1, 3, 4, 16, 23, 27, 34, 40). The exchanges in the face-to-face focus group discussion were recorded, transcribed, and qualitatively analysed (analogue to the interview analysis). This brought about interesting adjustments and supplements especially in regard to exporting SMEs (see Section 4.4.1) or the particularly parallel value world in SMEs (in 4.4.2). Further, as previously mentioned, by integrating the results from the interviews and from the two Delphi stages into the broad data set gained by examination of theory, websites, etc., this research enables a generalisation to a Swiss SME business model and thus to a regional and national context.

According to Kvale (1994: 151) and Bryman (2004: 76), the validity of this research is secured by interview quality and not by quantity. Therefore, deciding statements are outlined in order to provide full transparency about messages crucial for identification of patterns, dynamics, and motives for CSR and components of the underlying business model. Whenever useful, achievable, and/or necessary additional third party sources are consulted and included so as to assess the SME context specifics even further.

### 4.4 Findings: patterns of CSR practice in Swiss SMEs

As a synthesis of the 40 interviews (as described in Tables 8 and 9) the next section states the most important features (or patterns) of CSR in Swiss SMEs. More details in regard to company specifics and implementation of CSR, related to the allocation of responsibility and their motives, as proposed by Hemingway and Maclagan (2004: 35f.) and outlined in
Section 2.1, can be found in Appendix 9. This part’s results are published as Looser and Wehrmeyer (2015b).

Supporting statements made during the interviews are added in brackets (translated by the author). Notably, the interviewees are identified by company code ID as stated in Table 9.

4.4.1 Idiosyncrasies of Swiss small business CSR

To start with some general observation: all companies under review are highly specialised niche actors benefiting from the competitive advantage of “Swissness” as one of the most valuable brands in the world according to Feige et al. (2006: 12f.). The latter was amongst others especially emphasised by exporting companies 15, 18, 19, 22, and 29. The goal of these companies is to provide equal quality abroad as they do so in Switzerland.

This vision and their trust-based values (e.g., handshake quality) drive their business, even if they are operating in areas with lower responsibility standards (China, India, etc.):

    [...] all our international trade partners from China, India, or Thailand rely on business sealed by handshake [...] (company 22)

All participants are sole owner-managers with a minority (i.e., 7/40, these were: companies 1, 8, 10, 17, 19, 22, and 29) having shared ownership with the family or a few (silent) partners. The sample is skewed towards male interviewees, despite the attempt to find more female participants. As said, this represents the predominantly male gender bias regarding leading positions in Switzerland (FSO, 2013).

All interviewees had at least four years of experience, with the great majority having between 15 and 30 years of experience in their current position and their educational level ranges from a majority of 85% with a national certificate to Bachelor’s (7.5%) or Master’s and/or PhD degrees (7.5%).
Above all, there is a strong basis for the emphasis on ownership, or to be precise, ownership-within-tradition (which means family and local culture), whereas size and capacities astonishingly do not seem to matter (see again Tables 8 and 9).

Considering these identified, overarching features, the findings, indeed, point at an idiosyncratic Swiss model of CSR that is influenced by visions and inspiration with corporate self-restraints aimed at general welfare (for such categories see Appendix 8 and for more details Appendix 9). The majority (80% of the researched SMEs) has CSR on an individual level with personal motives.

 [...] It is just standard to help poor or jobless people in the village [...] (company 2)

 [...] Since I am aware, my parents taught me to take care of others because we as business owners have a life-long responsibility for our region [...] (company 14)

 [...] since I remember we always employed handicapped or socially weak and unfortunate people [...] (company 34)

According to many owner-managers (e.g., of companies 2, 4, 9, 12, 14-16, 21-26), the role of their mothers and/or wives is crucial. Actually, in the eyes of the sons/husbands these women are the “hidden company leaders”, caring for staff with deeply rooted ethical values and high expectations towards their husbands/sons on how to lead the company in a proper way.

For some companies (12, 14, 23, 24, 30) Christian values are the basis of their CSR, whereas for the others it is rather pragmatism (e.g., companies 16, 18, 20-22), philanthropy (26, 28), and their responsibility as “Unternehmer”. Either way, the highly sophisticated CSR agendas appear as a result of evolution and not strategic at all. Company 18 was sold to a listed MNE, which is a family-owned business with over 150-year tradition.
Astonishingly, the daughter company had neither to introduce any formal reports nor had it to change any business practices, since the “mother” sees a clear advantage in keeping informality and the daughter’s traditional values. This is a clear contradiction to what is normally reported to happen after an acquisition by a MNE (Muller, 2006: 193), as the owner-manager of company 1 stated. This supports the abovementioned arguments: 1) ownership and small business culture are deciding elements, which 2) in turn are independent from size, capacity, and national boundedness of the business.

For all companies (11, 14-16, 21, 23-26, and 30) that were forced to do a certification in the supply chain of a MNE this was an “easy task” for them, because they did the required activities for decades and, therefore, had the related documents in any form.

Some owner-managers emphasised that, when they were forced to do formalisation (i.e., reports, certification), they do this, but reluctantly and only motivated by opportunism.

[…] if customers ask for a standard we fulfil this wish without much motivation to do more than necessary to get the contract […] (company 25)

This means that formalisation does not enter into their values or mind-set. Accordingly, this reveals an option of strategizing CSR without the sacrifice of culture and moral. Some of them (e.g., companies 1, 16, 23) see an advantage in promoting their business values and therefore they issue CSR/sustainability reports, however this is just because they start to talk about their business.

[…] the way we do our business deserves wider recognition […] (company 16)

The reason for this development towards more external communication seems to be that they see responsibility as part of education and cannot be implemented in a later stage as adults. Consequently, they are not reporting in an accountability framework to wider stakeholders.
By contrast, these reports are often built, written, designed for schools to introduce the business specificity to pupils and to show that they are operating regionally, deeply rooted as (future and responsible) employer in the region and, even if they are in the “dirty” construction or concrete business (an expression used by owner-managers of the relative industry), they try to do this in a proper way.

As soon as ownership is shared with e.g. shareholders and the owner is no longer the sole leader, CSR could turn into an “external and superficial thing”. This statement was made by the former patron of company 10. He sold his company to a MNE and is still very “sad” about the immediate and substantial changes this brought to his company’s culture and inherent values.

Similar can be reported from e.g., companies 17, 19, 29, making CSR, in a sort, a strategic attempt there. In other words, to separate capital and management leads to formalised CSR (e.g., to reports) and the before intrinsic motivation to do even more CSR seems to get lost.

[…] this report has the sole aim “to cover my ass” and, honestly, after one year the only thing we actually did related to CSR was writing this superficial piece of paper […]

(company 19)

In some cases, higher educated leaders (e.g., by a Master of Business Administration, MBA) tried to introduce rationalised and explicit modes. But this only seems to happen when they have shared ownership and are mostly seen as “managers” (companies 8, 22), but if they are MBA trained and at the same time children of the family business (as in companies 4 and 25) they prefer to stick to what their parents built up without any formalisation. In fact, these were the most militant opponents of any formalisation or change in their traditions.
Many SMEs (i.e., 2, 4-6, 9, 11-13, 16, 21, 23-26) operate literally without an executive floor with their CEOs sitting among their employees, clearly pointing to owner-managers seeing themselves more as co-workers than as bosses and to informal, flat, lean, and, thus, agile, companies.

In sum, these features address research question 2 “How do patterns of CSR practice in Swiss SMEs relate to their business practices? Is there a Swiss business model?”

Figure 12 consolidates the abovementioned to the draft version of the Swiss business model for CSR.

![Diagram](image)

**Figure 12: Draft version of the SME business model for CSR**

As said in Section 4.3.2, this model was subsequently subject to the Delphi process (feedback via email and face-to-face discussion), which brought about a number of hints in regard to refinement, sophistication, and differentiation of the draft edition.
This should at the same time answer research question 3: “What are the key drivers, peculiarities, and dynamics of the Swiss CSR business model?”

4.4.2 Findings from the Delphi process assessing the draft business model

The most significant results from the Delphi process can be summarised as follows:

Indeed, ownership is seen as one of the deciding attributes of Swiss SMEs leading to a business steered by visions and not by profit, making ownership the most influential component of the key driver “leadership”. To add a description of the company’s political and economic relationship with the state was found to be essential. The involved companies agreed on “liberalistic”, i.e., Swiss SMEs prefer to do business without state steering, regulations, and governmental formalisation.

Furthermore, the participants see leadership as their personal trait that cannot, or only to some extent, be trained. Notably, this distinguishes managers of MNEs from owner-managers of SMEs. The latter, as stated by participants, is vision-lead, value and task oriented aiming at company advancement, whereas the former is profit-driven without any personal relation to the company.

With regard to the key driver “employees” many participants (companies 9, 16, 19, 23, 27, 28, 31) strongly emphasised that in contrast to the commonly held opinion of owner-managers as “little dictators” (e.g., Battisti and Perry, 2011: 181f.) the relationship to employees is based on democracy and subsidiarity following the model of political Switzerland. Thus, “democratic” is a novel and, according to them, the most important adjective herein. Arguably, not in all companies absolute democracy is deployed however, the leaders have at least a participative approach respecting and taking the opinions of their employees (in some cases on an informal level) into account.
The high entry barriers of their specific markets, built upon their specialised niche products was a further hitherto unmentioned point. These entry barriers are a consequence of the ability of Swiss SMEs to customise their products from pure “hardware” to systems including services and solutions that make it very difficult for competitors to enter those markets. Currently, many of the very successful companies have become suppliers of complete business solutions. These comprehensive packages are the result of constant innovation driven not by basic research but by customer desires. Thus, Swiss SMEs and especially their owner-managers are very close to their customers (see also statements below related to the “informality” of organisations).

“Agility” is the catchword that was brought to discussion to replace debased “flexibility”. Accordingly, this adjustment was performed since the former describes more precisely the mental mobility, the ability, and skillfulness Swiss SMEs demonstrate to react to their environment and search new and/or additional niches if needed and useful. This covers “innovation” and “multi-functionality” as well, other key terms mentioned in the discussion that emphasise the duty to immediately react on customer demands while suffering from high fixed costs due to small-scale production of specialised niche products (as aforementioned).

The importance of “Swissness” as a success factor was emphasised by many companies (1, 3, 4, 9, 16, 19, 23, 27, 28, 31, 34, and 40) and, therefore, added as key driver of “quality”. At the same time “Swissness” is seen as some sort of import protection (see quotes in Section 4.4.3). The significant efficiency of Swiss SMEs is, amongst others, a consequence of market pressure and high fixed costs leading to streamlined production processes and high-end solutions (systems and/or business development).
“Breeding” and educating their workforce is seen as a further crucial success factor. Thus, it was a profound desire of the participants to add the apprenticeship system as a distinct component, related arguments are stated below. “To give something back” (so as to get something back later) is driven by community-oriented reciprocity and, thus, primarily a survival strategy of self-improvement and organisational evolution and less likely a purely altruistic motive. Reciprocity, in general, refers to a social rule that says we should repay, in kind, what another person has provided us (Argandoña, 2011: 79). This sense of future obligation associated with reciprocity makes it possible to build continuing relationships and exchanges as “new business horizons” (Gold, 2010: 67) in “sharing economies” (Gold, 2004: 87).

Reciprocal actions of this nature are important to social psychology as they can help explain the maintenance of social norms (Caliendo et al., 2012: 394). A person who violates the reciprocity norm by accepting without attempting to return the good acts of others is disliked by the social group. Individuals who benefit from the group's resources without contributing any skills, helping, or resources of their own are called free riders (Gui and Sugden, 2005: 33; Lähdesmäki and Suutari, 2012: 488f.). Both individuals and social groups often punish free riders, even when this punishment results in considerable costs to the group. So, it is unsurprising that individuals will go to great lengths to avoid being seen as a moocher, freeloader, or ingrate – thus there is a strong link to social capital (Putnam, 2000: 45). For a deep discussion about the latter see again Section 3.5.

These various statements subsequently allowed the elaboration of a Swiss business model for CSR that perfectly fits the generic definition as “rationale of how an organisation creates, delivers and captures value” (Osterwalder and Pigneur, 2010: 14). This model accounts for highly sophisticated CSR practices far beyond formalisation making Switzerland a hidden champion in CSR.
4.4.3 **L’EPOQuE: A Swiss business model for CSR**

Considering the findings from the Delphi process that evaluated the draft version of the model (in Figure 12), this study concludes with a generalised SME business model determined by six main key drivers (with up to three sub-components depending on factor): **Leadership, Employees, Products, Organisation, Quality, and Education** (abbreviated as the acronym **L’EPOQuE**). For the process of model development and reflection see again Figure 11.

The visualisation of the model, which summarises well these aspects, was useful and heuristic.

Notably, although the model discriminates six factors, it postulates that they are, on a basic level, seen as a continuum rather than as distinctively separated motives or attributes. Thus, each factor in the whole set relates to each other in an integrating manner, whereas the closer the factors are the more similar their underlying forces. This understanding as continuum gave rise to the circular structure of the model (see Figure 13).

In order to further clarify this continuous nature some shared, adjacent aspects should be outlined in the following:

1) A long-term orientation is deciding in regard to the whole business conduct, however, it is especially worth to be mentioned concerning leadership and relations to employees.

2) A trust-based business is an overarching feature in regard to leadership, employees but also to the informal and network steered organisational structure and, at least also a factor for “Swissness” as success factor.

3) Efficiency as key driver of the “quality aim” plays an important role in regard to the specialisation of niche products with high entry barriers and flat, lean organisational structures as well.
Further, some aspects are not seen to be equal but rather superior to others:

1) “Swissness” is subordinated to efficiency.

2) In the “education” factor, to have apprentices is a consequence of the aim “to give something back”, thus the latter is superior to the former.

Again, whenever useful, statements directly retrieved from the interviews or the Delphi rounds are added (translated by the author – with company ID in brackets). At the same time this covers research working steps 6 and 7 (according to Table 10).
In sum, Swiss SMEs have:

L) a liberalistic, visionary leader- and ownership-driven approach, where the Leader “is” the business and vice versa,

[…] I once decided to run this company though I was aware of sacrificing a lot of comfort, money and adopt a lot of stress, sweat, and blood running this company […] (company 4)

[…] My life is dedicated to risk, insecurity, abandonment, and loneliness, however, you cannot imagine how much envy I daily experience for my libertarian lifestyle […] (company 11)

E) focused on tight, long-term, trust- and democracy-based relations to Employees,

[…] on a daily base I am in close contact with my employees, therefore the whole staffs celebrate the daily coffee break at 10 o’clock […] (company 5)

[…] we treat all employees equally, thus, we have full transparency in regard to all our salaries, and bonuses […] we strictly execute majority votes for every management decision and anyone has the option to use its veto against management attempts […] (company 1)

[…] I work physically among my employees on our various construction sites in order to personally take care of my staff’s health and safety […] we provide apples and water and in the summer sun cream for free […] (company 33)

[…] we try to teach them how to integrate into Swiss society, that’s not easy since most of our employees are coming from countries that are currently or were recently in war against each other […] we try to establish peace between them […] (company 7)

P) on niche Products (specialised, small scale production with high entry barriers),
[...] Since 30 years we are Swiss market leaders, but in the next year I have to put all my effort in finding new niches [...] (company 8)

[...] We are world market leader and developed this production process [...] (company 4)

[...] On a worldwide scale, we are the only one having this knowledge and thus we are the only supplier of such a combination of product and service [...] (company 3)

O) driven by networks and informal, flat Organisations (therefore agility),

[...] I personally take care of all our suppliers and customers in the market hall in order to foster relationships; however, this is very informal mostly leading to a coffee break or a beer after closing time [...] (company 9)

[...] we always take decisions together with our employees since in times of risk or under pressure a majority always takes the better decisions than an individual [...] (company 36)

[...] in the summer we organise a huge barbecue for all our customers [...] (company 17)

Qu) and by efficient “Swissness” Quality.

[...] smaller companies have in the long run no other choice than to rely on high-quality products, thus, our survival is determined by our ability to be as efficient as possible with the world’s best products [...] (company 20)

[...] this is about our wish to be as efficient as possible [...] (company 40)

E) The owner-managers foster Education, e.g., the apprenticeship system, so as to “give something back” and establish their ethics during the process of work socialisation.
 [...] one third of our employees are apprentices, only by this we safeguard that we are not running out of qualified employees. However, this is a continuous process of training [...] (company 14)

 [...] We have always educated apprentices; by this we secure our own staff and the level of education that is needed to fill this very complicate production process. Furthermore, I try to implement in these young people the seeds of trust, quality, ethics and a sense of responsibility for themselves but also for society and environment [...] (company 22)

 [...] I established an education because there is no adequate education supplied by the public system [...] (company 26)

 In sum, the Swiss SME business model appears to be characterised by soft assets, such as networks, by the nexus of mission and value-set, by a system of initiatives and integrated behaviour, by proximity, and informal, flat organisational structures, by the aspiration and ambition of craftsmanship or excellent service (instead of profit), by community involvement, by recruiting from the local community, by the willingness to grow slowly and steadily (i.e., temperance and prudence), by the avoidance of atomic markets, and finally, by the mental set-up and sociological tradition of the stewardship concept.

 This research so far made no absolute distinction between different virtues, although different expressions of virtue ethics are worked into the business model, e.g., visionary leadership is closely related to courage, whereas the tight relations to employees or the aim “to give something back” by education can be linked to benevolence (i.e., the virtue of justice or friendship). Above all, practical wisdom is woven into and manifested in each of the six key drivers, starting with leadership only based on experience, the trust-based and democratic ties to employees, flat and informal day-today operations, and finally, the quality
aim of their niche products. Nevertheless, it would be an advantage to throw an eye on the identified business model from the perspective of virtues since other researchers (e.g., Gowri, 2007: 395; Ruisi et al., 2009; Ruisi, 2010; Toner, 2010: 24; Slote, 2011: 16) showed that these virtues are the foundation of an anthropological-based business culture, which fosters and reinforces CSR strategies. Pre-conventional, conventional, and post-conventional ethics and Piaget’s concept of moral development as alternatively ethical drivers of companies are further looked at in Section 9.7.

Above all, virtue ethics driven patterns were found in many studies looking at ethical attitudes in small companies compared to large corporations, inter alia, by Longenecker et al. (2006: 172) and Malloch (2009: 43), but also with regard to more integrity in small companies especially looking at organisational ethics and leadership (Brown, 2005: 56).

Others (e.g., Scruton, 2008: 29; Alford and Signori, 2014: 5; Alford, 2015: 9) conclude that the mismatch between practitioners’ interest in “good business” and the actual “poor outcome” (mostly driven and in some way “biased” by the profit making motive based on the shareholder approach) can be explained including the virtue ethics perspective, as found for instance in Swiss SMEs. Furthermore, in Swiss small companies, owner-managers are not just doing what is just – as noticed by the capabilities theory (Sen, 1999: 123; Nussbaum, 2000: 45) – but they try to create a working environment that encourages employees to flourish and find fulfilment in their job (Bertland, 2008: 25).

4.5 Discussion and conclusions from the analysis of small business patterns

This section showed that the proactive actions undertook by SMEs to address social and environmental challenges as part of their business model should be considered and exploited in the context of new entrepreneurial opportunities. The small size of SMEs is an important factor for innovative business practices. Widely reported deficiencies of SME in
regard to CSR, such as lacking financial resources, impediments due to the peculiar characteristics of their organisational structure, reluctant management style, limited level of technological access, and a low level of innovation (Tsalis et al., 2014: 181) were not found in this analysis to be obstacles in the pursuit of CSR and/or profit.

On the contrary, the six key drivers of the Swiss business model for CSR reflect high engagement of leaders and highly agile and innovative organisation. Competitiveness (Revell and Blackburn, 2007: 411; Revell et al., 2009: 282) or compliance with regulation (Lefebvre et al., 2003: 71; Gadenne et al., 2009: 51) as reasons for CSR were not replicated in this thesis. Notably, Section 6 further explores the dichotomy of extrinsic and intrinsic stimuli for CSR.

Above all, the L’EPOQuE business model may help understand the nexus of CSR and business models and how the former embeds in the latter. Arguably, this model represents a regional interpretation of a specific set of circumstances likely to show differences in emphasis. Other contexts may have a different set of overarching factors. Even within this research some heterogeneity related to sector, region, or size was observed.

There was, for instance, a tendency towards more democracy but slacker relations to employees and less self-education in service companies. On the other hand, production companies are often located in slightly populated regions, have tighter relations to the community and employees (evolving a “family feeling”), and are hiring strictly from this region. Their owner-managers are often very active in local associations and/or politics.

The next section pays respect to such heterogeneity by assessing L’EPOQuE’s idiosyncrasies and, in particular, its consistency with a conventional mainstream model. It strives for matching its feature with key aspects of another business model (i.e., Osterwalder and
Pigneur, 2010: 18f.; 44). This should explore the power and validity of L’EPOQuE eventually to be a generally valid template for CSR-driven businesses.

In particular, the next section answers research question 4: “How consistent is the Swiss model with conventional business models? How do the relative surroundings reflect the need for new templates?”

In order to answer these questions, the convergence of business models and CSR needs a closer look and a theoretical foundation. Thus, in a first step, recent movements in the fields of business models, corporate culture, and the implementation of CSR in the former and latter are highlighted.
5 L’EPOQuE: plausibility, validity, and power as new template

Despite the increased recognition and emphasis on CSR as a topic, numerous well-publicised problems and scandals often involving large corporations continue to emerge (Osuji, 2011: 44f.; Asif et al., 2013: 13). These companies are mostly extrinsically motivated in CSR, driven by the aforementioned shareholder approach. They operate with highly formalised CSR systems that in many cases fail to prevent anti-social and illegal behaviour (Osuji, 2011: 43). This reflects the failure of extrinsic CSR to integrate the ethical dimension and/or the failure of intrinsic CSR to not formalise and thus benefit from economies of scale (Looser and Wehrmeyer, 2016). Currently the conviction is growing that if CSR is to have a meaningful impact it should be a matter of corporate culture and a relative “raison d’être”, or core logic (Du et al., 2012: 161) rather than a formalised management tool.

5.1 The convergence of CSR and business models

Though academics and practitioners have well recognised this need (Margolis and Walsh, 2003: 291; Zadek, 2004: 221; Jamali, 2008: 229) there is still a dearth of deeper knowledge about CSR implemented in culture or in business models as its manifestation (Asif et al., 2013: 15).

While there exists research on top-down processes, starting at the strategic level to implement extrinsic CSR by management systems (Pondeville et al., 2013: 328) there is a knowledge gap on evolutionary, traditional, historically grown business models far beyond formalisation that are, eventually resulting in unintentional but state-of-the-art CSR agendas. This part of the thesis looks at such business models that are built on CSR values without strategic decision or commercial pursuit. This highlights how important the businesses’ core logic, and/or motives are for the perception, and thus, design of CSR frame-
works. This follows the recent shift in the CSR debate, which emphasises not to look any longer at strategic processes but on organisations that maintain CSR because it is a part of their culture (Leitschuh, 2008: 46f.; Lorenzo-Molo and Siloran Udani, 2013: 131; Asif et al., 2013: 13; Looser and Wehrmeyer, 2015a: 811f.).

As in the case of Switzerland, most of these pioneering companies are small ones with informal and unsystematic CSR agendas (Morsing and Perrini, 2009: 3; Del Baldo, 2010b: 233; Nkiko, 2013: 381) but with business models that are built on traditional values and virtues, on the loyalty in the case of hardship, on long-termism, their aspiration to contribute to society and lead a “proper” business, on their community involvement, and close relationships to employees, customers, suppliers, and other small firms (compare with Section 3.4.10 for Switzerland and Section 4.1 or Il Park and Ghauri, 2015: 198 for a general discussion).

The tight linkages especially point at business practices that are valued by communities, customers, and other relevant stakeholders. This resembles the bottom-up approach as proposed by Asif et al. (2013: 13). Furthermore, it compromises institutional dynamics of CSR as “soft law” (e.g., Steurer, 2010: 50; Nolan, 2013: 151; Zeyen et al., 2014; Nolan, 2014: 19) aligned with concepts of legitimacy (Zheng et al., 2014: 397), virtue ethics, and morale.

At the same time, there is an overall attempt and trend in the business world to conceptualise day-to-day operations in business models (Arjaliès and Mundy, 2013: 289), which in turn are regarded as tool kit to improve company performance and to bring revenue (Kalakou and Mácario, 2013: 12). In general, business models can help to highlight the distinct features of a business a company operates and tries to capture opportunities with (Kalakou and Mácario, 2013: 11).
To conclude, how business is organised reflects what values, processes, or systems drive a company and which principles it is built on (Jenkins, 2006: 251; Del Baldo, 2010b: 236). This intersection, in turn, is closely linked to the motivation and set-up of CSR in a company (Newman and Sheikh, 2012: 362; Schultz, 2013: 368). However, from literature review it became evident that there is still a lack of knowledge on this convergence of business models and CSR. So far this research postulates L’EPOQuE to be a CSR-driven business model and a potential template that might bridge this gap as it works at the nexus between economic rationale and ethics. In order to verify or falsify this assumption, the next section highlights some conventional, well-known models and their key criteria in order to compare one of them later with the features of L’EPOQuE.

5.1.1 The current mainstream in business models

As abovementioned, many business models consist of generic key criteria. They can be subsumed under 11 topics. Accordingly, they are either a matter of profit generation – i.e., 1) characteristic of revenue stream, 2) outline of value proposition, 3) cost structure, 5) value chain – or refer to management issues – i.e., 4) customers, 6) strategy, 7) sustainability, 8) structure of competitors, 9) networks, 10) complementarities, and/or 11) novelty, innovation orientation – see Table 11. Notably, revenue mechanisms can be fixed or dynamic, while relationships to competitors and customers can be driven by self-service or by co-creation (Kalakou and Mácario, 2013: 4).

This review does not fully delineate the wide range of authors’ propositions on business model components but concentrate on over-spanning topics gained from different sectors (i.e., marketing, manufacturing, information technology).
<table>
<thead>
<tr>
<th>Elements</th>
<th>Authors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Characteristic of revenue stream</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
</tr>
<tr>
<td>2) Outline of value proposition</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
</tr>
<tr>
<td>3) Cost structure</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
</tr>
<tr>
<td>4) Characterisation of customers</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
</tr>
<tr>
<td>5) Value chain</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
</tr>
<tr>
<td>6) Strategy</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
</tr>
<tr>
<td>7) Sustainability</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
</tr>
<tr>
<td>8) Structure of competitors</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
</tr>
<tr>
<td>9) Networks</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
</tr>
<tr>
<td>10) Complementarities</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
</tr>
<tr>
<td>11) Novelty, innovation orientation</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
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</tbody>
</table>

Table 11: A selection of standard business models’ key criteria

1 Mahadevan, 2000
2 Steward and Zhao, 2000
3 Alt and Zimmermann, 2001
4 Haman, 2000
5 Rappa, 2001
6 Osterwalder, 2004
7 Hedman and Kalling, 2003
8 Bonaccorsi et al., 2006
9 Brusseau and Penard, 2006
10 Rasmussen, 2007
11 Zott and Amit, 2010
12 Osterwalder and Pigneur, 2010
13 Looser and Wehrmeyer, 2015b
For the purpose of this research, to assess the Swiss model’s idiosyncrasies further, the popular business model of Osterwalder and Pigneur\textsuperscript{12} (2010: 18f.; 44) is chosen. They presented a fundamental canvas by which all operations of businesses can be depicted (Kalakou and Mácario, 2013: 12).

This framework consists of nine building blocks (Osterwalder and Pigneur, 2010: 15): customer segments, value proposition, channels, customer relationships, revenue streams, key resources, key activities, key partners, and cost structure – see also Table 11. Notably, it is set up as square (as evident from Figure 14).

![Figure 14: Osterwalder and Pigneur (2010: 18f.; 44) business model](image-url)

It should be mentioned that several attempts exist to develop “social business models” (e.g., Michelini and Fiorentino, 2011: 570), “inclusive business models” (e.g., Prahalad, 2005: 111), “sustainable business models” (e.g., Høgevold et al., 2014: 371), or management systems to integrate CSR in business strategy or operations (Asif et al., 2013: 13). The former is often aligned with “social entrepreneurship” and its explicit aim to benefit the community (Borzega and Defourny, 2001: 45).

Many inclusive business models are based on the bottom of pyramid theory (Prahalad, 2005: 134) and its “serving the poor approach” as new source of growth for MNEs (Michelini and Fiorentino, 2011: 571). To reduce the impact of business on the natural environ-
ment is the target of ample sustainable business models (e.g., Høgevold et al., 2014: 381; Windolph et al., 2014: 390).

Many studies (i.e., Gond, et al., 2012: 221; Martinuzzi and Krumay, 2013: 431; Pondeville et al., 2013: 329) tried to implement relative strategies and operations. All of them evolved extrinsically imposed control and steering systems (e.g., standards and regulations) with the potential drawback of crowding-out intrinsic motivation (Deci et al., 1999: 639; Frey and Jegen, 2011: 601), and, in some cases, of a decreased level of actual CSR (Fassin, 2008: 371). To conclude, many conventional business models are paying respect to hierarchical structures (Fassin et al., 2010: 431; Du et al., 2013: 161; Lorenzo-Molo and Siloran Udani, 2013: 129) and focus on the satisfaction of diffuse stakeholder interests (Maas and Reniers, 2014: 109) and on profit or revenue generation (Michelini and Florentino, 2011: 570).

Such surroundings might be responsible for stiff, invariable organisations that are slow in their decisions when it comes to outside changes (Mahadevan, 2000: 61; Alt and Zimmermann, 2001: 4; Zott and Amit, 2010: 215; Gond, et al., 2012: 223f.). Overall, the nexus of “business model” and CSR is worth a closer look, elsewhere, but especially in Switzerland where the “raison d’être” of Swiss SMEs mirrors highly sophisticated and intrinsic CSR agendas deeply embedded in corporate cultures (as shown in Section 4).

5.2 Methodology on business model feasibility and validity check

In particular, this part assesses the characteristics of L’EPOQuE, in general and with regard to “the conventional”, and the risks and benefits arising from potential differences. This comparison follows grounded theory and the subsequent Delphi process in an expression of its hermeneutically integrating character.
Figure 15 demonstrates the process that checks the model’s validity and feasibility and encourages the development of version 2.0. Notably, the Delphi process consists of “matching L’EPOQuE”, “consistency check” (both in Table 12), and “assessing differences and validity” in Section 5.3.1.

The assessment of the consistency of L’EPOQuE as cluster of a conventional model is qualitative and not quantitative. The first step matches the six key features of the Swiss model with key criteria of the Osterwalder and Pigneur (2010: 18f.; 44) model. This allocation and the assessment of the consistency was a matter of a Delphi process by the methods of questionnaire and focus group discussion by telephone (summarised in Table 12).

5.2.1 Delphi process assessing the consistency with the mainstream and feasibility

In order to fill the requirements of the method of Delphi process (for details see again Section 4.3.2) Switzerland Global Enterprise, the Trade Chamber for Swiss Business, the Swiss Chamber of Commerce, and the governmental department responsible for public strategy related to SMEs, one big Swiss Newspaper, and three owner-managers of Swiss SMEs (i.e., from companies 2, 7, 21) were sent Table 12 by email with the request to validate on the one hand the key features and match them with conventional criteria. This took place during April 2015. All experts answered the email. Some example answers can be found in Appendix 10, the summary in Appendix 11, and the transcript in Appendix 19.
The exchanges in the discussion in person during the Delphi process by telephone subsequent to the answer per email were recorded and transcribed. This brought about interesting insights on issues for advancement, feasibility, and consistency of the model, which in turn allowed a certain generalisation of the Swiss model as new template for CSR-driven businesses since it was put into a broader set of economic, political, national, and regional contexts.

To conclude, the Delphi procedure established data reliability and internal validity, resulting in heightened validity of L’EPOQuE. At the same time, it showed areas for potential modifications of nomenclature that should foster generalisability of L’EPOQuE leading to L’EPOQuE 2.0 (cp. Section 5.3.3).

5.3 Findings: L’EPOQuE and its feasibility to be a new template

The following resumes what the experts’ written (from the questionnaire) and spoken (from the subsequent discussion) comments on L’EPOQuE and their assessment of its consistency with a traditional template were – the findings are published as Looser and Wehrmeyer (2016).

5.3.1 L’EPOQuE: a consistent cluster of conventional models

Overall the Delphi process and the participants confirmed the six key features Leadership, Employees, Products, Organisation, Quality, and Education. They emphasised some specificities alongside the nine building blocks of Osterwalder and Pigneur (2010: 18), in particular with regard to informal settings that L’EPOQuE mirrors better in their eyes and in this context than the conventional canvas does.

The Swiss model is born by owners. These owners have key partners in the community in which they often have an important (often institutional and political) role. Indeed, networks
and tight relations to employees bear the whole system however, this is a very personal set-up and not an anonymous group of shareholders as key group often found in standard settings e.g., of MNEs. However, owner-managers are also seen as “special”, in many cases as stubborn and not easy to handle. Overall, personal partnerships are one of the most decisive differences to the conventional approach.

The Swiss model is determined by ethics and by the owner-manager solely bearing the risk and resulting comprehensive responsibility in social, environmental, and economic aspects, as especially the government, Switzerland Global Enterprise, and the Swiss Chamber of Commerce pointed at. The need to be as efficient as possible as a result of competitive pressure in constrained and often oligopolistic markets mirrors its key activities. This encourages agile production processes and high-end solutions based on highly lean organisation, so that key activities are oriented at maximum efficiency.

Apart from the media all participant agreed on “natural born leaders” at the top of organisations as one of the deciding key resource. This lays groundwork for other key resources, such as niche products, state-of-the-art quality, the education of and trust in staff.

With regard to cost structure, Switzerland Global Enterprise, the Trade chamber, and all SMEs reported from their practice of providing customised services and solutions that make it nearly impossible for competitors to enter their specific markets. The maximised efficiency with regard to production lead in most cases to optimised cost structures. However, this is a permanent process of advancement and adjustment.

All participants agreed on “a communitarian system” and close informal and formal linkages to Swiss society as the way value proposition happens in the Swiss context. Thus, trust in employees, in quality, in the owner and his value-set are integrative factors that
build the cornerstones of the Swiss model. However, this is implicit and rarely communicated as mission and/or vision. This is the genuine proof of ethics and moral inclination according to the participants’ statements.

Customer demand is responsible for relative customer segments in the Swiss model. The emphasis is on lifestyle and quality products and on respective consumers. The resulting specialised niche products target in most cases on one specific customer segment. This often leads to bundles, systems, or comprehensive solutions combining products with services.

Accordingly, customer relationships are personal, trust-based, tight, but informal, which is a substantial feature of the informal L’EPOQuE model that makes it especially capable and valuable as transition case to other informal contexts. This was emphasised by the involved SMEs, the Swiss Chamber of Commerce, and the government.

The Swiss model is based on personal sales channels, often in a shop, seldom over the internet, as all SMEs, both Chambers, and the representative of the newspaper pointed at with regard to idiosyncrasies related to the topic of channels. These are based on long-term relations to the relative suppliers (in most cases SMEs) sealed by handshake.

Lastly, all participants felt that L’EPOQuE better mirrors revenue streams in surroundings of SMEs and particularly also for the context of start-up firms, than traditional models do. Here, high fixed costs reduce revenue streams. However, as profit-maximisation is in most cases not an imperative in the Swiss model the focus is not primarily on revenue streams.

As a result, Table 12 fits L’EPOQuE to conventional criteria (Osterwalder and Pigneur, 2010: 18f.; 44). The third column assesses the consistency (more details in Appendix 11).
What became evident from the analyses is that L’EPOQuE can be matched to “the conventional”. At the same time, it is the manifestation of a business model especially tailored to the convergence of CSR and small businesses.

This corresponds well with findings from others (Sterr, 2007: 126f.; Fifka, 2012: 114f.; Sterr, 2012: 95f.; Gebauer and Mewes, 2015: 36) and the power, urgency, and legitimacy of Swiss SMEs as found in Section 3.4.2.

<table>
<thead>
<tr>
<th>L’EPOQuE criteria (Looser and Wehrmeyer, 2015b)</th>
<th>Conventional criteria (Osterwalder and Pigneur, 2010, 18: 41)</th>
<th>Consistency</th>
</tr>
</thead>
</table>
| Leadership | ➢ ownership  
➢ liberalistic  
➢ visionary  
➢ trust-based & long-term | ➢ Key resource, key activity  
➢ Key partners, key resource  
➢ Value proposition  
➢ Value proposition  
➢ Key activity, value proposition | ✓ |
| Employees | ➢ democracy  
➢ Trust-based & long-term | ➢ Key resource  
➢ Key activity  
➢ value proposition | ✓ |
| Product | ➢ entry barriers  
➢ specialised  
➢ small-scale  
➢ niche | ➢ Key resource, customer segment  
➢ Key activity  
➢ Key resource, customer segment  
➢ Key resource, revenue streams  
➢ Channels, customer segment | ✓ |
| Organisation | ➢ informal  
➢ flat & lean  
➢ networks  
➢ agility | ➢ Cost structure  
➢ Value proposition  
➢ Key resource, revenue streams  
➢ Customer relationships  
➢ Key resource, key activity, cost structure | ✓ |
| Quality | ➢ efficiency  
➢ Swissness | ➢ Key resource  
➢ Key activity, value proposition, cost structure  
➢ Customer relationships, value proposition, key resource | ✓ |
| Education | ➢ give something back  
➢ apprentices | ➢ Key resource  
➢ Key activity, value proposition, customer relationships, revenue streams  
➢ Value proposition | ✓ |

Table 12: Matching of criteria and check of consistency
It is a valuable specification of a standard model and thus, a potential template to be used for the description of informal, CSR-driven companies. However, this analysis also identified some substantial differences that should be discussed in the following Section 5.3.2. As said, it identified also a number of terms that might be slightly modified (resulting in a version 2.0 – this is to be outlined in Section 5.3.3).

5.3.2 The power struggle of “conventional” vs. “Swiss”

Firstly, conventional models are generic and characterised by largely unspecific factors (such as “key resources”, “key activities”, or “partners”). Further, they are a management issue targeting “profit generation” (Michelini and Florentino, 2011: 571). They are mostly tailored to MNEs, their multinational character and cost structures, and, ultimately focus on profit-maximisation (Timmers, 1998: 5). They fit best with conventional companies and their mass production of basic products/services.

These products must also serve the needs of customers with low-income (Seddon et al., 2004: 431; Michelini and Florentino, 2011: 570ff.). Thus, the corresponding models focus on cost structures, supply chains, and revenue (Michelini and Florentino, 2011) – see also Table 11. As Shafer et al. (2005: 201ff.), Casadesus-Masanell and Ricard (2010: 201) state such models are part of the operational control. This is a finding consistent with others (Teece, 2007: 1329; Casadesus-Masanell and Ricard, 2010: 199ff.; Asif et al., 2013: 13).

The Swiss SME model is more specific and guided by visions, ethical values, and intrinsic CSR while it targets at leadership and idiosyncrasies of owner-led businesses. It is heuristically espousing the specificity of the small business context. The creation of shared value and high-end products with emphasis on quality and lifestyle determine this model (and their companies). Here, niche markets are addressed where (so far) pricing policies play only a subordinated role. Overall, this highlights how the business model reflects the type

A further difference between the models lies in the time frame: whereas conventional models seek for profitable short-term relations to worldwide and rapidly changing customers (Magretta, 2002: 90; Mansfield and Fourie, 2004: 38; Teece, 2007: 1329; Michelini and Florentino, 2011: 570f.), the Swiss model depends on long-term partnership to employees, customers, and their communities.

Another difference can be identified in terms of governance systems: the Swiss model is tied to the creation of joint value of highly visible and traditional companies, while conventional business models operate at the edge between managers and shareholders where external justification, e.g., by reports, CSR officers etc., is crucial (e.g., Borzega and Defourny, 2001; Prahalad, 2005; Michelini and Fiorentino, 2011: 572; Martinuzzi and Krumay, 2013: 428; Pondeville et al., 2013: 321; Windolph et al., 2014: 391). See also the according guidelines in Section 2.2.

A possible reason for the configuration of traditional models might be the principle-agent problem where anonymous shareholders entitled to get their dividends based on annual profits are facing extrinsically motivated managers at the top of their companies (Fassin et al., 2010: 439). This might result, for instance, in decisions only targeting ripping off short-term profits, rather than contribute to sustain the business, and in many cases in low innovation rates (Casadesus-Masanell and Ricard, 2010: 199ff.; Asif et al., 2013: 13).

Thus, the difference between the two models is also reflected in who carries and manages risk. In other words, standard business models are externally put over the company and implemented with an extrinsically motivated attempt. They are what Haake (2002: 729) defined as “individualistic business systems” with loose interfaces between shareholders
and managers, companies, their employees, customers, and especially the local communities.

In contrast, the Swiss SME model is close to what is called “a communitarian system” (Haake, 2002: 726) that reflects close linkages between companies, communities, employees, etc. The difference between individualistic and communitarian models is comparable to the distinction between economics and ethics (Lorenzo-Molo and Siloran Udani, 2013: 131ff.), or in turn, between the “business case” for CSR and CSR as “moral duty”.

This divergence is not easy to bridge because it is still not clearly assessed what the limit, purpose, and legitimacy of CSR in the second position are. Those more concerned about economics (vs. ethics) think of it as difficulty since they cannot measure what cannot be defined (McWilliams et al., 2006: 13; Mahmoudi et al., 2013: 6f.). The problem is also profound because the attempt to treat “moral duty” as a set of rules (e.g., in a business model) is likely to fail since morale is guided by general principles that are detached from consequences or utility (Lorenzo-Molo and Siloran Udani, 2013: 132). This especially influences the legitimacy of companies.

The results confirmed strongly the six key features and show that the Swiss model is consistent with conventional models in that it fits with characteristics of mainstream models. However, it found a specific niche and works best with social, long-termed relations and networks, informal and flat structures, in convergence of mission and culture, with quality and products, mostly produced in small scales, and in oligopolistic markets.

In contrast, conventional business models suit to conventionally formalised, hierarchical organisations, to liberal markets and mass production aiming at short-term profits. Thus, L’EPOQuE may turn out to be a new template especially fitting to such specific settings.
However, what became evident from the Delphi process is the need for some slight modification on the level of nomenclature of sub-components so as to further heighten L’EPOQuE’s validity and generalisability as canvas for informal and, more importantly, CSR-oriented companies. Notably, this raises the need to develop a version 2.0 of L’EPOQuE. For the process of elaboration of L’EPOQuE (version 1) see again Figure 11; how L’EPOQuE is developed to L’EPOQuE 2.0 is noted in Figure 15.

5.3.3 L’EPOQuE 2.0: where informal CSR culture meets business

Following the suggestions of the experts from this research part a number of adjustments especially with regard to L’EPOQuE’s specific CSR-orientation were performed. This “re-calibration” only refers to sub-features.

L) “liberalistic” was replaced by “value-driven” as this resembles exactly the way small business owner-managers do business. The former is regarded as too much oriented towards the company-state relation and the specificity of the political Switzerland and its liberalistic market economy. Thus, it was overemphasised in the first version that should be generalisable to business from various cultural and non-standard contexts. “Value-driven” seemed to be more culturally neutral. This includes also the topic of trust, so that the over-spanning feature between leadership and employees was reduced to “long-term” as common attribute.

E) “Democracy” was replaced by “trust-based” as overarching feature, since democracy is on the one hand closely interlinked with trust but it does on the other hand specifically suit to the political background of Switzerland and less to countries with different political/economic set-ups. Trust-based again heightens the validity to be a template for other informal milieus. Notably, the effects of establishing trust as an integrated part of business is further discussed in Section 9.3.
P) With “customisation” as overarching feature in the product factor (instead of “entry barriers”) this research pays respect to the importance of customers in other business models. However, this replacement is not seen as a contradiction since customisation leads in its perfection to high entry barriers. In the end it is again just a matter of nomenclature. Accordingly, “specialised” was changed into “innovative” since the latter is an adjective especially fitting to Swiss SMEs but also to other non-formal surroundings (i.e. start-up companies), consequently this adjustment is again only on the “word- or shell-level” to improve its transformability and generalisability rather than changing the core or meaning of L’EPOQuE.

O) “Multi-functionality” as overarching factor within “organisation” should point to the ability of Swiss SMEs to change from pure hardware producers to suppliers of services, solutions, and systems of quality and lifestyle products. This resembles the business models targeting information technology, e-business, and software engineering (cp. with Timmers, 1998: 4; Bonaccorsi et al, 2006: 1091; Teece, 2010: 181, or Linder and Cantrell, 2002: 12). Accordingly, the “flat and lean” approach was replaced by “informal and flat” in order to mirror the respective business model and to heighten the reference to nomenclature of other CSR oriented and unconventional settings.

Qu) Efficiency rests untouched since this fits within informal as well as conventional milieus and their attempts to mirror key activities and resources, key revenue streams, value proposition, etc. Arguably, “Swissness” might be regionally biased and lowers the generalisability of the model, however, it is a factor deeply woven into the small business model as key success factor so that it could have only been replaced by e.g., “national boundaries”, “cultural marketing” or “nationally born quality”, all of which are not able to express the whole
bunch of values that are represented by “Swissness”. Thus it was decided to stick to this expression since it can be easily tailored to other contexts, for instance by exchanging it by “German Quality”, “Made in Italy”, etc.

E) In order to have the model less “altruistic” as the overarching “to give something back” might implicate, in version 2.0, the latter was replaced by “organisational development”. Overall, education bears the apprenticeship system and contributes to CSR and to social good; however, its overarching and significant result is organisational development and enhancement. From these adjustments L’EPOQuE 2.0 (see Figure 16) emerges:

Figure 16: L’EPOQuE 2.0
To conclude, these adjustments and the resulting L’EPOQuE 2.0 fill what Windsor (2006: 99ff.) required when he looked at defects of purely utilitarian and ethical systems: “a satisfactory theoretical synthesis (of extrinsic and intrinsic CSR) must place profitable business in a moral framework acceptable for utilitarianism-based economics and broader notions of duties, rights, and just consequences”.

Accordingly, it is a portrait of the “raison d’être” of successfully competing Swiss businesses that do this based on morale and ethics. It offers therefore a guide towards a socially and sustainably responsible, CSR-driven company that is based on the “creating shared value principle” (Michelini and Florentino, 2011) and thus a different business model that nevertheless fits with requirements of mainstream business models.

The difficulties conventional models have in corresponding to informal set-ups and in embedding CSR justify L’EPOQuE 2.0 as a valuable new model fitting to highly efficient and long-term oriented businesses that are based on CSR and ethics.

At the same time, it is consistent with conventional interpretations of business models so that in turn it is capable not only to extend the mainstream but rather to be a new template for informal, value- and innovation-driven businesses, e.g., for the context of start-up or highly regulated companies, owner-led firms, and if CSR practice is to gain further momentum.

5.4 Discussion and conclusions from model validation

This section confirmed the Swiss SME model’s six key features and their consistency with conventional business models. It then identified determinants of CSR practices emerging from an intrinsic, implicit point of view.

Therefore, this section helped to understand the fundamental surrounding environments of CSR that is driven by a “raison d’être” coming from a comprehensively responsible corpo-
rate culture far beyond the correlation with financial performance. It further explored the essential rationale of this model while it enabled a few adjustments. This minor “recalibration” highlighted more details regarding “Leadership”, “Employees”, “Product”, “Organisation”, and “Education”.

Thus, the validity check of the first version by these research steps, as shown in Figure 15, resulting in L’EPOQuE 2.0 (i.e., Figure 16), brought about more validity to the Swiss model as a CSR-driven approach that has the competence and capability to be a new template working best in specific niches and with social, long-termed relations and networks, non-standard structures and abolished hierarchies, in convergence of mission, culture, quality and economic rationale, and in oligopolistic markets.

To conclude, L’EPOQuE 2.0 is a feasible and verified new business model template – in accordance to CSR and informal set-ups. At the same time, this shows how international the “Swiss” model is, L’EPOQuE 2.0 fits to the SME context as it is informal and value-driven so that in the end there is much more SME in L’EPOQuE than Switzerland.

What is missing at this stage of research is a detailed analysis and validation of motives and their inherent role as drivers for Swiss CSR. In order to close this gap and add another piece to this comprehensive overview over the role and dynamics of CSR in Switzerland the next section’s aim is to identify different motives – extrinsic (financial) and/or intrinsic (ethical, altruistic) – as well as manifestations – environmental, labour, and/or social aspects – of CSR in Swiss small companies compared to drivers in MNEs (with a Swiss subsidiary or head office).

At the same time this answers research question 5: “How are Swiss companies motivated for CSR and how does CSR manifest in SMEs compared to MNEs?”
6 **Intrinsic SME model and extrinsic approaches: a comparison**

As earlier discussed (e.g., in Section 2.1), within the CSR debate there are two major lines of thought: 1) CSR is either a commercial instrument and extrinsically motivated or 2) based on intrinsic (or idealistic) reasons, which makes it a moral activity.

The next section adds other/more specifics to the theory of this dichotomy of intrinsic and extrinsic CSR as previous sections did. It especially introduces the framework of Graafland and Mazereeuw-Van der Duijn Schouten (2012: 379), which enables not only to look at motives but also at different manifestations of CSR alongside different kinds of companies. This is in line with the hermeneutical integration of additional theory whenever useful and heuristic.

6.1 **Doing well or doing good? Intrinsic and extrinsic CSR**

As said, the “business case” for CSR is driven by the assumed win-win relationship between CSR and financial success (Porter and Kramer, 2006: 82). It often focuses on an increase of legitimacy by improving image, market share, or profit and on using a certified management system. Extrinsic CSR does rarely support societal needs for its own sake it rather reflects pure corporate discretion (Schultz, 2013: 365f.; Arend, 2013: 18).

Thus, in a system of extrinsic CSR, CSR is formalised and aimed at external recognition (Matten and Moon, 2008: 414; Baron et al., 2011: 4), has a strategic purpose and goal, and a commercial pursuit.

Accordingly, CSR should improve a company’s efficiency, service orientation, as well as reputation in the consumer market (Weber, 2008: 251) and differentiate companies from competitors with the aim to increase profit or market share (Vogel, 2005: 22f.). In other words, if customers ask for the respect of human rights, less packaging, fair remuneration
of employees, suppliers, etc. then a company has to fill these demands to survive in competition (Baron et al., 2011: 12; Arend, 2013: 4).

Though the CSR agenda is not to impose conditions external to the company and/or to meet or exceed externally-set expectations especially MNEs are well aware of business opportunities brought to them by such consumer movements (Arjaliès and Mundy, 2013: 297ff.). Overall, there are ample reasons to believe that “ethics pays” (Graafland and van de Ven, 2006: 115) or that companies can “do well” by “doing good”.

One of the first modern corporations that applied the “business case” for CSR was the Body Shop, founded by Anita Roddick in 1976. The company espoused a value rich philosophy committing itself to making life better, which should prove that capitalism and ethical practices could go together (Skapinker, 2008).

However, notwithstanding the huge number of studies showing such a positive relationship this win-win outcome is not beyond any doubt. Some researchers found either mixed results (Wagner et al., 2001: 101) or even a negative relation (Jones and Wicks, 1999: 209; McWilliams and Siegel, 2000: 604). This is especially true for the environmental dimension (Filbeck and Gorman, 2004: 145; Telle, 2006: 217).

Others (Boiral, 2007: 131; Cañón-de-Francia and Garcés-Ayerbe, 2009: 249) found that having an environmental management system (including certifications and reports) has only a positive impact on market values of polluting companies that are widely known as “irresponsible”. Arguably, if CSR is a market-driven exercise, seen from a perspective of economic rationality, CSR expenditures can be optimised if companies spend least for a given level of CSR profile or maximise their CSR profile for a given investment. This invites greenwashing as a possible side-effect (Looser and Wehrmeyer, 2015e).
However, improving the bottom-line by the “business case” is not the only possible reason for CSR. Many companies and their leaders, indeed, have a business culture making CSR a moral duty to them driven primarily by an intrinsic motive (Graafland and Mazereeuw-Van der Duijn Schouten, 2012: 379).

Here, CSR has the power to evolve “social goods” (Osuji, 2011: 45). Mintzberg (1983: 8f.) sees this strain as the purest form of CSR as it is ethical and supports CSR “for its own sake” because that is “the noble way for corporations to behave”. Thus, intrinsic or the moral view of CSR manifests in the form of ethical values, virtues (such as temperance, prudence, or courage), and in corporate culture, but it is rarely mentioned as technical term (see also Sections 3.4.2 and 4.4.3).

Some argue that the moral motive is more important within CSR than the economic view (Etzioni, 1988: 34; Hansla et al., 2008: 8) because intrinsic motivation induces a stronger involvement in CSR (Graafland and van de Ven, 2006: 116) and increases perceived sincerity (Weiner and Peter, 1973: 299; Kilbourne et al., 2005: 629). Others outlined that the moral view is more significant in inducing a positive relationship with employees (Chou, 2014: 442ff.) and customers (Graafland and van de Ven, 2006: 114; Kilbourne and Pickett, 2008: 890). This highlights how important the underlying motivation is for the effectiveness of CSR frameworks.

Graafland and Mazereeuw-Van der Duijn Schouten (2012: 379) researched different levels of CSR performance and how strongly they correlate with the extrinsic (financial) or with the intrinsic (ethical, altruistic) view of CSR (see Table 13). They distinguish two types of intrinsic motives: the ethical orientation that sees CSR as moral duty and CSR as expression of altruism (i.e., altruistic orientation) (Graafland and Mazereeuw-Van der Duijn Schouten, 2012: 378). The different “levels of performance” – i.e., environmental quality,
labour conditions, and social activities – were based on many others’ findings, e.g., Webb and Mohr (1999: 231), Brønn and Vidaver-Cohen (2009: 93), or Graafland and van de Ven (2006: 119). Notably, these definitions of manifestations of CSR (into environmental quality, labour conditions, and social activities) are adopted here.

According to their research on 110 Dutch companies, actual CSR performance is much more correlated with the intrinsic/moral view on CSR than with the extrinsic/financial view (Graafland and Mazereeuw-Van der Duijn Schouten, 2012: 383). This is especially true for social and environmental aspects of CSR. Only within labour conditions, the financial motive plays a role, which can be traced back to direct economic benefits from good labour relations (Graafland and Mazereeuw-Van der Duijn Schouten, 2012: 388).

<table>
<thead>
<tr>
<th>Motives</th>
<th>Levels of CSR performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Environmental quality</td>
</tr>
<tr>
<td>Financial orientation *</td>
<td>.18</td>
</tr>
<tr>
<td>Ethical orientation **</td>
<td>.11</td>
</tr>
<tr>
<td>Altruistic orientation **</td>
<td>.22</td>
</tr>
</tbody>
</table>

* extrinsic motive ** intrinsic motives

Table 13: Correlation of different aspects of CSR with motives for CSR (partially adapted from Graafland and Mazereeuw-Van der Duijn Schouten, 2012: 388)

By contrast to motives such as earning money, improving reputation, or profit, “the moral activity” is the stronger motive for CSR because it represents the will to follow a certain moral norm as it is desirable for itself, Graafland and Mazereeuw-Van der Duijn Schouten (2012: 380f.) conclude.

However, it is difficult to fully understand whether current trends of CSR are financially or ethically motivated. The difference between the two lines is both, banal and profound: banal because, given the way described above, the difference is whether scholars think social
responsibility is purely defined and governed by regulators, or whether there are non-regulatory forces that shape CSR programmes.

The distinction is also profound and difficult to bridge because it is still not clear what the limit, purpose, and legitimacy of CSR in the position of “moral activity” are, but the way (especially) legitimacy is justified, redefines and repositions the “raison d’être” of companies. Thus, this differentiation might also be part of the discussion on the effects CSR has on businesses. This discussion raises four questions: 1) are the two approaches really different? 2) If so, in which dimensions? 3) If they are different, how do they relate to each other? Are they co-dependent, mutually exclusive, incompatible, or just substantially different? 4) Which one is better and by what yardstick? These questions should be explored below.

Notably, as research here is inherently qualitative, it is difficult to offer quantitative measures for such distinctions. Some studies support, for instance, that extrinsic CSR in Europe is mainly a topic for large companies and MNEs (Spence et al., 2004: 119; Steurer, 2010: 67f.) and SMEs are intrinsically motivated by their tradition/family capitalism and rely on their longstanding informal networks rather than on formal, extrinsic policies (Matten and Moon, 2004: 22; Steurer et al., 2012: 217f.; Brammer et al., 2012: 430; Looser and Wehrmeyer, 2015a: 809f.). The local church, the “Stammtisch”, membership in Chambers of Industry and Commerce (Matten and Moon, 2008), and the traditions of the dual education system (Looser and Wehrmeyer, 2015b: 554) are, among others, the driving forces within SMEs.

In sum, what this study (e.g., in Section 3) showed and numerous researchers and practitioners (e.g., Midttun et al., 2006: 380) agree on is that, due to different stakeholder demands, the nature and manifestation of CSR vary by company size and by ownership structure (often aligned with size). Hence, it is crucial to conduct comparative studies on CSR
motives because the financially extrinsic and the morally intrinsic motive for CSR should each evolve a unique approach to CSR with different performances (Midttun et al., 2006: 380).

As outlined at the beginning, this study defined extrinsic CSR as “expectations of the market or external stakeholders”, primarily designed to improve the economic performance of the company. Ethical and altruistic motivation are the two lines of intrinsic CSR and “core values held within the organisation, which cover what the organisation is about, what its social values are, what it stands for”.

Although Switzerland is home to many MNEs that often follow extrinsic CSR it has, as shown so far, also a prosperous majority of SMEs, which were found to have a literally unconventional and intrinsically motivated approach to CSR. Consequently, Switzerland is the perfect playground to conduct research on divergent motives for CSR.

So far extrinsic motives were mostly researched by quantitative methods (e.g., questionnaire) or secondary data analysis of company performance indicators. At the same time, qualitative research often looked at intrinsic motives. Further, the area of CSR obviously includes strong norms and believes on what is appropriate or accepted/wished in society (Dobers and Springett, 2010: 65f.). The specific research question posed in this section deserves a research methodology that is able to look at both, extrinsic and intrinsic, motives in order to uncover such meanings beyond the initial consideration (Salkind, 2010: 165ff.).

Individual interviews and/or surveys would not fit this context since they do not contest individual statements or challenge each other’s viewpoint. Furthermore, the chosen approach should merge the requirements to capture intrinsic as well as extrinsic motives and their inherent differences in communication strategies and content. Extrinsic companies
report formally about CSR and respective activities, while intrinsic organisations rather discuss their values (see Section 2.1).

Though it is difficult to bridge these diverging interests the best possible option covering most of these requirements was found in the method of “focus group discussion”, which is outlined below.

6.2 Methodology on motives and manifestation of CSR in Switzerland

To identify motives for CSR in Switzerland, in a first step publicly available documents, reports, statements, etc. by academics were analysed. This laid groundwork for four focus group discussions: two together with seven owner-managers of SMEs and the second pair together with CEOs of MNEs with a headquarter or subsidiary in Switzerland (see Table 14). The company code IDs are stated in the fourth (SMEs) and sixth columns (MNEs). All MNEs and some SMEs asked for anonymity (by an ID) thus, it was decided to anonymise the whole sample.

Again, mostly quantitative parameters were chosen to differ small from multinational companies (compare with Section 1.2.1). Notably, also the small companies under research have multinational business relations, e.g., as second-tier supplier or customer. This is consistent with the findings of the stakeholder (in Section 3.4.2) and business model (Section 4.4.3) analyses.

Guided by grounded theory the participants of the group discussions were selected following maximum variation strategy in order to gather a wide range of CSR motives, practices, and agendas (Creswell, 2007: 321). This enables the identification of motives for CSR of companies from different sectors, with different sizes and ownership structures.
Again, the sample was randomly picked from the Swiss online telephone book (i.e., tel.search.ch, 2015). By looking up Zefix (2014), the commercial register, and the company websites the size was verified.

<table>
<thead>
<tr>
<th>Attribute</th>
<th>SMEs</th>
<th>MNEs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>Code ID</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>5</td>
<td>1, 3, 4, 5, 7</td>
</tr>
<tr>
<td>Female</td>
<td>2</td>
<td>2, 6</td>
</tr>
<tr>
<td><strong>Number of years in business</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3-5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6-10</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>More than 10</td>
<td>7</td>
<td>1-7</td>
</tr>
<tr>
<td><strong>Position or title in company</strong></td>
<td></td>
<td></td>
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<tr>
<td>Owner and manager</td>
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<td>1-7</td>
</tr>
<tr>
<td>Employed manager</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Level of education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National level certificate</td>
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<td>2-7</td>
</tr>
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</tr>
<tr>
<td><strong>Legal form of enterprise</strong></td>
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<td></td>
</tr>
<tr>
<td>Limited company</td>
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<td>4</td>
</tr>
<tr>
<td>Incorporated company</td>
<td>6</td>
<td>1-3, 5-7</td>
</tr>
<tr>
<td>Cooperative</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Sector</strong></td>
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<td></td>
</tr>
<tr>
<td>Finance</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>2</td>
<td>2, 5</td>
</tr>
<tr>
<td>Service</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Agriculture</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Construction</td>
<td>2</td>
<td>4, 6</td>
</tr>
<tr>
<td>Food</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td><strong>Number of employees</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 10</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>10-50</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>51-100</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>101-200</td>
<td>3</td>
<td>1, 4, 7</td>
</tr>
<tr>
<td>201-250</td>
<td>1</td>
<td>6</td>
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<td>251-300</td>
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<td>-</td>
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<td>301-500</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>501-1.000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>More than 1.000</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td><strong>Annual turnover in EUR Mio.</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 10</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>10-20</td>
<td>3</td>
<td>1, 3, 5</td>
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<td>6</td>
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<td>-</td>
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<tr>
<td>More than 1.000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Missing system</td>
<td>2</td>
<td>4, 7</td>
</tr>
</tbody>
</table>

Table 14: Sample distribution and company ID of SMEs and MNEs
Several industries were selected because some authors (e.g., Graafland and Eijffinger, 2004: 411; Campbell, 2007: 931; Blindheim, 2015: 71) have identified a systematic influence of sectors on CSR motives.

As said, the aim of this empirical part is to identify possibly differing motives and to access norms and understandings of CSR from two groups. Therefore, the method of focus group discussion was chosen. It is specifically useful for the analysis of inherent concepts, heterogeneity, and multiple motives for CSR.

6.2.1 Focus group discussion on CSR motives and manifestations

In general, the method of focus group discussion is especially useful in the context of different institutional logics and foundations (Lounsbury, 2008: 349f.). It is heuristic since it examines how ideas develop and operate on a given cultural background (Kitzinger, 1994). The gained data is interpersonal, negotiated, challenged, and to some extent validated (Kitzinger, 1994) since this method “investigates what participants think, but it excels at uncovering why participants think they do” (Morgan, 1988: 78).

This study particularly seeks to learn the group’s motivation mechanism, norms, and understandings inherent in the concept of CSR. Although the analysis is based on individual statements the unit of analysis remains the group, so as to get a shared understanding of the participants’ views (Morgan, 1996: 81ff.). This approach allowed a qualitative exploration and intensive, personal discussions of motives for CSR in Switzerland. The two groups of small and multinational companies were considered to be broadly sufficient to reach theoretical saturation in this comparison. The groups were kept separate and each group was in (a face-to-face manner) interviewed twice: firstly, basic motives were discovered; the second round was dedicated to verify and further discuss the conclusions from the first meeting.
Arguably, the cross-sectorial approach limits the degree to which motives can clearly be attributed to actual CSR performance or company size. Further, all variables are measured by a common method (i.e., focus group discussion) while only one person represented the firm, in other words, a single-expert technique was applied. However, a falsification of data traced back to the common method or single-expert bias is not reported from this context.

The group discussion questions underwent a pre-test (see Appendix 12). The meetings, with an average duration of one hour, took place in April and May 2015. They were recorded digitally, subsequently transcribed (for transcripts see storage media in Appendix 19) and qualitatively and visually analysed.

6.2.2 Qualitative content analysis of focus group discussions

This part of the study is again based on qualitative content analysis by sensitising concepts. Some authors (Gephard, 2004: 456ff.) strongly recommend the use of software for the qualitative analysis of text since this allows a systematic, category based examination of individual statements. The decision here fell again in favour of MAXQDA because this software also allows visual analysis of texts in order to mirror the history of the discussion physically (see Figures 17 and 18).

Notably, in the “document portrait function” of MAXQDA, dark blue dots show statements clearly attributed to altruistic motives and bright blue dots represent ethical, so that blue dots in total show intrinsically motivated statements. Red dots stand for a financial/extrinsic impetus, whereas brighter dots illustrate less weighted statements. Purple dots represent a mixture of motives within one argument. The density (i.e., number of dots) points to more statements: the longer the dotted line is the more statements were made during the discussions (Verbi, 2012).
The four transcripts (see Appendix 19) were grouped for small companies and MNEs so as to analyse them per group. The first step of the analysis was again dedicated to open (in-vivo) coding. The second round of coding was more systematically looking out for the theoretical constructs of intrinsic and extrinsic motives for CSR as defined above. By doing so, each code represents “a particular system of beliefs, values, and images of the ideal” (Philipsen, 1987: 249). The final code tree is outlined in Appendix 13.

Comparably to the description of qualitative content analysis in Section 3.3.1, the codes given were quantitatively analysed and weighted (default mean = 50, maximum = 100, minimum = 0) while every individual category is supported and verified by comments, or code memos respectively (see Appendix 14). Deciding statements leading to distinct attributions to either intrinsic or extrinsic CSR are outlined in Appendix 15 (SMEs) and in Appendix 16 (MNEs).

By contrast to previous research questions, the coding here was done by two independent coders. This allowed the calculation of the inter-rater reliability, also known as concordance. In general, inter-rater reliability calculates a score of how much consensus, or homogeneity, is in the ratings given by coders (Rössler, 2005: 67f.).

It is useful in refining for example the code tree by determining if a specific code is suitable for measuring a particular variable (Flick, 2007: 43ff.). For this purpose and in this study, the Holstí formula was applied (Rössler, 2005: 67ff.). By this calculation reliability can range from a value of 1 if the coding schemes are identical to 0 if they totally differ. The calculated reliability herein was 0.94, which proves the reliability of the coding process and heightens the objectivity of the study.
6.3 Findings: intrinsic vs. extrinsic CSR drivers

As a synthesis of the four group discussions the companies are analysed by their CSR motives: extrinsic CSR is aligned with the financial motive designed to improve the economic performance of the company, whereas intrinsic CSR covers ethical and altruistic motives and defines what the organisation “stands for”. The following results are published as Looser and Wehrmeyer (2015e).

6.3.1 Intrinsic vs. extrinsic CSR in MNEs and Swiss SMEs

Table 15 summarises the results from the coding process and shows the number of codes given for each motive. The second column represents the percentage in relation to the total number of codes given by the coding process. The majority of statements in the discussion formed the orientation of the companies, in other words, whether they agreed upon financial or ethical/altruistic orientations as drivers for their CSR.

<table>
<thead>
<tr>
<th>Motives</th>
<th>SMEs Frequency of code in %</th>
<th>MNEs Frequency of code in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial orientation*</td>
<td>16</td>
<td>14.5</td>
</tr>
<tr>
<td>Ethical orientation**</td>
<td>37</td>
<td>33.7</td>
</tr>
<tr>
<td>Altruistic orientation**</td>
<td>57</td>
<td>51.8</td>
</tr>
<tr>
<td>Total of intrinsic motives</td>
<td>94</td>
<td>85.5</td>
</tr>
</tbody>
</table>

* extrinsic motive ** intrinsic motives

Table 15: Importance of motives for CSR in SMEs and MNEs

As said, the transcripts from the focus group discussions were analysed by the “document portrait” function of MAXQDA in order to support this finding visually (Verbi, 2012).

This visual analysis by motives of SME and MNE discussions points at some significant distinctions: by contrast to the commonly held opinion that MNEs have mostly financial interests in CSR the managers here see the importance of ethical and altruistic motives.
As said, red dots point at financially extrinsic motives while dark blue dots show altruistic motives; bright blue dots represent ethical motives, so that blue dots in total show intrinsically motivated statements. Purple ones show a mixture of intrinsic and extrinsic motives within one statement. Brighter dots indicate statements less weighted. Lastly, the longer the dotted line is the more statements there were.

The statements of MNE CEOs indicate mixed motives and, thus, diverse approach to selection of activities in pursuit of CSR (as shown in Figure 17). This clearly shows their conviction that “ethics pays” and that they are “doing well” by “doing good”.

**Figure 17: Document portrait of MNEs (using MAXQDA)**

Furthermore, the statements within the MNEs’ discussions are far longer, which points to well-trained or frequently used argumentation lines. This is aligned with MNEs’ CEOs
strong familiarity with explicit arguments with regard to CSR topics. Their managers are well aware on how to use CSR language strategically and commercially.

For them, CSR is a mean to promote their companies and, thus, it is purely extrinsically motivated, thought their arguments seem to resemble intrinsic motives. This can be supported by some exemplary quotes (translated by the authors – company ID is stated in brackets):

[…] For us CSR is a part of our strategy. And when we make an investment we take it into account. And we call it our “licence to operate” that is translated into business objectives […] (MNE 2)

[…] We do it (=CSR, note of the authors) for business reasons […] (MNE 7)

[…] If you want to be sustainable you need a good financial performance […] (MNE 5)

[…] We have the opportunity to grow with more sustainability […] (MNE 3)

[…] We report on the Dow Jones and Sustainability Index but only for competitive reasons […] (MNE 1)

[…] We do voluntary activities, for instance, cooking for a foundation for poor people. This is a nice thing to mention in the annual and CSR reports […] (MNE 6)

Furthermore, MNEs see laws and regulation as business opportunity, thus, as extrinsic motive:

[…] In general, we support regulations because they point into the right direction. It is an advantage because we are committed to make the regulation happen […] (MNE 5)

[…] Reporting is no longer a “nice to have”, but a “need to have” […] (MNE 1)

In comparison, SMEs are less likely to have the appropriate narrative and are more reluctant to use common CSR terms and topics. Apart from that, they seem to be stricter in their
argumentation and in their attribution to mostly intrinsic motives (compare with Figure 18).

**Figure 18: Document portrait of SMEs (using MAXQDA)**

All SME owner-managers felt that their values are profound, essential, and “the soul” of their company culture. Significant statements that support this finding are:

[…] I see CSR as my personal contribution to the social good of society! (SME 1)

[…] The question is whether you have grown and shared values that evolve from culture and core logic of your company. If CSR is only to reach some benchmarks, then it is useless […] (SME 2)

[…] CSR is not an incredible “invention” it is just a smart combination of soft factors […] (SME 7)
[...] We are searching for sense and not for profit [...] (SME 3)

[...] If CSR helps us to survive that’s fair enough, however, apart from that, the financial aspect is not of interest to us. [...] (SME 6)

Evidently, all Swiss firms aim to conduct their business sensitively and in harmony and accordance to their external as well as internal environment. The small firms did so in a way that it is intrinsically motivated based on virtues and their own philosophy on how to lead their business ethically. Their practices, mission, and policies mirror this philosophy.

Arguably, some of them throw a critical eye on formalisation that occurs together with regulation:

[...] Regulations have unwanted side effects if they are not stable or predictable. [...] (SME 1)

[...] I think that we all are able to report. But what matters is if you really do it [...] (SME 5)

[...] A report does not prove the embeddedness of CSR in corporate culture or values. We all can issue nice reports but what matters is the substance. [...] (SME 2)

Evidently, Swiss small firms operate based on reciprocity (as defined in Section 4.4.2): they are involved in the well-being of their community so in turn their development depends on and returns to their territorial context. Further, to have a good reputation is crucial to them, however, they have realised that the reputation mechanism is only effective in business stimulation if the social and environmental value creation of the company is credible, sustainable, transparent, and, most importantly, received as honest.

This study identified that, in general, younger leaders contribute more to the CSR discussion. This contrasts findings by Valentine and Fleischmann (2006: 161) or Graafland and
Mazereeuw-Van der Duijn Schouten (2012: 381) who identified older executives as more active within this topic. They argue that CSR has something to do with “learning by doing” or with the wish to be remembered as good leader when their career ends (Graafland and Mazereeuw-Van der Duijn Schouten, 2012: 381).

An explanation for the difference to the findings here might be in the awareness of and familiarity with explicit CSR topics younger owner-managers and executives have due to their more recent education. Furthermore, religion and spirituality as driver for the altruistic/ethical motive to engage in CSR were only found in small companies. These conclusions are in line with the findings from the stakeholder (in Section 3.4.2) and business model analyses (in specific in Section 4.4.1).

In summary, CSR implementation in Swiss small business corporate cultures is related more to moral commitment than to profit-maximisation. For them, potential financial incentives are not important. This contrasts the extrinsically and financially motivated approach of the MNEs under research.

6.3.2 Different manifestations of CSR in MNEs and Swiss SMEs

Within small companies, the owner-manager is typically driver and implementer of values due to the congruence of ownership and control while MNEs usually separate ownership and control, elsewhere and in Switzerland. This leads to diverse levels of identification and divergent manifestations of CSR in business activities.

Herein, MNEs prioritise short-termed profits and extrinsic motives over the construction of long-term, intrinsically motivated values. As they stated, CSR instruments (reports, committees, standards, certificates, etc.) are in most cases established with the only intention to create financial returns. This is aligned with distinct manifestation patterns (or performance levels) of CSR (see Table 16).
Accordingly, MNEs stressed their specific and exclusive interest in environmental aspects of CSR:

[…] For me, when talking about CSR, we think primarily about environmental issues
[…](MNE 2)

[…] We have the ambition that green solutions should make one third of our business one day […] (MNE 5)

[…] In particular, we promote the reduction of CO2 emission from our building […] (MNE 7)

In small companies social aspects and aspects related to labour relations are more prevalent as the participants worked out (statements translated by the authors):

[…] CSR means caring for health and safety of my employees, on a daily base […] (SME 2)

[…] My employees are my success factor; they come to us to work and want to return safely. That's my aim and goal […] (SME 4)

[…] Ultimately, our performance depends on people. And that's why CSR is a good thing to do […] (SME 3)

<table>
<thead>
<tr>
<th>Manifestations</th>
<th>SMEs Frequency of code</th>
<th>in %</th>
<th>MNEs Frequency of code</th>
<th>in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental aspects</td>
<td>30</td>
<td>28</td>
<td>163</td>
<td>65.2</td>
</tr>
<tr>
<td>Labour aspects</td>
<td>39</td>
<td>35</td>
<td>52</td>
<td>20.8</td>
</tr>
<tr>
<td>Social aspects</td>
<td>41</td>
<td>37</td>
<td>35</td>
<td>14</td>
</tr>
</tbody>
</table>

Table 16: Different levels of CSR performance in SMEs and MNEs

This contrasts others’ findings of large companies mostly involved in labour issues (Mazereeuw-Van der Duijn Schouten, 2012: 382ff.). The explanation might be that in Switzerland strikes are quite rare compared to other countries, and industrial relations are determined by dialogue and mutual respect (this is congruent with findings from Section 3.4.4),
whereas in small companies close relations to employees induces more relevance of this topic. Overall, small companies have the tendency towards espousing social issues and intrinsic motives, while MNEs show interest in environmental issues driven by a financial motive. In general, considering the number of statements (i.e., Appendix 15 and 16), companies in the second sector (manufacturing) are more involved in environmental issues than in social aspects of CSR, whereas managers of MNEs found this especially important in order to implement their achievements into annual reports.

Labour aspects are substantial within the construction sector and relative behaviour outperforms other sectors. This is especially relevant since it is in contrast to findings from other authors (Graafland and Mazereeuw-Van der Duijn Schouten, 2012: 381). They found poor labour conditions within the construction sector and explained it with too much regulation resulting in reluctance to more voluntary compliance (Graafland and Mazereeuw-Van der Duijn Schouten, 2012: 379). Arguably, Swiss companies from that sector prefer self-regulation as well; however, their motivation is not limited to regulatory compliance. They stated that self-regulation by norms and rules can also reduce the likelihood of more governmental regulation and place the company a better position if new regulations should emerge. This fits other researchers’ findings (e.g., Vogel, 2005: 31; Zeyen et al., 2014).

6.4 Discussion and conclusions from motivation analysis

Obviously, Swiss SMEs conduct their business sensitively and in harmony and accordance to their external as well as internal environment. It is intrinsically motivated, based on virtues and their own philosophy on how to lead their business. Their practices, mission, and policies mirror this philosophy.

All participants felt that their values are essential and embedded in their company’s culture. Reciprocity as “giving with expectation of future reward” (Caliendo et al., 2012) is an
important element of this culture, so that Swiss SMEs care much about their territorial settings with regard to recruiting form the local environment, the well-being of their communities, and social and political set-up. The importance of civil community here is something found in many other countries especially in companies belonging to the Economy of the Communion (EoC) (Bruni and Uelmen, 2006: 651) – see also later in Section 9.7. For them, potentially financial incentives are less important. This contrasts the extrinsically and financially motivated approach of the MNEs under research.

In the situation of small companies, religiosity and spirituality play important roles as driver of their company and engagement in CSR – as already identified in Section 4.4.1. Further, there is strong evidence that SME owner-managers have stronger religious beliefs than managers of larger companies. This result is in line with the observations of Madlin (1986: 1), Jamali et al. (2009: 366), Day and Hudson (2010: 368), Blackburn et al. (2013: 19), Jamali and Sdiani (2013: 311), and finally Balog et al. (2014: 167). Longenecker et al. (2006: 175) found in their study that ethical attitudes based on values coming from religion in small firms where kept the same over three decades while in large corporation nothing similar where observed. Comparably to the key features of L’EPOQuE, they identified six personal (The Entrepreneurial Act, Cognitive Moral Development, Locus of Control, Need for Achievement, Machiavellianism, Social/Reputational Costs) and three situational factors (Environmental forces, Institutional Factors, Agency Effects) impacting ethical standards (Longenecker et al., 2006: 170). These parallels should be scrutinized in further research as suggested in Section 9.7.

Intrinsic CSR appears to be driven by ethical principles. This behaviour relates to the social responsibility of the individual so that a direct link can be made to virtues, such as practical wisdom (e.g., as craftsman), friendship and loyalty (in cases of hardship), courage
(i.e., fortitude), and temperance. This intersection and, especially, virtue ethics as the foundation of culturally embedded CSR were also shown by other researchers (e.g., Gowri, 2007: 396; Melé, 2009: 34; Ruisi et al., 2009; Ruisi, 2010).

This contrasts the institution of ethics committees, sustainability controllers, and CSR officers as the most common way to demonstrate consent around this topic in MNEs while following in fact the logic of their budget (Del Baldo, 2010a). Other authors (e.g., Klein-richert, 2008: 579; Skapinker, 2008) argue that the reasons for CSR are not important because if the ultimate result is an increase in social benefits it might not matter why companies undertake CSR activities or whether it is a true sense of morale or just to please their consumers, customers, or governments.

The mixture of motives found here show that intrinsic and extrinsic CSR are not substantially different nor is one to be preferred over the other. They coexist – even within one company – as shown in Figures 17 and 18. How they manifest in informal and formal agendas, in different levels of performance (see Table 16), in diverging communication strategies (see Sections 2.1 and 7.2), and in specific CSR language and codification (cp. Table 19) is where differences are difficult to bridge.

This is especially true when the introduction of extrinsic instruments is forced in a system of intrinsic CSR. However, the results show that companies can be economically and with regard to their CSR performance successful absolutely independent on whether they have a predominantly extrinsic or intrinsic approach. Section 9.6 will explore this field in more detail.

Above all, the findings identify SMEs as being potential transition cases of “ethics in the firm” and “ethics of the firm”. This raises the need of this dichotomy to be revised which is a matter of ongoing discussion (e.g., by Osuji, 2011: 35ff.; Steurer et al., 2012: 211f.;
Brammer et al., 2012: 429f.; Blindheim, 2015: 79). Others see SMEs as “spirited businesses” (Del Baldo, 2010a) and as “CSR champions” (Jenkins, 2006: 249ff.) that are “falling somewhere in between” (Fitjar, 2011: 38f.). This is strongly supported by this section’s findings, where the personal influence of small companies’ owner-managers on ethical values is maximised while the link between the latter and company success is highly visible. This corresponds well to the findings of Baumann-Pauly et al. (2013: 701).

Further, it is according to Institutional Theory, which emphasises the importance of managers’ discretion to act independently and in congruence with their personal rules (Blindheim, 2015: 71), and/or virtue ethics as a source of such personal views (Gowri, 2007: 396; Melé, 2009: 34). As outlined at different stages (e.g., in Sections 3.4.1 and 4.1) such intrinsic and implicit patterns seem to be overarching not only in Swiss SMEs but also in a worldwide context of small firms.

Likewise, similar idiosyncrasies in SMEs are reported from many other countries, for instance from Germany (Lüth and Welzel, 2015: 150f.), Chile and Catalonia (Tamajón and Fond I Aulet, 2013: 41ff.), Austria (Ortiz Avram and Kühne, 2008: 465ff.), India (Arora and Puranik, 2004: 98), etc. – see next section and especially Table 20. Thus, it should be assessed whether or not there is a CSR approach distinct for SMEs that supersedes national patterns beyond explicit and formal CSR systems.

Whether this is really the case is the topic of the last research question (i.e., question 6) posed here: “How do CSR approaches in SMEs on a global scale relate to Swiss SMEs? To what extent do the identified CSR agendas allow categorisation according to explicit/implicit CSR?”
7 Small business CSR: a comparative overview

Many cross-national studies so far mainly looked at MNEs or focus on differences in governmental policies fostering CSR but seldom on the convergence of CSR in SMEs and their economic and cultural set-up. This research seeks to close this gap by enabling an understanding of how parameters, such as supra-national SME values and tradition rather than market economy or institutional frameworks, influence small business CSR.

7.1 Institutional effects on CSR

Matten and Moon (2008) especially looked at differences bound by cultural contexts that particularly manifest in the implicit or explicit character of CSR practices. According to them, such differences can be explained by “national business systems” determined by “historically grown institutional frameworks” (Whitley, 1997: 181).

Whitley (1999: 39) identified four key components of such frameworks: the political system, the financial system, the education and labour system, and the cultural system. How these sub-systems are weighted and combined to a national framework evolves from “societal effects” (Maurice et al., 1980: 65; Sorge, 1991: 170; Whitley, 1997:181; Whitley, 1999: 39) and from “varieties of capitalism” (Hall and Soskice, 2001: 24). The latter distinguish “liberal market economies” and “coordinated market economies” (Hall and Soskice, 2001: 54).

The broad lens on market economies enables the understanding of institutional similarities and differences among industrialised economies since national and political economies can be compared (cp. Table 17) by reference to the way in which firms adapt to, or to be precise, develop relationships with several attributes (Hall and Soskice, 2001: 77).
Whereas the United States (US), United Kingdom (UK), Canada, Australia, New Zealand, Ireland are liberal market economies, Germany, Japan, Sweden, Austria are more coordinated based on partnership of representative social and economic actors under the leadership of governments (Hall and Soskice, 2001: 76). As a consequence, the two types have different distributions of capital, differing capacities for innovation, and tend to employ differently (Matten and Moon, 2004: 24).

Liberal market economies coordinate their activities by markets and hierarchies and competition on the basis of low costs and major product and technological innovations (Campbell and Pedersen, 2005: 12). Coordinated market economies operate with non-market mechanisms, e.g., informal networks or corporatist bargaining (Campbell and Pedersen, 2005: 14). Their competition is driven by state-of-the-art quality products and innovations in production processes searching for efficiency (Hall and Soskice, 2001). These two mod-

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Liberal market economy</th>
<th>Coordinated market economy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mechanism</strong></td>
<td>Competitive market arrangements</td>
<td>Non-market relations</td>
</tr>
<tr>
<td><strong>Equilibrium</strong></td>
<td>Demand/supply, hierarchical</td>
<td>Strategic interactions</td>
</tr>
<tr>
<td><strong>Inter-firm relations</strong></td>
<td>Competitive</td>
<td>Collaborative</td>
</tr>
<tr>
<td><strong>Mode of production</strong></td>
<td>Direct product competition</td>
<td>Niche products</td>
</tr>
<tr>
<td><strong>Legal system</strong></td>
<td>Complete and formal</td>
<td>Incomplete and informal</td>
</tr>
<tr>
<td><strong>Institutions’ function</strong></td>
<td>Competitiveness, free movement of inputs</td>
<td>Monitoring, sanctioning of defectors</td>
</tr>
<tr>
<td><strong>Employment</strong></td>
<td>Full-time, general skill, short-term, fluid</td>
<td>Shorter hours, specific skills, long-term, immobile</td>
</tr>
<tr>
<td><strong>Wage bargain</strong></td>
<td>Firm level</td>
<td>Industry level</td>
</tr>
<tr>
<td><strong>Training and education</strong></td>
<td>Formal education</td>
<td>Apprenticeship system</td>
</tr>
<tr>
<td><strong>Unionisation rate</strong></td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td><strong>Income distribution</strong></td>
<td>Unequal (high Gini index)</td>
<td>Equal (low Gini index)</td>
</tr>
<tr>
<td><strong>Innovation</strong></td>
<td>Radical</td>
<td>Incremental</td>
</tr>
<tr>
<td><strong>Comparative advantage</strong></td>
<td>High-tech and services</td>
<td>Manufacturing</td>
</tr>
<tr>
<td><strong>Policies</strong></td>
<td>Deregulation, anti-trust, tax-break</td>
<td>Encouraging information sharing and collaboration of firms</td>
</tr>
</tbody>
</table>

**Table 17: Varieties of Capitalism** (adapted from Hall and Soskice, 2001: 77ff.)
els are opponent poles of a spectrum, hence, nations are located alongside this continuum and even within these two types there are significant variations.

The theory of “varieties of capitalism” predicts that socioeconomic performance is in general better if countries distinctly fit to one or the other type (Campbell and Pedersen, 2005: 26). Countries, like the Mediterranean ring or small countries, that fall somewhere between these poles are seen as “hybrids” and should, therefore, not perform very well (Hall and Soskice, 2001: 89). This conclusion was challenged and revised especially for the case of small countries, like Denmark (Campbell and Pedersen, 2005: 12) or Switzerland (Looser and Wehrmeyer, 2015c: 1958f.), which represent a paradox for much of the capitalism literature.

While Mediterranean countries have strongly embedded domestic markets, small countries tend to be economically more open than large ones (Campbell and Pedersen, 2005: 7). Thus, relative to the size of their economies, some small countries are highly engaged in international trade and commerce (Campbell and Pedersen, 2005: 11). Whereas large countries can set the rules of economy to best fit their needs, small ones must be capable to quickly and flexibly adjust in their reaction and response to global challenges, e.g., shorter product life-cycles, rapidly changing production and information technologies, volatile financial markets, and increased international competition (Campbell and Pedersen, 2005: 7).

Other explanations may be found in the structure of their economies, which is primarily determined by highly competitive small businesses, on the one hand often constrained by oligopolistic markets, but well-coordinated in their niche, and at the same time competing on a global scale with liberal market rules. This resembles to some extent the power strug-
gle between business models tailored to standard settings or to informal contexts (as outlined in detail in Section 5.3.2).

This argument is supported by many studies on developing countries demonstrating that neither a liberal nor a coordinated market form (notably state planning) is a guarantee for sustainable development and modernisation in particular industries (Campbell and Pedersen, 2005:17). Often something in between, a hybrid, is useful where public and private sectors interact strategically, neither neglecting market signals but identifying negative externalities and developing appropriate response strategies (Campbell and Pedersen, 2005: 5).

In general, European countries are often bound to local supply chains. Other studies found that strong and centralised states (as for instance France) heavily influence economic sectors often dictating also CSR issues, e.g., working hours and minimum wages by regulation and laws (Schlierer et al., 2012: 43). A country’s state policies, for instance to promote CSR, may play an additional role, as could be shown for European countries in general being aware of CSR due to the debate in the 2001 European Green paper supported by the OECD guidelines and UN Global Compact (Schlierer et al., 2012: 41). For more details with regard to these guidelines and the groundwork they provide see Sections 2.2 and 2.2.1 respectively. In general, free-market oriented societies rather incentivise responsible business practices and show less direct interventionism than their coordinated counterparts.

It can be concluded that organisations are not only determined by legal systems, more importantly, they are shaped by informal rules or common knowledge acquired by participants due to their country’s history and culture (Matten and Moon, 2004: 33). According to institutional theories, nations with a particular type of organisation then also develop complementary institutions in other spheres (e.g., countries with liberal stock markets have less labour protection and vice versa).
The activities or existence of trade unions and industry associations are deciding and the level of corporate taxes is a crucial factor as well, e.g., as it fosters or hinders fraud and corruption. Differences in market economies lead to different reactions on disruptive events whereas companies become socially balancing actors by continuously adapting to such changing circumstances (Matten and Moon, 2008: 410).

Notably, there are other theories on market economies (Freeman and Hasnaoui, 2011: 425): some of them distinguish five types (i.e., market-based, Mediterranean, social-democratic, continental European, and Asian) (Midttun et al, 2006: 371). Others concentrate only on Europe (i.e., Anglo-Saxon, Continental, Nordic, and Mediterranean) (Campbell and Pedersen, 2005: 12). Although this thesis adopts the system of “varieties of capitalism” distinguishing welfare systems, degree of state interventions, and market regulations, and most importantly the degree of inter-firm relations, it also pays respect to other theories as they are represented herein by studies from their relative cluster countries.

### 7.1.1 Isomorphic pressure: coercive, mimetic, and normative effects

In order to fully analyse CSR similarities/disparities in SMEs the concept of the “organisational field” and its mechanisms, like for instance “rationalised institutional myths” (Meyer and Rowan, 1977: 23ff.), should be considered as well. The former is a term based on the perspective of neo-institutionalism where the introduction and dissemination of management systems by organisations that interact in an organisational field are seen as an institutionalisation of the unfolding systems (Meyer and Rowan, 1991: 34).

The underlying theory of isomorphism assumes that organisations are similar in their structure as they introduce the same management concepts (Müller and Sigmund, 2000: 76). There are three mechanisms of institutional isomorphic change: coercive, mimetic, and normative (DiMaggio and Powell, 1983: 150). Possible sources are listed in Table 18.
Due to isomorphism (DiMaggio and Powell, 1983: 144) and mimetic processes (Meyer and Rowan, 1977: 34) companies should become similar to their direct environment. By doing so, these organisations aim to maintain or increase legitimacy in their organisational field while in fact they are increasing their isomorphism. In other words, they are getting more similar in order to raise legitimacy (DiMaggio and Powell, 1983: 149). Furthermore, the introduction of new, seemingly “innovative”, management concepts (e.g., formal, explicit CSR instruments) in existing industries can lead to both challenges and opportunities for organisations (Meyer and Rowan, 1991: 33).

Such effects were shown in the stakeholder analysis for the cases of MNEs (Section 3.4.1) and certifiers/consultants (Section 3.4.6) as well as in the analysis of motives for CSR in MNEs (in Section 6.3.1).

To summarise, the theory of institutional frameworks points to a dichotomy of liberal and coordinated market economies. Accordingly, the former should evolve an explicit version of CSR, whereas the latter is supposed to develop a more implicit agenda. Combining this system with the concepts of organisational field and isomorphism predicts homogenous CSR approaches within a market economy, or to be precise within one country.

<table>
<thead>
<tr>
<th>Coercive Isomorphism</th>
<th>Mimetic Isomorphism</th>
<th>Normative Isomorphism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Results from:</td>
<td>Results from:</td>
<td>Results from:</td>
</tr>
<tr>
<td>• Dependencies</td>
<td>• Environmental uncer-tainty</td>
<td>• Professionalization through formal educa-tion</td>
</tr>
<tr>
<td>• Formal and informal pressure</td>
<td>• Ambiguous goals</td>
<td>• Professional networks across which new models diffuse</td>
</tr>
<tr>
<td>• Monitoring and sanctioning of wrongdoers</td>
<td>• Unintentionally diffused models through employee transfer or turnover</td>
<td></td>
</tr>
</tbody>
</table>

Table 18: Different forms of isomorphism (adapted from DiMaggio and Powell, 1983: 150)
Whether this applies for all organisations and companies is part of the analysis here. The next section, however, sheds light on defining factors (i.e., language and codification) and key drivers (i.e., motives and intent) of the predicted dichotomous system of implicit and explicit CSR seemingly determined by market economies.

### 7.2 Implicit and explicit CSR: a dichotomous framework

Explicit CSR is determined by individualism, discretionary agency, incentivising responsive actors, liberalism, network governance, policies providing discretions, and isolated actors (Matten and Moon, 2008: 411). In general, such components are rooted in liberal market economies, where deregulation, privatisation, and highly competitive markets based on low cost/mass production create the need for explicitly formalise and communicate CSR (cp. Table 17).

A similar stress field was outlined with regard to the key interests behind conventional business models (in Section 5.1.1) and the difficulties they have in meeting informal contexts (as outlined in Section 5.3.2). Accordingly, this develops explicit approaches, which assume and articulate responsibility for some interests of society in response to stakeholder pressure (e.g., by consumer, civil societies) (Matten and Moon, 2004: 17). This normally consists of voluntary programmes and strategies by corporations, which combine social with business value.

Evidently, there are some similarities to CSR as “business case” since both approaches are driven by the assumed positive relationship between corporate social activities and financial performance and its aim to make profit primarily (Porter and Kramer, 2006: 81). Explicit CSR often involves partnerships with governmental and non-governmental organisations (e.g., the Marine Stewardship Council, or the ISO 14000/26000 series – for respec-
tive details see Section 2.2.2 and 2.2.1 respectively) so as to increase legitimacy by improving image, market share and, primarily, profit.

Explicit CSR rests on corporate discretion rather than reflecting governmental authority, broader formal or informal institutions, or societal needs (Matten and Moon, 2008: 413). Thus, in a system of explicit CSR, CSR is formalised (codification), aimed at external recognition (language), and has a strategic purpose (intent) and goal, and a commercial pursuit (motives).

Implicit CSR, on the contrary, is determined by values, norms, and rules (i.e., codification) as result of formal and informal institutions filling wider interests and concerns of society – i.e., motives and intent (Matten and Moon, 2007: 33).

Such institutions can be traced back to non-market relation and collaborative networks fostered by policies and systems in coordinated market economies (cp. Table 17). Often autochthonous institutions (i.e., firm ties with the political base, universal trust in state and authorities, or traditionally in the Catholic Church) account for such market systems.

Thus, implicit CSR is seldom explicitly described as CSR (language), rather it evolves in the form of codified norms, rules, and transforms into unwritten laws (Matten and Moon, 2008).

Set in the context of normative vs. strategic CSR, by having an implicit approach to CSR it is normative and seen as “moral activity” similar to intrinsic CSR (see again Sections 6.1, and particularly, Section 6.3.1). In other words, here implications for the social responsibilities of business are implicit, whereas the societal norms, networks, organisations and rules could be to some extent explicit (Matten and Moon, 2004: 12). Table 19 summarises the abovementioned.
The primary differentiation criteria into implicit or explicit CSR is language: explicit companies issue CSR reports and use CSR in communicating their CSR activities, actions, and efforts to their stakeholders while those practicing implicit CSR would be less demonstrative (Matten and Moon, 2004: 25) because they normally find it difficult to formulate “the way we do our business”.

A further difference lies in “intent”: although implicit CSR can result in similar practices as an explicit agenda, the former is not conceived as a voluntary and deliberate corporate decision but rather as a reaction to or reflection of society’s demands, while explicit CSR is the result of a strategic decision of companies (Matten and Moon, 2008: 412). Explicit CSR describes the organisation and is “exposed” whereas implicit CSR defines it and is “enacted”. Again, there are certain parallels to the differences of extrinsic and intrinsic CSR (see Sections 2.1 and 6.1).

With increasing privatisation and liberalisation comes an increase in demand for more explicit CSR as the economic power is shifted to actors with global orientation and the need...
to legitimate their business by explicit CSR and away from traditional, autochthonous institutions. Section 2.2 described such movements from conformance to performance (and vice versa) while Table 3 outlined a number of instruments for explicit CSR. This research concerns whether this concept also applies for SMEs with a habitual local orientation on their customers, deeply embedded in their direct communities.

Comparable to the dichotomy of market economies the differentiation into implicit and explicit is rather a matter of emphasis and not a genuine dichotomous distinction between the two approaches (Matten and Moon, 2004: 23). Matten and Moon (2007: 33) recognise that companies from the US, which primarily evolve explicit CSR based on their liberal market economy, also show implicit elements, i.e., workers’ rights. Similarly, European companies are not implicit in regard to absolutely every business operations, as certain research assumes (e.g., Campbell and Pedersen; 2005: 22ff.), because there is clear evidence of a rise in the number of issued sustainability/CSR reports (e.g., Berger et al., 2012: 54).

Another aspect to take into account is that research on CSR is mainly done within, together with, and in relation to large companies and MNEs and the corresponding supply chain effects. Therefore and without further analysis, it cannot be concluded that the same effects play for small businesses. Some studies support, for instance, that explicit CSR in Europe is mainly a topic for large companies (Spence et al., 2003: 21) and SMEs rely on their longstanding informal networks rather than on explicit and formal policies (Matten and Moon, 2004: 23).

However, the theory predicts that due to different societal and cultural effects, diverse cultures of capitalism, different education, labour, and financial systems CSR should vary over countries in its explicity/implicity. Hence, it is crucial to conduct cross-national com-
parative studies on CSR, because every country has also a distinct political structure, is determined by its unique history, has own interests and institutions, which in their sum should evolve a unique approach to CSR (Midttun et al., 2006: 372). This seems to be valid for the context of larger companies however, other results point to smaller companies having mostly implicit CSR independent from their market economies or culture they are embedded in.

As said, this deserves further scrutiny. The next section outlines the respective methodology applied here to conduct such a comparison of what can be concluded from Swiss SMEs and what is reported from 15 other countries by corresponding studies.

7.3 Methodology of comparative analysis

To get insight into the implicity/explicity of Swiss SMEs’ CSR, the interviews from Section 4 (sample description in Tables 8 and 9) were reused to serve as raw data here (the transcripts can be found on the storage media in Appendix 19).

By contrast to the analysis in Section 4 (by Legewie’s global analysis (1994) and Mayringer’s (1996; 2003) qualitative content analysis) the interviews in this part were coded using MAXQDA. According to Atteslander (2010: 274) it is justifiable and especially useful in a research approach based on grounded theory to reuse data by applying a different method of analysis.

As before, a process of “in-vivo” coding made the start: the resulting code tree was first wide, and then condensed to constructs that were sorted, combined if useful and heuristic, or broken down when required so as to set up categories of similar constructs.

This enabled the identification of specific answers in regard to the research questions. Again, for statements found to be important but not classifiable, a category “others” was created. The codes given in the interviews were quantitatively analysed for implicit or ex-
licit CSR. The final code tree can be found in Appendix 17. Overall, the majority of codes for implicit or explicit CSR (following the definitions in Table 19) enabled a fine gradation of Swiss small business CSR activities and a distinct attribution to one category.

To derive an understanding of the SME-CSR relationship from other cultures a secondary data analysis was conducted. Therefore, 30 research reports, statements, etc. by academics (see Table 20) were analysed and coded using the same procedure and code tree as aforementioned for Swiss companies in order to generate hypothesis on how similar/different the SME-CSR relation is in the context of the specific, national origin it is based in. The decision on whether implicit or explicit CSR is deployed is based on majority of coded statements in the examined studies, which supports either one model or the other.

The examined studies were picked from Elsevier’s research database Scopus (2015) while their quality was controlled by the journal rank (Thomson Reuters, 2011) and their citation index (Thomson Reuters, 2011). Other selection criterions were: sample size (either quantitative survey data or a minimum of nine interviews with the exception of two case studies in Cameroon and Austria, which are seen as complements to other studies), ownership/management (only studies that target at SME owner-managers were selected, so as to compare them to the Swiss context where the all SMEs under research are represented by their owner-managers), organisational structure (only studies on businesses that employ staff from at least three functional areas were chosen, again to limit variety in comparison to the situation in Switzerland), and nationality (the studies have to report about registered companies in the respective sample country). As said in Section 7.1, there exist other systems to distinguish different market economies (Midttun et al., 2006: 371; Freeman and Hasnaoui, 2011: 426), etc.
In spite of the adoption of the system of “varieties of capitalism” here, the selection of studies for this secondary data analysis was also influenced by its aspiration to include clusters targeted by these theories. For market-based economies, e.g., studies from UK and US were selected, for the Mediterranean style there stand Spain, Italy, Catalonia, for the socio-democratic system a study from Finland was chosen, the continental-European background is covered by Austria, Germany, Switzerland and Asian capitalism is represented by China, Taiwan, and Singapore. Given the division of European styles into Anglo-Saxon (UK), Nordic (Finland), Mediterranean (Italy, Spain, Catalonia), and Continental (Austria, Germany, Switzerland) all clusters are covered as well.

As the countries examined represent different types of market economies, language regions, cultural contexts and religious setting, the data collected allowed a unique, transnational analysis of small business CSR attributes – the results were published as Looser and Wehrmeyer (2015c).

7.4 Findings: Cross-national comparative overview

Because of the strong overlap between the societal cultures (e.g., democracy, liberalisms, subsidiarity, and federalism) and liberal market economy in Switzerland and the ethical values held by SMEs’ owner-managers, this study, indeed, points at idiosyncratically implicit CSR in Swiss SMEs that is examined in the next paragraphs alongside the dimensions of implicit vs. explicit CSR (cp. Table 19): intent, codification, motives, and language. Notably, the Swiss economy is seen as a hybrid though it is liberal in its constitution; according to Kriesi (1980: 45ff.) this is mostly traced back to its small size.

7.4.1 Swiss SMEs and their implicit approach

With regard to intent it can be concluded that all Swiss companies under research have a role within wider formal and informal institutions for society’s interests and concerns. For
instance, they usually integrate disabled people into their staff and they bear the Swiss apprenticeship system. Their highly sophisticated CSR agendas are a result of evolution and not the result of strategic decisions to “jump on the CSR bandwagon”. More importantly, no differences were found between German, French, and Italian (neglecting Romansh) speaking regions, although other studies reported of language as considerable impact on CSR practices (Schlierer et al., 2012: 49).

Looking at dimension of codification, it was found that Swiss SMEs have no corporate CSR policies, programmes, strategies, or other formalised instrument (certificates, standards, code of conducts) with some exception in exposed sectors, e.g. chemical industry. On the contrary, it was stated that responsibility and altruism are indeed parts of their education. In particular, they operate with reciprocal, trust-based deals without the need for any codification by contracts, standards, etc.

Concerning Swiss SMEs’ motives it is clear from the interviews that they are driven by the pursuit for societal consensus and the expectations on their company’s contribution to society. In other words, they have idealistic motives based on an individual “locus of responsibility” (Hemingway and Maclagan, 2004: 39f.), under the influence of vision and inspiration (Waddock et al., 2002: 139f.) with corporate self-restraints aimed at general welfare (Windsor, 2006: 99ff.). This leads to them seeing their business as “a parallel world”, totally detached from the profit-maximising system shaped by MNEs and their managers trapped in their role as “actors of absent shareholders” (Spence, 1999: 165).

Apart from that, they do not publicly demonstrate their CSR activities using CSR language, which supports the argument of them having an implicit agenda. Explanations for this dedicatedly implicit CSR in Swiss SMEs might be that they are in most cases not listed
at the stock market, thus, there is no need for reports and external validation of their business.

As identified with regard to ownership as a crucial feature of L’EPOQuE 2.0 (see Figure 16), ownership implies that these companies are in most cases totally self-financed and not dependent on external money. Thus, they are not urged to issue respective reports. Since their business and life are not separated and they mostly operate on the basis of regional networks and trust, they have the need for enacted values (instead of in external reports exposed CSR activities), another clear indication for implicit CSR. In summary, Swiss SMEs CSR is seen as value- and virtue ethics-driven, determined by norms and their assumption on societal demands towards them. Hence, it is definitely attributed to implicit CSR.

These findings are congruent with the patterns identified from other cultural contexts. As Höllerer (2013: 561) especially worked out, concentrated ownership, age of companies, less dependence on capital markets, and the embeddedness of owner-managers in their the social-economic/socio-political “centre of gravity” are verified reasons towards less explicit and more implicit CSR. These are all findings which were replicated throughout the whole thesis and confirmed by each single research step.

Above all, this analysis highlighted another facet of the Swiss SME approach to CSR confirming the features of L’EPOQuE 2.0. This supports this model, L’EPOQuE 2.0, as a credible, new template coming from such informal and implicit contexts. How these features transfer and mirror the SME CSR approach from various other countries is to be clarified in the following. This justifies the subsequent research step, which gives an international overview over the CSR-SME relationship.
7.4.2 15 countries under scrutiny: a comparative analysis

In order to get an impression on how heterogeneous and nevertheless similar (especially in resulting effects on CSR) the SMEs’ approach in fact is and because there exist only few articles that analyse small business CSR practices from different countries this section cross-compares 30 studies on CSR in SMEs from 15 cultural contexts by their intent, codification, motives, and language.

The 30 studies are summarised in chronological order as they were analysed by the coding process, i.e., Italy, Cameroon, Netherlands, UK, Australia, Finland, Germany, Hong Kong, China, Taiwan, Singapore, Austria, US, Span, Chile and Catalonia (notably a part of Spain that is seeking for autonomy).

As said, decisions on whether the country’s approach is implicit or explicit is taken for every country examined (in the last column of Table 20) based on a majority of codes given by the coding process for implicit or explicit attributes of their CSR (cp. Table 19). A summary of each study and an excerpt of codes statements can be found in Appendix 18; the code tree is outlined in Appendix 17.

The decision on whether an economy is seen as liberal, coordinated, or a hybrid is based on Section 7.1 and the attributes of market economies outlined in Table 17. This attribution was validated by cross-checking with ratings issued by Global Research (2015) and Hall and Soskice’s (2001: 54) definitions of the countries’ market economies.
<table>
<thead>
<tr>
<th>Country / Reference</th>
<th>Methodology</th>
<th>Comparison by intent, codification, motives, and language</th>
<th>Market economy</th>
<th>Implicit / explicit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Italy</strong> Campospiano et al. (2012)</td>
<td>19 Italian SMEs: semi-structured interviews</td>
<td>The companies examined herein do not have a formal definition of CSR and the topic is not common among them. Further, the knowledge of formal instruments to communicate CSR activities is scarce and the Bergamo SMEs do not explicitly report their activities using CSR language, although their activities are sophisticated enough to suffice many standards. Having a dedicated department for CSR is nearly inexistent and monitoring of CSR is mainly based on informal feedback from stakeholders (primarily employees) and the focus of CSR activities is on employees’ training, development and on an unwritten code of ethics.</td>
<td>Hybrid market economy</td>
<td>Implicit CSR</td>
</tr>
<tr>
<td><strong>Cameroon</strong> De- nuijck and Ngnodjom (2013)</td>
<td>18 Cameroonian SMEs: semi-structured interviews</td>
<td>Many SMEs in Italy are family businesses and display a paternalistic approach by the owner-manager, who contributes largely to a familiar environment along Catholic tradition. This combination of Catholic tradition, fascist/communist subcultures, and high level of masculinity form the foundation of the Italian SMEs CSR approach: Centralised decision-making driven by moral motivations revolving round the owner-managers’ personal values while the Catholic component with the Roman church spreading its social doctrine (also through the recent Pope Benedictus XVI’s encyclical Caritas in Veritas) playing a key role in shaping the future status of CSR. Overall this shows their wider formal and informal societal role, their implicit motives as well as language and codification.</td>
<td>Coordinated market economy</td>
<td>Implicit CSR</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cameroonian SMEs consider themselves responsible for the well-being of their employees, and with qualification, for their community. They further reject all forms of nepotism and tribalism whereas they do not feel responsible for the effects of their activity on the natural environment. However, they take in first place their responsibility for employees’ health and security</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Author(s)</td>
<td>Country</td>
<td>Methodology</td>
<td>Findings</td>
<td></td>
</tr>
<tr>
<td>-----------</td>
<td>---------</td>
<td>-------------</td>
<td>----------</td>
<td></td>
</tr>
<tr>
<td>Amashi et al. (2006)</td>
<td>Cameroon</td>
<td>1 Cameroonian SME: case study</td>
<td>Indigenous companies in developing countries give priority to philanthropy in form of providing health care, education to their employees and community rather than broader ethical duties (environmental protection or combating corruption) and they relate this philanthropy to their traditional socio-cultural heritage of network solidarity based on kinship. This provides further evidence on implicit CSR in Cameroonian SMEs.</td>
<td></td>
</tr>
<tr>
<td>Netherlands Graafland and Van de Ven (2006)</td>
<td>Netherlands</td>
<td>111 Dutch SMEs: survey</td>
<td>Dutch SMEs have a strong market-driven approach especially to sustainability, however in addition they express strong intrinsic ethical motives since CSR is seen as a moral duty towards society. They are implicitly driven by codified rules and motivated by reaching societal consensus and filling their contributions to society.</td>
<td></td>
</tr>
<tr>
<td>Bertens et al. (2011)</td>
<td>Netherlands</td>
<td>1662 Dutch SMEs: survey</td>
<td>In general, this includes on the one hand the development of eco-innovative products and services, on the other hand in contrast to Bergamo’s SMEs also the commu-</td>
<td></td>
</tr>
</tbody>
</table>
Uhlner et al. (2012) Spence et al. (2000) 689 Dutch SMEs: survey 20 Dutch SMEs: interviews

In addition, Dutch SMEs are extensively involved in their local communities and local trade associations with the goal to define and enforce environmental protection standards. This model of collective problem solving and policy development – known under the “polder” model – underpins the importance of civil society in the Dutch SME context and their wider formal and informal role for society’s interests and concerns.


UK SMEs tend to view environmental or sustainability issues as a cost factor rather than an opportunity, e.g., for competitive advantages. This could be traced back to the fact that the governmental regulations remaining a dominant motivator for environmental activities in the UK and, therefore, self-regulation is not likely to work well.

Williams and Schaefer (2013) 65 SMEs: survey 9 UK SMEs: semi-structured interviews

British SMEs seem to have little incentive to improve their environmental performance beyond the minimal legal standard and the explanations for this fact are various: lower per capital UK governmental spending in the protection of the environment (compared to, for instance, the Netherlands) and the impression SMEs gained from society that, in general, they are not of importance to the wide public. However, their relative complains demonstrate their striving for filling a wider role in regard to society’s interests and concerns.

SMEs see some salience – mainly based on a diverse range of popular sources (i.e., internet, media) rather than on information targeted to their companies – in climate change, because climate change affect their personal lives and therefore they showed less confusion about this peculiar phenomenon than in earlier studies. The same
managers see a clear contradiction in UK governmental policy and wasted resources (time, money, and public attention), which discourage them from taking pro-environmental action, in other words, the only motivators are most commonly based on personal values and engagement of the managers themselves.

These values were generally non-religious (in contrast to e.g., Italian SMEs), however humanistic, or derived from science, particularly from the understanding of “the place of humanity in the course of evolution”, while several respondents stated that they had experienced a concern for the environment and society from an early age as a part of their upbringing.

This points at codified rules and motives of consensus and making a contribution to society.

Depending on the sector (e.g., chemical industry) legal and regulatory requirements are seen as external motivators as well, although personal values were still the key motivator wanting these SMEs to go beyond legal compliance, and as a consequence, UK SMEs stated that CSR and sustainability issues should become more emotional and less formal.

Overall, they are not used to CSR language or to demonstrate their CSR activities making their CSR implicit in spite of the liberal UK market economy UK SMEs have an implicit CSR approach.

These authors examined Asian SMEs in the UK and discovered interesting facts in terms of social capital, bonding and bridging respectively. However, the idea of social responsibility tends to be seen in very unspecific and broad ways within the Asian business.

The types of organisational involvement range from: donation to the community and to charities, supporting the arts, lobbying for particular cause, cause-related marketing to ethical purchasing and investment.

Sharing best practice on social, ethical, and
environmental responsibility, while benchmarking these activities against others, investing in deprived areas, engaging people traditionally excluded from the labour market (disabled or homeless people), and supplier diversity initiatives were other reported activities among Asian UK SMEs. Interestingly, CSR was likely to become more important once the organisation had achieved the financial bottom line: the latter is seen as “the springboard from which action in the wider community could be launched”.

The intrinsic side of social responsibility is about employees, customers etc., on the extrinsic side the SMEs are trying to set up funds for themselves, so that the business should support the charity. Whether defined narrowly as action in the community or more broadly as responsibility towards a variety of internal and external stakeholders, CSR is seen as a moral duty.

Besides, Asian UK SMEs are involved in a variety of CSR related social and business relationships, e.g., formal roles in the Asian Business Federation or Chamber of Commerce, which is a clear sign for engagement in such forms of CSR “to build both bonding and bridging social capital” – a fact that is not reported to the same extent from not Asian SMEs in the UK.

<p>| Australia Sen and Cowley (2012) | 12 Australian SMEs: semi-structured interviews | An Australian study reports a strong philanthropic participation of SMEs in supporting charities, fund raising, sponsorship, and employee benefits, while engagement in customer or supplier related CSR is nearly inexistent. Among the most popular explanations were: supporting business near stakeholders, giving back to the society of which the company sees itself as a member, and operating the business ethically, moreover, creating a business reputation, helping community organisations and following social norms. The expenses on CSR related topics are mostly ad hoc, whereas resources are recognised as the major constraint and the participation depends to some extent on Liberal market economy Implicit CSR |</p>
<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Year</th>
<th>Methodology</th>
<th>Findings</th>
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<tbody>
<tr>
<td>Wartick and Cochran (1985)</td>
<td></td>
<td>Contextual paper</td>
<td>Australian SME owner-managers often take time out of their schedule to engage with institutions in the near community that had no direct stake in the business, because the connections with these institutions are seen instrumentally for the purpose of networking or information gathering/sharing revealing those companies understanding of their wider formal and informal role in society and thus their implicit motives and intent. The seemingly greater attention of lower salient stakeholders is an interesting fact, especially from a stakeholder point of view. Hence stakeholder salience is not the criterion for Australian SMEs’ social participation. In general, profit-maximisation is not an imperative for SMEs in Australia; however, they prefer to be seen as a community member besides a personal satisfaction, a fact that could be confirmed by other studies which focus on the proactive approach Australian SMEs demonstrate above and beyond regulatory requirements. Overall, codified rules, motives of reaching societal consensus, discreet communication about values and intent reveal an implicit CSR agenda.</td>
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<tr>
<td>Torugsa et al. (2013)</td>
<td></td>
<td>171 Australian SMEs: survey</td>
<td>Similar findings are reported from 25 Finnish SMEs. They point to the strong embeddedness in localities and the heterogeneous networks of personal and company connections. For those SMEs responsibility is more than a reaction on normative pressure or taking care of their legal obligations, i.e. a moral duty for society’s interests and concerns so as to “give something back”. The core functions of business exceed the sole manufacturing of products or providing services by contributing something to the welfare of the local community as one of the stakeholders in a greater network of businesses.</td>
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<tr>
<td>Finland Lähdesmäki and Suutari (2012)</td>
<td></td>
<td>25 Finish SMEs: semi-structured interviews</td>
<td>Similar findings are reported from 25 Finnish SMEs. They point to the strong embeddedness in localities and the heterogeneous networks of personal and company connections. For those SMEs responsibility is more than a reaction on normative pressure or taking care of their legal obligations, i.e. a moral duty for society’s interests and concerns so as to “give something back”. The core functions of business exceed the sole manufacturing of products or providing services by contributing something to the welfare of the local community as one of the stakeholders in a greater network of businesses.</td>
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**Implicit CSR**
Their responsible business is often based on the idea of “enlightened self-interest” (Johnson et al., 2008) driven by values, norms, and rules, implicitly motivated by reaching a societal consensus in terms of, that bearing responsibility for the local community is thought to be according to the best interests of the SMEs’ business. As a consequence, the key driver for community engagement is the awareness of positive outcomes, although these outcomes rarely are of any direct financial benefit, on the contrary, the actual effects – such as positive reputation and reciprocal local collaborations – are rather difficult to measure.

Thus, they do not communicate in CSR language. Besides, social embeddedness is based on reciprocity (see again Section 4.4.2, or Caliendo et al., 2012: 398). This reciprocity is understood as a moral norm, indeed, the relationships between Finish SMEs and the community leads to a “circle of reciprocity” where the mutual, interactional advantages are acknowledged by both parties. Hence, both sides seem to invest in the success of the other: local community appreciate SMEs by asking them for their opinion and offering them the option to comment on local affairs, so that SMEs positively response by commitment to their village and their investment in the economic development. Hence, local involvement is not considered a threat to rational business operations, but optimal social proximity between Finish SMEs and local communities is mutually beneficial for both parties.

A study conducted in 15 German SMEs showed that none of the owner-manager had a role in traditional civic leadership. The reason is that they have no time for so-called “secondary activities”, because daily operations are a heavy burden solely born by owner-manager and a small number of relatives or underlings. Similar to Dutch and Asian UK SMEs a great number of German firms where engaged in sector or

| Germany | 15 German SMEs: semi-structured interviews | A study conducted in 15 German SMEs showed that none of the owner-manager had a role in traditional civic leadership. The reason is that they have no time for so-called “secondary activities”, because daily operations are a heavy burden solely born by owner-manager and a small number of relatives or underlings. Similar to Dutch and Asian UK SMEs a great number of German firms where engaged in sector or | Coordinated market economy | Implicit CSR |
small-firm specific organisations, e.g., in the German Chamber of Commerce. The reasons for those engagements are seen from an arms-length position and the time invested is a measure to establish the company. Intra-sector collaboration is often reported and identified as important source of social capital. The form of such connections is wide ranging: exchange of information and recommendations, subcontracting, or borrowing equipment. These often long-lasting, informally cooperative links have their origin in dropped out employees, who are again employed within the sector and everyone is supplying something to the other and vice versa. However, this collaboration is not reported to be on a bigger scale, it is more “a helping each other out, so that everybody can take things a bit easier”.

On the other hand, comparably to Swiss SMEs, cross-sectorial networking in the broader local business community is rare and only found under geographical proximity, e.g., between neighbouring firms located in the same industrial estate or street. Such activities could include the organisation of a Christmas barbecue for neighbours and customers, whereas also cases of “the dark side of social capital” (Putnam, 2000) were reported, e.g., hijacked agendas from informal meetings to forward own agendas of complains against leaseholders. In general, German SME managers invoked notions of community and a feeling of wanting “to give something back”, of making friends, and to establish business ties in the long-run where contracts and networks are generated through work. Thus, German SMEs play a wider formal and informal societal role driven by codified values, rules, and not motivated to expose their CSR activities for commercial reasons to the public or using CSR specific language. Overall, it is concluded, that their CSR is implicit. Overall, there are some parallels to Swiss SMEs.
| **Hong Kong**  
| Studer et al. (2008) | 59 Hong Kong NGOs: semi-structured interviews | Opposite to those findings, a study conducted with stakeholder groups in Hong Kong (Chamber and Business Association, NGOs, governmental authorities, academia, legislative council, finance sector, media) emphasised supply chain pressure as the most effective driver for environmental change there. A range of means to promote environmental change – such as fiscal policy, energy process, voluntary agreements, consumer preference, employee pressure, etc. – was presented to those stakeholders and the likely effectiveness against the likelihood of it being implemented was assessed by them. Overall, they saw means that influence company competitiveness as being more effective than voluntary agreements or employee pressure. Supply chain pressure is seen as most effective in terms of its likelihood to become more important in future – this is opposed the attitude of a number of SMEs’ owners-managers (not only from Hong Kong but also e.g., in Switzerland) when they were asked in other studies about meaningful measures. Therefore, CSR should consist of corporate policies, programmes, strategies, and formalised instruments, motivated by incentives and opportunities perceived from stakeholder expectations and advertised by an extensive use of CSR language. Nevertheless, the authors found that SMEs in general do not react on non-financial incentives due to the competitive climate in Hong Kong and financial means were judged as too bureaucratic and unlikely to be implemented in Hong Kong’s strong free market economy and narrow tax base. SMEs from Hong Kong seem to have an explicit CSR understanding. | Liberal market economy | Explicit CSR |
| **China**  
| Li (2012) | 1500 Chinese SMEs: survey | 76% of 1500 Chinese companies surveyed in a study conducted by the CSR Development Center of Ministry of Commerce reported to have never heard of a Code of Conduct and 58% are not aware of standards like SA 8000 or ISO 26000 where- | Coordinated market economy | Implicit CSR |
from the author concludes that Chinese companies (including SMEs) lack knowledge and attention to CSR. Above all, this shows the implicit intent and motives without any use of CSR specific language or explicit codes Chinese SMEs have. In addition, he reports that at present law-making on CSR is divided into various laws and regulations such as product quality and consumer protection law, environmental and social protection laws, and a general, systematic system is not implemented yet. Nevertheless, especially the SME sector faces competition from multinational commodity supply chains, thus, CSR campaigns has become an important factor of globalisation and a factor of international competitiveness.

Some respondents, however, added that competitiveness only exists if accountability exists – e.g., in terms of standards (as SA 8000) to differentiate and there through enhance core competitiveness, increase appeal as employer, gain customer loyalty, and improve supervision.

Thus, the promotion of CSR should be increased to attract attention of the whole Chinese society, so that economy structure should be adjusted to promote an industry structure upgrade apart from quantity-dominated growth aims, labour laws and production conditions, quickening law making, and exerting the function of media – in order to amplify the mechanism of CSR supervision and restriction.

<table>
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<tr>
<th>Taiwan</th>
<th>Lin et al. (2009)</th>
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<td>1000 Taiwanese cases: secondary data analysis</td>
<td>The results from a study conducted among manufacturing SMEs in Taiwan point to the fact that the intensity of CSR investments has no significant positive impact on return on assets (ROA) as a short-term variable of corporate financial performance. This implies that at least in the short run “the better a firm’s investment in CSR the better its financial performance” is not the case and Taiwan’s SMEs are primarily driven by a CSR seen as a “moral activity”.</td>
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Nevertheless, the reported key drivers for nurturing and maintaining societal welfare in Taiwan are: the decision to be environmentally sustainable, a strong commitment to corporate social governance, and an open dialogue with stakeholders. To achieve these principles SMEs devote a certain percentage of their pre-tax profit to community involvement in the form of donation that can be used to support health, education and charitable work, and general welfare. In general, they do not communicate these activities by using CSR language, which shows again their implicit approach.

| Singapore | Lee et al. (2012) | Research from Singapore reported similar results: 63.7% of all respondents are well aware of CSR, which include philanthropic and concerns of environment. In specific, owner-managers from Singapore indicate that fostering truthful information, as well as training and enhanced benefits for staff, providing quality products and employee empowerment, helping local communities, caring for the environment, ensuring safety standards and anti-discrimination rules, and respecting individual rights can be classified as “their” CSR showing their implicit motives and intent. Likewise, an ethical impetus, institutional responsibility, individual values (e.g., to be a Good Samaritan), relationships (such as the sense of family and belonging), and governmental influence were mentioned as reasons for the high CSR awareness in Singapore. However, their CSR is rarely externally reported and they are driven by codified rules of morale and virtues. The reported barriers for a successful implementation of CSR activities are: business goals (profit as core business driver), stakeholder apathy, lack of resources (mainly time, know-how and manpower, astonishingly not money), and situational reasons, like bad economy and recent scandals in the charity sector in Singapore. |
| Austria | A case study describing an Austrian noodle | Coordinated market economy | Implicit CSR | Implicit |
factory revealed that the consideration of social goals in the Human Resources and Marketing & Sales departments is prevalent for CSR there: the company offers, as a family tradition, accommodations for its employees and a system of fringe benefits going beyond legal requirements (e.g., every employee is allowed to carry home 6 kg of pasta/month).

The company has also an in-house academy offering free training and language classes, as non-German speaking immigrants are part of the staff in almost every Austrian SME and German courses are implemented to promote integration and development opportunities to workforce from abroad.

The authors conclude that responsible business behaviour is not a matter of getting SMEs away from their usual way of doing things, since SME owner-managers in Austria are well aware of the fact that they can only “do well in the long run by doing good” to society and environment. In other words, they serve society’s interests and concerns and are motivated by this societal contribution, whereas they resist from talking about their activities by CSR specifics or codes.

For Austrian SMEs quality is the key driver, therefore they welcome an Austrian quality seal. This seal must be tailored to their needs in order to avoid bureaucratic burden, because they prefer to have informal methods of control. Therefore, the Austrian CSR seal is an end-of-the-pipe solution without the intendancy to change enterprise processes.

Although the seal was welcomed to communicate about the responsible business and quality based product in this case study, it must mirror the complex and informal reality in SMEs. Interestingly, the CSR seal was tied to quality, thus, it is rather an issue of implicit values and a code for quality than a tool of explicit “strategic” CSR.
| Höllerer (2013) | 259 Annual reports: secondary data analysis | Explicit CSR seems to rise in Austria, however only in large companies; whereas small companies still rely on their trust-based networks (handshake contracts are reported). |
| US Ryan (1989) | 168 US SMEs: survey | A number of US studies explored the motivations of SME owner-managers, or entrepreneurs as they are named in these studies respectively. The reported internal factors for ethical or responsible business practices are: community norms, peer pressure, higher moral or religious principles, anticipation of rewards, fear of punishment and upholding the law. In terms of external factors were reported: trade associations, doing business in small town, publicity, public disclosures and media coverage, contemporary social standards, churches, competition, regulations, critics of businesses and high school groups etc. |
| Wilson (1986) | 180 US SMEs: survey | In addition, US entrepreneurs are sometimes stricter and sometimes laxer than others in their ethical judgments, depending upon the issues being considered. The issues where entrepreneurs appeared to be more ethical were around potential damage to the health and safety of people, faulty investment advices, favouritism, tax evasion, collusion in bidding, insider trading and discrimination against women, ample factors stressing the implicit intent, their codified rules and motives US SMEs in fact have towards CSR. |
| Brown and King (1982) | 217 US SMEs: survey | The respondents from this study stated that doing the thing called social responsibility was necessary for the role of profits as such acts lead to a good reputation, repeat business etc. However, US SMEs rather report about their business and values than primarily using CSR language or codes making their CSR a “moral activity”. |
| Chrisman and 700 articles on | | The authors surveyed 217 US SMEs and observed that SMEs’ ethics were higher |
| Fry (1982) | US SMEs: secondary data analysis | than the ones of public offices or MNEs. SMEs rated the importance of equal employment opportunities, efficient use of resources higher than private individuals; hence, the major contribution of SMEs to society is the providing of jobs and innovation accounting for their role as formal and informal societal institution. US SMEs seem to understand their social responsibilities quite well relative to the demands and perceptions of the general public. The problem inherent in this finding it the danger that a misinformed public will not be sensitive to the possible impact of proposed governmental regulations and laws on SMEs. A good example is the minimum wage law which has the tendency to undermine the generation of new jobs and innovation within SMEs because it serves to reduce the attractiveness of marginal gains when SMEs employs low-skilled or inexperienced workers. As a consequence, the authors conclude that the public needs to be better informed about SMEs’ economic role, social contribution and specifics, e.g., jobs, innovation, flexibility, which overall, prove their wider informal and formal role in US society. |
| Spain De la Cruz Déniz Déniz and Katiuska Cabrera Suárez (2005) | 112 Spanish SMEs: survey | Spanish SMEs are reported to be a heterogeneous group in terms of their orientation towards CSR. The authors found three clusters within Spanish SMEs: the first cluster is mainly characterised by considering social action not a source of competitive advantage. These companies do not have the resources and capabilities to solve social problems, in other words, they have the objective of “profit-maximisation” and social issues are considered to generate net costs. The second cluster compromises companies that consider social responsibility a source of competitive advantage that allows new regulations and laws to be avoided. These companies seem to have the resources and capabilities to resolve social problems, although they have still a |
| | | Hybrid market economy Implicit CSR |
quite socio-economic approach and a reduced vision of social investment: social responsibility should at least bring some net profit to the company. Social implications are neither a source of competitive advantage nor a way of avoiding legislation within the third cluster, which makes up the majority of Spanish companies. Hence, this group fits a philanthropic profile towards CSR, as these companies believe that they should foster a genuine relationship with society, community, and stakeholders – even if it is considered a net cost. Interestingly, the first cluster is mostly in the first generation and on average 34 years old, whereas the third philanthropic cluster is ten years older and in the third generation. The latter sees society’s interests and concerns as important, is motivated by its contribution to the community, and, as said, driven by philanthropic values, norms, and codified rules. Thus, it is concluded that, apart from some young companies, the majority of Spanish SMEs has an implicit approach (i.e. intent and motives) not using CSR specifics in their reporting etc.

**Chile & Catalonia**  
Tamajón and Fond I Aulet (2013)  
465 SMEs from Chile  
394 SMEs from Catalonia: both secondary data analysis  
A study from Chile and Catalonia reported that recycling, the encouragement of customers to be environmentally friendly, selecting sustainable suppliers, and the use of renewable energy were the main claims of SMEs in those regions in terms of environmental issues. Social measures mainly concentrate on support of local community development, heritage conservation, and respect for local cultures. Concrete measures are taken by the owner-managers regarding family-work balance, having disabled-friendly facilities, the cooperation with social projects, however with lower interest in other measures, such as customer awareness or the hiring of disabled people. This shows their institutional understanding of their role in regard to society’s interests and concerns, their motivation to contribute “something” to society’s benefit, and above all, their CSR seen as a

**Implicit CSR**

Coordinated market economy in Chile  
Hybrid market economy in Catalonia
“moral activity”. 

The most popular economic measures are: hiring local people and paying them just salaries, often above average, promoting local products among customers, choosing suppliers that support local development, whereas, on the contrary, training programmes for staff and charitable giving are rare. “Not knowing what to do” contributed by 20% and concerns about increased management costs by 61%. Thus, they do also not report about their activities using extrinsic CSR language and codes. Lack of budget is the most reported hurdle for being more responsible or introduce more measures, this is followed by lack of time, similar to many other studies, mainly to the ones from Germany.

Table 20: Comparative overview

The comparative overview demonstrates that market economies do not influence SMEs to the same extent as they influence MNEs – as reported from many studies (e.g., Muller, 2006: 193). Obviously for SMEs, isomorphism, i.e., mimetic and normative pressure, as outlined in Table 18, does not seem to work as theory predicts.

These forces rather steer SMEs on a worldwide scale and within the trans-border SME cluster. Hence, the SMEs looked at in this research do not adapt national patterns. They rather follow their specific SME CSR agenda. In other words, there seems to be a global SME CSR culture, which is significantly implicit and implicitly significant.

Only SMEs from Hong Kong show an explicit approach, and even this conclusion is somewhat debatable (although the study was chosen due to its quality) since it is based on statements from NGO representatives and not directly from SMEs. Notably, NGOs are in most cases asking for more explicit and formal CSR since, in their eyes, this should provide evidence of a responsible business.
Other studies conducted among SMEs and especially on this country’s second sector (production and manufacture) point also to a more implicit approach.

7.4.3 **Universally implicit CSR in SMEs? An explanatory framework**

A very simple explanation for such a universal SME CSR model lies in the small markets and local value and supply chains, which SMEs are embedded in. Comparable to coordinated market economies (see again Table 17) SMEs were found to be mainly driven by non-market relations, collaborative and strategic interactions with other SMEs, local customers and their communities. They are encouraging information sharing and collaboration between them, while at the same time monitoring, and if necessary sanctioning violators. These kinds of informal pressure resemble the rules of coercive isomorphism. Such processes are reported to evolve implicit CSR, whereas the mimetic and normative versions of isomorphism are found to act towards explicit CSR (Lauesen, 2014: 125).

The former can be traced back to uncertain situations (DiMaggio and Powell, 1983: 150), which in most cases do not apply to well-established SMEs with long traditions and uninterrupted experiences at the top of the company. The latter refers to professionalization and formalisation (DiMaggio and Powell, 1983: 150), trends that are explicitly avoided in the context of small businesses’ CSR.

SMEs are more constrained by scarce resources, depending on exchanges with their direct, local, political, economic, and social environment, and this embeddedness has a distinct impact on SME owner-managers’ perception regarding CSR compared to managers of MNEs. SMEs are more bound to local networks and their informal rules promoting implicit CSR as some sort of coercive isomorphism (DiMaggio and Powell, 1983: 150). See also the parallels revealed in the considerations with regard to “symbolic” as well as “social capital” in Section 3.5.
This is supported by the fact that many SMEs are in the second sector, producing specialised niche products on a small scale with high entry barriers. Especially SMEs from this sector must often independently educate their employees in specialised production processes (e.g. in the apprentice system in Central Europe).

By contrast, mimetic and normative forces engage MNEs in CSR due to legal frameworks or their desire for conformance with formal instruments and regulation and their legitimacy in the eye of their consumers (Lauesen, 2014: 127f.). The forces working within such systems of conformance were also outlined in Section 2.2. In all countries examined here, SMEs have a long-standing tradition to contribute to welfare, resulting in owner-managers who want to personally contribute to the social good. This might be another explanation for the similarities in small business CSR.

It can be said that non-adoption (of e.g., common management instruments) and the reinforcement of the reliance on family structures, local networks, implicit values and respective routines are the likely responses within the SME sub-population of organisations (Höllerer, 2013: 557f.). One possible reason might be that CSR is perceived as threatening the traditional design of the business-society nexus and as undermining the widespread understanding of the broad societal responsibility of SMEs (Höllerer, 2013: 560f.). Globally theorised organisational concepts and management practices, and thus explicit CSR, seem not to disseminate well into local, cultural contexts that are already organised by autochthonous institutions and their inherent social solidarity (Höllerer, 2013: 560f.).

Evidently, the CSR understanding from several different countries, including Switzerland, shows nearly identical patterns. Notably, certain features are not absolutely congruent (e.g., Swissness, as also discussed in Section 5.3.3) but very similar and over-spanning. These are: trust-based networks, which is supported by Swiss SMEs international trade habits,
concentrated ownership, tight relations to employees and the community, and CSR (in its original meaning as “moral activity”) as an implicitly followed path of doing business. Moreover, in most cases, SMEs do not link CSR with the bottom line.

Most importantly, such features are in congruence with the “Swiss model” – this means with L’EPOQuE 2.0.

7.4.4 Global shifts: a world of explicit CSR?

Matten and Moon (2008: 412) suggested a shift to more explicit CSR in Europe due to increased exposure to global capital markets, the adoption of American business techniques and educational models, and challenges to national governance capabilities (Matten and Moon, 2008: 412).

Since SMEs are in most cases financially independent, led by a patron and often beyond the radar of governments, these factors have not much influence on SMEs and their CSR. The situation with regard to SMEs from Singapore and Taiwan is to some extent comparable to Europe, characterised by public ownership, patriarchal and long-term employment, and coordination and control systems based on long-term partnerships rather than markets (Matten and Moon, 2008: 412; Dendler and Dewick, 2014: 12).

From China, a rise in explicit CSR is reported (Christmann and Taylor, 2001: 441). Same was stated for some African countries (Visser et al., 2005: 98f.), which is primarily driven by isomorphic pressures from multinational commodity chains or in the case of Africa from financial institutions, especially by World Bank’s (2014: 6ff.) rules in the case of those countries asking for financial support.

According to literature, the Japanese “Keiretsu”, the Korean “Chaebol”, or the partially state-owned Taiwanese conglomerates have a legacy of implicit CSR similar to European
companies, including life-long employment, benefits, social services and healthcare as elements of their wider business systems (Matten and Moon, 2008: 419). It is reported, that especially among Japanese large companies there seems to be a development towards more explicit CSR in the last decade (Fukukawa and Moon, 2004: 49).

The herein identified SME CSR model especially fits to the global South, often characterised by weak institutions and poor governance, since there, responsibility issues are often delegated to the family, and to tribal and religious institutions (Matten and Moon, 2004: 17). In these regions a SME-similar approach is applied even in larger companies, due to the absence of governmental regulation.

Strong implicit CSR borne by colonial and indigenous business-society traditions was also shown in the case of India (Arora and Puranik, 2004: 98). In the 1960s, with the growth of non-family companies and following recent economic liberalisation and privatisation (with new societal expectations of business), the system has changed into more explicit patterns (Arora and Puranik, 2004: 99). Since this observation is related to a decline in family and small businesses and to a rise in multinational companies (Jammulamadaka, 2013: 390), the result of this study and the evidence of a global small business CSR model are surprisingly strongly confirmed.

Further, industrial standards (e.g., ISO 14001) are mainly introduced via supply chains of MNEs (Christmann and Taylor, 2002: 442). These companies face regulation in their home countries so as to fulfil European and North American environmental, health, safety and human rights standards in their global operations (Matten and Moon, 2008: 404).

As most SMEs are not directly involved in such supply chains since their business is bound to local customers, such isomorphic processes do not influence to the same extent as in MNEs. This might be a further explanation for heightened implicit CSR in SMEs.
Overall, it is concluded that the small business approach is not the result of specific economic or political/historical backgrounds. On the contrary, in the case of Switzerland, there is clear evidence, that the cultural peculiarities and tradition of its SMEs influence the country’s political constitution and history (e.g., liberalism). Given these findings, a general shift to more explicit CSR is questionable in the context of SMEs as further discussed in the next section.

7.5 Discussion and conclusions from comparative analysis

Historically there seems to be more explicit CSR in the US than in Europe and a recent shift from implicit to more explicit CSR among European corporations is predicted (Matten and Moon, 2004: 24). This does not seem to be valid in the context of SMEs: neither was there explicit CSR in US SMEs under research nor is there a shift to more formalisation in e.g., Swiss SMEs or in SMEs from Germany/Austria.

This sheds light on the very interesting situation, which occurs at the intersection between different implicit CSR systems (e.g., when it comes to international corporations of SMEs) and on the power struggle between explicit and implicit CSR (in the case of mergers and acquisitions or when a SME grows into a MNE). Above all, the comparative analysis contributed to generalise the patterns – aggregated from the Swiss context to L’EPOQuE 2.0 – to a worldwide context of small business culture and evolving values manifesting in respective, implicit CSR agendas.

As said, there are many other concepts for distinguishing countries. Other definitions may have led to different results and the accuracy of the dichotomy of “liberal” and “coordinated” market economies is a matter of ongoing scrutiny (e.g., by Höllerer, 2013: 583 or Blindheim, 2015: 71). Notably, there are still adjustments in terms of legal frameworks (as
outlined in Sections 2.2, 2.2.1, and Section 2.2.2) and it would be risky to take a static decision on CSR as well as on market economies.

The secondary data analysis suffers from a lack of information about the primary research quality, lack of control over sampling, data collection, interview quality, interview analysis, data categorising, etc. Although the studies were chosen upon journal rank and citation report, which are quite objective criterions, the selection of the studies might be biased by the choice of the authors. It is beyond the scope of this comparative research to elaborate a detailed predictive framework for national systems of CSR. However, a few general conclusions might be in order:

1) The degree to which explicit CSR will become more common for SMEs will largely depend on the strength of traditional, autochthonous institutions (e.g. family, religious, or tribal institutions) and their success and governments that have shaped implicit CSR.

2) Despite that many studies are predicting the rise of explicit CSR in Europe, there is good reason to reject this shift for SMEs.

3) By contrast, small business responsibility is in most cases weakened by regulation and thus SMEs remain more likely to maintain their implicit CSR.

4) Whereas mimetic or normative isomorphism applies to MNEs it is rather the coercive form, which influences in the case of SMEs.

5) Such forces are informal, overarching and influential within the SME sector and network.

6) Hence, this study emphasises a universal, supra-national SME approach that resembles implicit CSR.

7) Above all, there still might be some SMEs that are, when it comes to CSR, quite bad.
Regardless the various novel aspects identified in the last seven sections the interpretation of their results should be assessed closely. Since the limitations of the different research steps were discussed at the end of each specific section the following evaluation only points at the most important aspects.
8 Research quality: final assessment

As said, qualitative research methods (literature research, expert interviews, focus group discussions, and Delphi methods) have clear limitations in respect to their objectivity, reliability, and validity, because they include interpretation and selection. The above reliance on experts’ statements is substantial, which may be a source of weakness if they made these statements insincerely and/or incorrectly. Further, as the vast majority of interviewees were male, this might have created a systematic bias towards male leadership attributes.

The samples of this thesis were at times quite small, which further limits reliability and internal validity. However, when applying qualitative methods there are different rules regarding sample generation and size.

Firstly, due to the theoretical and heterogeneous samplings (e.g., by snowballing based on a randomly picked first sample or random samples from the Swiss online telephone book), the conducted, respective research steps strictly follow grounded theory rules for sample generation within qualitative research (Atteslander, 2010: 274).

Secondly, it cannot be assured that a more meaningful result would be achieved by questioning 100 subjects, because the intent of this research was not a generalised, quantitative result (e.g., by a quantitative survey), but rather a qualitative exploration of CSR, in the contexts of Switzerland and Swiss SMEs, by open-ended questions, especially to motivate further investigations. Furthermore, the responses gathered by the data collection with regard to the six research questions never implied or suggested that asking more people would have given a substantially different perspective.

As said in Section 2, the broad definition of CSR chosen here could be a drawback especially on internal validity and a concentration on a more specific term might have led to
different findings. On the other hand, however, it enabled more importantly the identification of patterns and key drivers, of different motives and manifestations of CSR and secured therefore the gathering of rich data for a qualitative exploration following grounded theory. This research mainly does not provide a new definition for CSR since this would just add to “the jungle” (Crane et al., 2013: 15).

The data are confined to organisations located in particular regions (i.e., German, Italian, and French speaking parts) of Switzerland, which questions its generalisability to other geographical settings. However, with regard to values and attitudes of SME owner-managers there were no differences found between these regions that are indeed substantially different in language and cultural background. More insights into overarching SME attributes were brought about by the comparative analysis.

This thesis is based on a primarily quantitative definition of SMEs violating qualitative aspects, such as property situation, personal management by the owner etc., as suggested by Curran and Blackburn (1994: 56f.), although such data was gathered and examined as first part of each research step. The examined organisations and companies were randomly selected, however, their willingness to participate may have created a self-selection bias (Atteslander, 2010: 142f.). Thus, the companies under review happen to be relatively sophisticated in organising CSR and the results might be biased towards best-in-class examples. However, there was no initiative of organisations or companies under research to promote themselves or their participation in this study.

In sum, this research maintains high construct validity due to data collection in chronological and easily traceable order, the hermeneutical integration of new data, rival theories, and research findings from multiple sources, due to the transcription and coding process (using
MAXQDA or Mayring’s (1996; 2003) or Legewie’s (1994) qualitative content analysis), based on interview quality and the verification of results in different Delphi processes.

In order to avoid falsification of data traced back to the common method bias or to a bias of single-expert techniques various different methods – i.e., exclusively by face-to-face interviews, Delphi methods, focus groups discussion, secondary data analysis – and different means of analysis – quantitative network analysis, qualitative analysis by MAXQDA, Mayring’s (1996; 2003) or Legewie’s (1994) content analysis, and visual text analysis using MAXQDA – were applied.

Above all, the findings have led to six peer-reviewed paper publications and one book chapter and each research step was externally assessed by presentation and discussion of results during a number of international conferences (compare with Table 1 and see also additional material in Appendix 19). Lastly, the research field here is considered to be relatively young and admittedly complex, however, the insights gained open a door for unique conclusions and implications (as proposed in the next section) that can contribute to practitioners, public institutions, the scientific community, and to society as a whole.
9 Conclusions and implications

This research focused on SMEs in Switzerland to investigate the processes, values, and relationships inherent in their CSR. Firstly, using stakeholder map methodology it explored the current state of CSR in Switzerland and identified SMEs as being the most significant CSR stakeholders. A network analysis resulting in respective parameters confirmed the importance of SMEs and their following of an unconventionally informal and idiosyncratic CSR approach aggregated to the Swiss CSR small business model – L’EPOQuE. Slight modifications with regard to nomenclature of sub-features led to L’EPOQuE 2.0 as a repeatedly validated and from various perspectives confirmed new template for informal set-ups and niches.

This approach emerges from the difficulties “the mainstream” faces in satisfying the needs of business at the nexus of culture and economic rationale. Intrinsic motivation in Swiss SMEs coming from their philosophy of stewardship and aspiration and ambition of excellent craftsmanship contrasts with the approach of MNEs, which are first and foremost interested in the financial benefit from their primarily environmental engagement.

A comparative overview over 15 different countries revealed a seemingly supra-nationally universal CSR approach in SMEs. Thus, it is concluded that SME culture and an informal CSR agenda are strongly formative and supersede the forces of market economies, nationally cultural patterns, and language.

9.1 Informality and virtues: strengths and benefits

Although most formal CSR approaches start and finish with the mantra that “CSR must pay” Swiss SMEs are thriving economically and are highly competitive (in business and CSR) despite their essentially economically-disconnected CSR. For that reason, this re-
search strongly supports the conclusion that “informal” does not mean “weak”. A peculiar feature of many of the very radical CSR practices found in this research is that their link to monetary gains was in most cases not seen, not considered important, or not given strategic relevance. In other words, there exist (right under the nose of CSR and environmental management researchers) often unrecognised and undervalued organisations trailblazing precisely the path that a sustainability-driven business model should follow, and still all that is talked about is management and formal systems. One of the key aspirations of this thesis is to direct future movements and the interest and attention of policy makers, scientists, and practitioners towards the intrinsic and implicit CSR model of small companies – i.e., L’EPOQuE 2.0. At this stage there are already moving paces towards the suggested direction (see also Section 9.5.1).

The CSR agenda Swiss SMEs enact is based in culture and ethics. It is internal and implicit, which means that it is “soul”, deep, profound, and at the same time less linked to the “bottom line”. Standard, “business case” CSR, on the other hand, is linked to external factors, such as profit, market share, image, etc. These factors are focusing on management systems and on formal standards precisely because they are external and not based on internal, ethical beliefs that are invariable in response to outside pressure. An easy way to address external demands is to implement something that outside pressures can relate to (such as getting a plaque of ISO 14001) and something that does not directly interfere with practices a management approach deploys anyway or already.

This interpretation would explain:

1) the popularity of formalisation and the “business case” CSR, but also

2) why external standards appear in many cases ethics-free,

3) why, therefore, many stakeholders are unsatisfied with the weak (and arguably vague) benefits of, for instance, ISO 14001, and
4) why informal, internal practices are less linked to profit.

Given the unbroken popularity of formal CSR, the Swiss SME culture may experience pressure to move to a more utilitarian CSR model if they grow to a significant size or if they are included into global market systems where major trade partners (B2B) or customers (B2C) require CSR standards, certifications, and reports in respect to their formal CSR systems. Notably, the growth patterns here are probably as diverse as the business models and, again, a generalisation is to be seen with that caveat.

However, as most SMEs herein stated, it seems to be an option to do business on a worldwide scale without the sacrifice of informality, if only trade partners belong to the SME or family business network and share, upon their tradition, the same moral idiosyncrasies and ethical standards (e.g., handshake quality). In other words, the SME culture is somewhat stronger and quasi over-modulates nationally cultural patterns as long as these traditional values and the virtue ethics are consciously fostered by their owner-managers.

This is a finding congruent with others (e.g., Ayuso et al., 2013: 505f.). Considering the driving forces for CSR in Swiss SMEs it is evident, as already discussed in Section 4.4.3, that there is a direct link to virtues such as:

1) practical wisdom (i.e., prudence)
2) justice (i.e., friendship),
3) courage (i.e., fortitude), and
4) moderations (i.e., temperance).

This is in accordance to others (e.g., Gowri, 2007: 396, Ruisi et al., 2009; Ruisi, 2010; Slote, 2011: 112) showing that virtues are the foundation of culturally embedded CSR values. This relationship is worth further research (see Section 9.7).
9.2 Implications for network and stakeholder management

The conclusions of this work recommend on one hand to carefully choose future trade partners and markets, taking care of tradition, history, and deeply embedded virtues, but also relying on already established networks and partners (compare with Section 3.5). Consequently, the latter requires relying on trust and collaborative procedures in stakeholder partnerships.

If a Swiss SME wants to globalise and at the same time keep its tradition (a condition stressed by many of the interviewed SMEs), it should, whenever possible, avoid business with multinational corporations. Instead, it is recommended first searching within Swiss family businesses for advice and also for partners with international relations and experience.

If the result of these efforts is unsatisfactory, the next step may be to first contact foreign small businesses before considering multi-national companies. Though it might be from a profit-seeking point of view largely unreasonable, SMEs could also consider resisting the dictate of growth thereby staying flexible with minimal bureaucracy and maintaining the freedom of independence. SMEs may rely on their courage to be different and not to dissolve their identity, and, accordingly, “search the niche” in order to profit from the comparative advantage of being small, local, and thus, agile and innovative.

It is also suggested to better inform Swiss society about ethical business behaviours of its SMEs. As this research revealed, such cultures, values, and ethics are neither new nor revolutionary, but they are buried under formalisation within and by big business and have to be rediscovered and brought to public attention. Consequently, SME owner-managers should be messengers of these values and actively seek the public so that their beneficial influence is respected and involved in future discussions and advancements.
SMEs prefer to follow a quieter way to CSR, but in the light of globally pressing social, economic, and ecological issues, they may have a duty to take on responsibility and provide examples of their expertise in CSR to society so that their business behaviours can be replicated by their customers, competitors, suppliers, communities, etc. Since this is not an easy task, SME owner-managers should cooperate on the one hand with the media but also with NPOs in order to get attention through campaigns (see also findings from Section 3.5).

It is proposed that SMEs should establish new ties to as yet unconsidered (or deliberately ignored) stakeholder groups (e.g., government, media, and cooperating NPOs, all of which are powerful and legitimate) in order to gain new partnerships, and therefore support, respect, and influence. This would be based on mutual concerns and interests, such as liberalism and an environment of voluntarism and trust, all of which were found in this research. As shown in other studies (e.g., Campbell, 2006: 931; Drews, 2010: 427; Berger et al., 2012: 35; or Gentile, 2012: 179), there is a movement towards greater stakeholder engagement.

Hence, SMEs should also be part of this multi-stakeholder dialogue in order to give a voice to their strengths mainly based on their informal and liberal approach to CSR and to their concerns within Swiss CSR. By actively searching for partnerships with NPOs, the government, and media, all of which are rather driven by visions than by profit, mutually beneficial win-win situations could be established without the perceived burden of CSR as merely a “business case” for CSR as a “moral activity”.

Further, as Rasche et al. (2013: 656) showed, interaction dynamics between non-business and business actors are often able to stimulate CSR initiatives. Same effects were shown in regard to the institutionalising of business networks, or clusters (von Weltzien Hoivik and
Shankar, 2011: 181ff.) and communication networks that include the media acknowledging their influence and constitutive role (Schultz et al., 2013: 689), all of which are implications previously suggested in this thesis (especially in Section 3.5).

Overall, this research concludes that if CSR practice and discourse in Switzerland are to gain further momentum, SME networks as well as communicative connectedness and collaborations of SMEs, the third sector, and the media might be helpful indeed.

### 9.3 Business model refinements

Although the SME approach meets the European Commission’s (2011: 6) definition of CSR as “the responsibility of enterprises for their impacts on society” there are features amongst Swiss SMEs that make this approach very different to the one of MNEs. These features point to a different way CSR is seen and enacted in Swiss companies: e.g., opportunism as well as values and personal commitment are strong driving forces in the case of Swiss SMEs. It was possible to frame these specificities to L'EPOQuE 2.0.

Unlike managers of large companies, lead actors of Swiss SMEs build their companies in line with their personal values, beliefs, aspirations, and philosophies. They often have solely operational and strategic discretion over their business that is determined by their family culture and organisational values. Personal and business ethics are closely linked, thus, ethics and religious values are the most consistent reason for their CSR.

Further, it can be concluded that Swiss SMEs better adopt socially responsible practices than “big business” does, a finding supported by many studies linking the pro-active business conduct of SMEs to values of their leaders (Jenkins, 2006: 248; Russo and Tencati, 2009: 349; Fassin, 2008: 371; Fassin et al., 2010: 445; Cordano et al., 2010: 469; Battisti
and Perry, 2011: 179; Williams and Schaefer, 2013: 175) and/or boards (Gabrielsson and Huse, 2005: 31).

The way SMEs combine psychological and economic features of trust with their business model provides a couple of advantages not only to them but also to societies they have “a social contract with” (Robin and Reidenbach, 1987: 49). Firstly, it establishes a certain ground level of trustworthiness among entities and induces incentives to imitate those practices (Bhattacharya et al., 1998: 471). Secondly, seeing trust as an integrated part of business makes the concept of trust more tangible for standard economic analysis and approaches (e.g., the business case for CSR) without losing any of its facets or without making unrealistic or too idealistic assumptions (Bhattacharya et al., 1998: 471).

Recognising that trust can be an inherent part of the “raison d’être” or business model can help when formulating hypotheses about the consistency of the identified trust level under pressures occurring from e.g., business, society, and environment (Bhattacharya et al., 1998: 471). There may be further implications in other contexts. But this is seemingly especially important in the aftermath of financial crises and the irresponsibility of individual that eroded trust in whole sectors. Thus, L’EPOQuE 2.0 as core logic for businesses might help in restoring trust and fostering a responsibility of individuals.

Considering the above, the value of trust and personal ethics in corporate CSR was shown to be significant. Further, this thesis identified religiosity and spirituality as important driving forces of Swiss CSR. Therefore, the CSR model that is being applied is to some extent an expression of cultural, ethical, social, and entrepreneurial principles of lead actors in the organisation. This permitted the exploration of virtue ethics in CSR and of the relative importance of different virtues as part of this (as outlined in Section 9.1).
9.4 Comparative insights

The Swiss SMEs’ international trade habits show that their trust-based and idealistic conduct of business applies to their international relationships as well. “Swissness” quality, handshake instead of formal contracts, long-term relations and business orientation are evolving their local as well as their global business strategy. This stands in clear contrast to research on many MNEs that have differing CSR strategies for their local and global business (Muller, 2006: 190f.). As shown, formalised CSR is very rare in SMEs in Switzerland and elsewhere – a conclusion supported by a set of comparative studies inter alia by Roome (2005: 329), Lenssen and Vorobey (2005: 371), Matten and Moon (2008: 419ff.), Christen Jakob (2012: 191), Lorenz and Spescha 82012: 121) and finally, Looser and Wehrmeyer (2015c: 1959). Since there were no differences found between SMEs from the Swiss German, Italian, and French (neglecting the Romansh) speaking part of Switzerland in regard to their CSR attributes, it is concluded, that different language regions, therefore different cultural backgrounds have, if any, only little effect on Swiss SMEs’ CSR business model.

Evidence from this study predicts the sacrifice of economic opportunity and profit in favour of values in SMEs. In other words, profit-maximisation is not an imperative for them. Enderle (2004: 55f.), von Weltzien Hoivik and Melé (2009: 558), and von Weltzien Hoivik and Shankar (2011: 180) support this evidence. The former found a small Swiss company in the textile industry that successfully competes with MNEs in the global market, all based on its worldwide partnerships solely with like-minded small companies (Enderle, 2004: 57ff.). The latter points to the competitive advantages SMEs have when entering global markets due to their trust-based network and the participatory approach of their owner-managers (von Weltzien Hoivik and Shankar, 2010: 181). Von Weltzien Hoivik and
Melé (2009: 559) demonstrate that SMEs can be very innovative global citizens without following the patterns of MNEs.

Despite that many studies (e.g., Campbell et al., 2005; Campbell, 2006: 931; Matten and Moon, 2008: 418ff.) are predicting the rise of extrinsic, formal, and explicit CSR in Europe (and elsewhere) this thesis outlined good reasons to reject this shift for SMEs (Looser and Wehrmeyer, 2015c: 1960). By contrast, small business responsibility is in most cases weakened by regulation and thus, SMEs remain more likely to maintain their intrinsic CSR (Höllerer, 2013: 585ff.).

This can be traced to:

1) concentrated ownership and low/no dependence on capital markets;
2) reluctance to adopt the ideas and terminology of explicit CSR;
3) the low visibility of SMEs in the sense that they are rarely a target of comprehensive media campaigns and thus less interested in advertising their CSR;
4) close association with their socio-economic/social-political environments and therefore less interest and need for explicit and extrinsic CSR;
5) the widespread presence of SMEs in every country regardless of political system, market economy, or culture;
6) the flexibility to adapt to external change whilst sticking to traditional core values.

These are insights also gained by Höllerer (2013: 585ff.).

Hence, classifications of countries by their market system or capitalism, as found in the comparative capitalism literature, do not match the CSR practices in SMEs as they do not mirror their business. This raises questions on the universality and generalisability of relative recommendations as found in mainstream research. Thus, this thesis concludes that a universal SME approach to CSR exists and that this can be established independent of pol-
icies, borders, language, religion, financial systems, or nationality. This is in line with ob-
servations here about identical business patterns found in Swiss SMEs that belong to abso-
lutely independent regions of Switzerland (i.e., cantons) with different budgets, languages,
unique geographies, social practices, etc.

As a result, there is much more of “SME” than “Switzerland” in L’EPOQuE 2.0. In other
words, a business model for SMEs in Brazil might show very similar pattern. As discussed
in Section 5.3.3, this is true apart from “Swissness” that might be transferred into e.g.,
“Brazilian quality”.

That SMEs really determine their country’s constitution, social, economic, political, or
legal systems is a subject of ongoing debate inter alia by Matten and Moon (2004: 22),
Campbell and Pedersen (2005), Mark-Ungericht and Weisskopf (2007: 293f.), Lüth and
Gebauer and Mewes (2015: 36). Evidence from this study strongly supports the conclusion
that SMEs do determine their countries’ political, legal, and socio-economic context.

9.5 To practitioners: there might be some space for improvement

This research gained valuable insights into the nexus between owner-managers’ character-
istics, such as age, gender composition, educational qualifications, business styles and
CSR. In regard to education, this research’s findings of 85% having a national certificate
(while only 7.5% have a Bachelor’s/Master’s degree) compare favourably with the busi-
ness population as a whole, where few college or university graduates are involved in their
own business (FSO, 2013). This fits other researchers’ conclusion that younger leaders
(e.g., of start-up businesses) were more likely to have a higher educational level than the
leaders of well-established SMEs as their older counterparts (Blackburn et al., 2013: 22f.).
The owner-managers interviewed here rate themselves as innovative and risk taking re-
fecting their likelihood to act independently and opportunistically, to adopt new technologies and business opportunities easily and, on the other hand, to become bored without being challenged. This fits the topics discussed with regard to “Unternehmertum” in Section 4.2 so that finally it is concluded that SME lead actors are definitely a part of this cohort and catalysts of innovation and economic development.

Actually, those owner-managers, who regarded themselves as innovative, risk-taking, named themselves as “Unternehmer”, as agile, fostering flat and informal organisational structures, and democratic decisions have in general larger and older companies. Further, they have a strong will to be independent, are “stubborn” (an adjective used by many owner-managers to honestly describe their own character), and reluctant to respond to outside pressure.

Interestingly, such attributes were also found in the context of US (Day and Hudson, 2011: 369) and British SMEs (Blackburn et al., 2013: 21) or, from SMEs located in developing countries, such as Lebanon (Jamali et al., 2009: 361), Africa (Visser et al., 2005: 21; Nkiko, 2013: 381; Elochukwu Okafor, 2014), or from China (Newman and Sheikh, 2012: 359).

According to Brandstätter (1997: 162) looking for relative personality characteristics as determinants of setting up and promoting one’s own business is useful and heuristic since such a set of common attributes can be assumed notwithstanding the essential differences in environmental conditions owner-managers worldwide have to get along with. Demand for advice (or assistance) during CSR learning processes was expressed by some owner-managers who were not that familiar with the technical term “CSR” and, in other words, were more interested in a practical transfer of knowledge.
Apart from that, many owner-managers reported that this research, its feedback and evaluation of their CSR already initiated organisational change and various learning processes in their companies. This encouraged them to get involved in upraising initiatives, e.g., the roundtable described below. Accordingly, a number of small companies revised their management style, especially their acting as “lonely fighter”. Related to that, new concepts for communication including social, environmental, and economic values (Wheeler and Elkington, 2001: 11) were established.

Many of the interviewees were, for instance, not used to proactively communicating their responsible business values. Although the practice of the interviewed small business owners should be respected, they should also share their knowledge and experience. A first step, the instalment of a roundtable, is described in the next section.

At the same time, this study warns that responsible business practice in the context of SMEs should not primarily rely on communication practices related to explicit CSR, formed by “unmediated US approaches” and the respective “management terminology” (Fassin et al., 2014: 433). Rather it should rely on the strategy of the “better argument” (Habermas, 1984: 43) and “visionary rhetoric” as outlined in Section 3.5 and by Tullberg (2012: 322). The solution to this dilemma might be to find a balance between “enact” CSR by setting examples for good business practice, values, and virtues that can then trickle up and down the value chain without “exposing” CSR activities as showcase.

Apart from that, SME owner-managers are often uncomfortable with taking up advice from an external party. Nevertheless, in some cases a neutral eye on business operations might provide deeper insights and could point at business opportunities, e.g., by talking about aim, history, values, and habitual characteristics of their company.
Currently, many “social enterprises” are emerging in Switzerland and a significant number of consultants and certifiers jumped on this bandwagon, with “social business planning” promoted to become a new business opportunity. However, this research revealed that “social entrepreneurs” do not only exist in the form of “social enterprises”, philanthropy, and “Gemeinwohlorientierung” but social entrepreneurs are prevalent among small business owner-managers. This is a strongly congruent with findings from German SMEs (Sterr, 2007: 127; Lüth and Welzel, 2007: 150, and Gebauer and Mewes, 2015: 35).

Given the Swiss CSR business model and its resulting features, the practice and relevance of “social business planning” needs to be questioned, certainly as a novel idea in Switzerland. Actually, owner-managers and “entrepreneurs” have various overlapping traits, especially regarding their values, visions, and strategy setting (as elaborated in Section 4.2). Both are deeply embedded in their wider environments, use simplifying perceptual processes and exercise their expertise in decision making, which differs significantly from non-entrepreneurs. Consequently, this research suggests Swiss SMEs turned out to be genuine “social enterprises”, or, well, “Sozialunternehmer”. This deserves wider attention in Swiss society, more research from academia, but also a transfer into praxis.

The latter might be beyond the scientific origin of this thesis. However, as mentioned at different stages, how and to what extent such a transfer of insights gained from research into practical application is possible and manageable is the topic of ongoing discussion by e.g., Margolis and Walsh (2003: 291), Zadek (2004: 221), Jamali (2008: 229), Steurer (2010: 50), Pondeville et al. (2013: 328), Il Park and Ghauri (2015: 198), or Gebauer and Mewes (2015: 35f.).
In order to partially cover and contribute also such applied, scientific aspects the next section highlights a corresponding step that was taken based on the results gained from this thesis.

9.5.1 From action research to practical wisdom

To initiate such a process a roundtable, as some sort of action research, took place on 13 August 2015. The media, NPOs, the government, and 15 SMEs participated so as to get more attention in the wide public but also to exchange their expertise in CSR issues. The participants were either involved in the stakeholder analysis or in the later stages that looked at SME patterns.

The contribution of NPOs in particular explored the boundaries between their “social enterprise approach” and SMEs and further confirmed that there is not much difference. Both parties concluded the roundtable having initiated a mutual learning process wherefrom societal benefit can arise.

The exchange with the media and government helped to clarify and initiate some first initiatives on how SME practices should be more strongly respected and involved in future CSR advancements, and how Swiss society can profit (and vice versa SMEs) from unconventional CSR without the sacrifice of its altruistic or philanthropic inclination. At the same time, this roundtable enabled a further discussion and verification of L’EPOQuE 2.0 by gaining insights into shared understandings of the SME business from other sectors.

By obtaining several perspectives about this topic the level of confidence was increased so that the results become generalizable. Indeed, this roundtable was the merger of application and verification of results. A follow up roundtable is planned for November 2015.
9.6 Final conclusions on motives and manifestations of CSR

The results imply that policy makers, public institutions, the scientific community, etc. should be careful when establishing systems that favour financial returns from CSR engagement, because, firstly, other research showed that a behaviour attributed to extrinsic motives is mostly perceived as dishonest and misleading, for instance, consumers (Parguel et al., 2011: 19). Secondly, extrinsic motivation might crowd out moral drivers of SME behaviour and paying lead actors for behaving altruistically or philanthropically might erode intrinsic motivation (Frey and Jegen, 2001: 601; Baden et al., 2008: 437f.). Notably, the crowding out of intrinsic motivation by extrinsic incentives is a phenomenon well-researched not only in regard to CSR but in various other areas linked to human behaviour (e.g. Frey, 1998; Deci et al., 1999: 649). Thus, to implement a system of financial incentives (or consequences) seems unsuitable to support “social good” in intrinsic CSR. An economic cost-benefit is inappropriate where CSR needs (or already proves) an ethical stand (Osuji, 2011: 39ff.).

The difference between extrinsic and intrinsic CSR is very difficult to bridge – both have powerful incentives and drivers preventing a potential cross-over and also specific advantages and drawbacks. This has important implications for nearly every business operation, especially for mergers and acquisitions as well as on the growth of businesses. In line with other researchers (Frey and Oberholzer-Gee, 1997: 751) this study recommends only imposing extrinsic stimuli for CSR when intrinsic motivation has already been crowded out.

Since societies in general can profit from the motive to follow ethics and morale, stimulating debates about the moral commitment in intrinsic systems should be preferred (Graafland and van de Ven, 2006: 115). A potential, relative scenario including the media
as powerful stakeholder was elaborated in this thesis. Same arguments can be made in regard to regulation. Although this research identified no substantially negative effects of regulation, especially in the construction sector (see Section 6.3.2), laws are in general reported to decrease voluntary CSR initiatives (Leitschuh, 2008: 47; Osuji, 2011: 45).

In spite of some authors’ (e.g., Vogel, 2005: 31; Windolph et al., 2014: 392f.) findings that regulation could initiate CSR movements, the consequences diverge for intrinsic and extrinsic CSR: extrinsic CSR can profit from regulation by promoting good behaviour. Intrinsic CSR, on the contrary, should be treated as “social good”, as an “ideal on its own” (Osuji, 2011: 39f.) without any need of obeying laws. The reliance on extrinsic motives might destroy the ethical foundation.

In other words, a regulatory strategy (of governments) that “lumps ethical and instrumental CSR together” (Osuji, 2011: 41) has in most cases negative consequences on societal morale. And above all, the existence of code of conducts or standards according to laws does not prove actual, profound, or genuine CSR (Sterr, 2007: 126; Mijatovic and Stokic, 2010: 539). By contrast, being innovative, on a high technological level, which in turn is built on flat and agile organisations, is the better preparation for social and environmental demands than any standard implemented due to regulation (Cañón-de-Francia et al., 2007: 308; Gebauer and Mewes, 2005: 38). This is especially true in the context of liberalistic, agile, innovative, and multi-functional Swiss SMEs. This refers also to the discussion about dependence, mutual exclusiveness, and preference of specific CSR motives led in Sections 6.1 and 6.4.

In sum, this study showed that companies can be highly competitive (economically and in CSR performance) irrespective of intrinsic or extrinsic motives for CSR. In other words, they could and might often be coexistent even within one company (see again Figures 17
and 18) in correspondence to the individual set-up, the occasion, the current context, the organisational structure, and/or (political/economic) situation. This contradicts the exclusivity and predominance of the business approach (largely implemented in large corporations or MNEs) that coercively links CSR to extrinsic factors (i.e., profit, market share, etc.).

It seems “doing good” matters more for some than “doing well”, but those who “do good” do not necessarily care whether they “do well” by doing good. However, those who try to “do well” seem to “do good to do well”. Consequently, CSR is meaningful and justifiable even if it is not profitable in the first place or implemented in and managed through formalised systems. This leads to two conclusions, firstly, care should be taken when emphasising the extrinsic approach in relation to social goods in CSR, because secondly, the cost of a possible mismatch in a climate of ethical principles might be substantial for societies’ moral inclination.

Above all, this research identified L’EPOQuE 2.0 as the manifestation of an intrinsically motivated and ethical core logic coming from a profoundly and implicitly CSR-driven corporate culture in Swiss small business. It is in accordance with informal set-ups without any need for formalisation by respective instruments. As it evolves from CSR as moral activity it prevents the potential sacrifice of intrinsic motivation when imposing extrinsic stimuli.

At the same time, it mirrors a highly competitive business approach that has the potential to be generalised to other unconventional or “non-standard” milieus. Thus, it exactly fills what is needed when asking for new templates that are working best in such a convergence of mission, ethics, culture, economic rationale, state-of-the-art quality and CSR.
With regard to the wide range of further research that might be meaningful the next section carves out the most crucial parts.

## 9.7 Further research steps

- The topic of virtues definitely needs deeper study as mentioned for instance in Section 4.4.3, in order to pay respect to the growing interest in post-conventional ethics and the pursuit of universal benefit in current business and leadership discussions. Although this discussion stretches the limits of the thesis it is worthwhile to be considered for future research – especially the ethical concept of Kohlberg (1971) and Piaget (1932) needs to be looked at in detail. The latter especially refers to Piaget (1932: 12), who discovered different stages of moral development in children: the short scope targeting egoistic benefit, the medium or mid scope aspiring to mutual benefit, and the broad scope seeking for universal benefit.

Kohlberg (1971) complemented these definitions and defined three main stances of ethical behaviour: pre-conventional, conventional, and post-conventional. While pre-conventional behaviour (comparable to Piaget’s (1932) short scope) is egoistically and extrinsically responsive, in other words driven by obedience, punishment, and self-interest, the conventional (medium scope) level is steered by interpersonal accord and conformity, authority and social order obedience, regulations and conventions (Kohlberg, 1971: 157), both of which are much more in evidence in big organisations and also in contexts of large-scale embedding in international markets. The latter, it could be argued, almost require a cross-cultural “thin” or “weak” ethical system that is capable of translation on the one hand into many cultural contexts and on the other into market-friendly concepts (good for business as well as good for people/planet). By contrast, only post-conventional behaviour (comparable to Piaget’s (1932: 24) broad scope) is
based on intrinsically motivated ethics and universally ethical principles apart from regulations (Kohlberg, 1971: 158). This stance is to some extent congruent with virtue ethics, which may, initially, be identified as the one that emphasizes the virtues, or moral (Hurka, 2001: 77), an approach to ethical values and practices that emerge from the cultivation of particular skills, qualities, and habits and characteristically comes only with experience of life (Toner, 2010: 342). This is in some tension with more potentially universal and rationalised systems of ethics, e.g. an approach emphasizing (Kantian) duties or rules (called deontology), or the calculus of utility (utilitarian), or with ethics, which is steered by consequences of actions (consequentialism) (Slote, 2011: 35). People and companies following virtue or post-conventional ethics might be, from a profit-seeking point of view, largely unreasonable. The still unresolved question is what makes them unreasonable? What are their attributes, their personalities that compel them to follow other rules, to internalise socially sustainable values and perhaps to go down a bumpy road to an uncertain financial success with their companies? What are in the end the corporate values, culture and business models of these differently successful companies? To link developmental stages of companies to different stages of morale or ethical evolution (i.e., to anthropomorphise companies linked to moral development of their managers) might be on the one hand quite dangerous but also an interesting topic for further research.

➢ The relationship between leadership, good business, religiosity, and spirituality might be another area for further investigations. Especially the discussion of various aspects (Good Governance, accountability, CSR) related to the EoC project (Baldarelli et al., 2015: 27) will be worth further research. As L’EPOQuE is to some extent built on reciprocity, parts of L’EPOQuE might also be found in the principles of the over 1000 companies in the EoC (e.g., “Love one another and as I loved you” (John 13:34), or
“give and it will be given to you” (Lukas, 6.38)) (Bruni and Uelmen, 2006: 646). The shift from weak to strong CSR as reported from companies working based on the EoC principles and the globalisation of these values not only as productive structures but to promote a new humanistic management by supplying subsidiarity and conceiving the role of profit properly (Del Baldo and Baldarelli, 2015: 224) fits best with L’EPOQuE’s inclusion of subsidiarity in decision making processes and is worthwhile more research.

- A further research should pay respect to the opinions of employees – this might need a big quantitative panel survey. They should be involving more strongly with regard to potential further adjustments of L’EPOQuE – even more direct as it was done herein, namely only by site visits and a small number of interviews with employees but also with cross-checking the results with trade unions (as some sort of employees’ representatives). This should also involve questions about how much diversity is good in culturally driven core logics. Given the fact that culture is to some extent uniform. How Swiss is L’EPOQuE 2.0 from the viewpoint of employees as they get socialised by working under L’EPOQuE’s influence. Is employee training easier under such circumstances? Such questions open up a huge research field that should not be ignored.

- Another important point that should be further scrutinised is the relationship between the third sector’s social enterprise and social driven SMEs. Is this relationship a continuum or are the two approaches in fact identical and if so, would this evolve problems or rather social benefit? Or are the two approaches inherently different? If so, in which dimensions? If they are different, how do they relate to each other? Are they co-dependent, mutually exclusive, incompatible, or just substantially different? Which one is better and by what yardstick? These questions are worth another research.
There exists a number of guidance or best practice advises written down either in booklets (e.g., Weigelt, 2011) or in paper contributions (e.g., Emerald’s “Ten top tips for small and medium enterprises (SME) success”). Thus, further steps should coercively target at sharing the result gained here with a wide audience – one first step was the establishment of the roundtable as mentioned in Section 9.5.1. However, it would make sense to publish result in professional, sectorial journals so that the information reaches the respective audience – far away from the ebony tower of science.

The following section summarises this thesis’ specific contribution to the body of knowledge.

9.8 Contribution to the body of knowledge

This thesis showed by the method of stakeholder analysis which the crucial stakeholder groups with regard to CSR are: SMEs, MNEs, and cooperating NPOs, in that order. Furthermore, the analysis revealed that unions, not cooperating NPOs, consumers, support providers, and capital providers are interested in more regulation (especially for MNEs) and a binding, formal CSR approach. SMEs, cooperating NPOs, media, and the government prefer a non-regulative strategy based on informal models. Large national companies prefer a standard approach that is consistent with the liberal constitution. Such a comprehensive overview over similar or diverging interests in CSR between different stakeholder groups is a novelty in research related to Switzerland.

Another novel outcome of this thesis is the clear conclusion that Swiss SMEs demonstrate strong CSR agendas beyond formal systems. Their practice includes handshake instead of formal contracts with customers, employees, suppliers, etc. (therefore saving
transaction costs), democracy and absolute transparency (therefore trust), quality aims, altruistic and philanthropic values, and visionary instead of profit goals.

- For the first time, such patterns were aggregated to a CSR small business model, so-called L’EPOQuE. Slightly recalibrated to L’EPOQuE 2.0 it is proposed to be a novel template working best in specific niches and with social, long-termed relations and networks, non-standard structures and abolished hierarchies, in convergence of mission, culture, quality and economic rationale, and in oligopolistic markets. To conclude, L’EPOQuE 2.0 is a plausible and verified new business model template – in accordance to CSR and informal set-ups relevant to e.g., above mentioned contexts in oligopolistic markets. Furthermore, it is a valuable guideline to build businesses on sustainable values, with a long-range perspective on CSR that adds a lot to the scientific community as well as to practitioners, for instance, to start-up entrepreneurs.

- As another contribution to the body of science, clear insights into the role, leverage, and key drivers of intrinsic or extrinsic CSR agendas, and how they link with business practices, were gained. Small companies have the tendency towards social issues and intrinsic motives, while MNEs show interest in environmental issues driven by a financial motive. This is especially interesting as the findings identified Swiss SMEs as potential transition cases of “ethics in the firm” and “ethics of the firm”. Thus, the universality and generalisability of explicit and extrinsic management concepts is not given, especially not in the context of small firms. This is an important lesson learned from this study.

- Furthermore, this thesis identified a globally universal SME CSR approach that resembles implicit and informal CSR. Astonishingly, also British and American SMEs follow this pattern in spite of their strong and distinctly liberal market economies. Though
other findings show that nationality matters, this research concludes that SME culture and an informal CSR agenda are strongly formative and supersede even forces of market economies, nationally cultural patterns, and language.

The small business approach appears not to be the result of its economic or political/historical background. On the contrary, the cultural peculiarities and tradition of SMEs influence the country’s political constitution and history. This has led to a recalibration of the comparative capitalism literature and their CSR classification systems of countries based on their market system.

- A further, novel conclusion from this research is that the boundaries between Swiss SMEs and the third sector's social enterprise are in fact blurred. One reason is that there is little or no value-action gap in Swiss SMEs and good intentions are directly translated into actual action. This is due to the convergence of ownership and management in Swiss SMEs, which allows acting independently and agilely.

  Obviously, CSR is feasible without the correlation to the profit motive and a manifestation in extrinsic instruments, exposed in relative reports, openly demonstrated through formalised systems.

- On the contrary, policy makers, managers etc., should be careful when emphasising regulations or incentives on CSR because this might destroy the morale inclination. In light of the social, environmental, and economic issues created by the concentration on short-term profits in large corporation, the greed of individuals culminating in financial crises and the resulting societal alienation the long-range orientation and the loyalty in cases of hardship Swiss SMEs demonstrate in their daily operations, might help to restore individual responsibility.
The identification of prudence, justice, courage, and temperance as virtues and, thus, driving forces in SMEs is another milestone of this thesis that will contribute substantially if the CSR movement is to gain further momentum.

Evidently, it can be a solution to the world’s environmental and social issues to give voice to the unconventional way SMEs exhibit responsibility so as to bring back more genuine morale into the “business case”. To start with, the vision of CSR as something sustainable and less as a situational opportunity should be restored. These results are a substantial contribution to the body of science.

Above all, this thesis contributed to the body of science by the way of a number of publications (see again the storage media in Appendix 19) so that the public access is given and secured.

Lastly, this research had, has, and will continue to have not only a scientific impact, but has already evolved various anchors for practitioners, entrepreneurs, owner-managers in order to align their businesses with CSR. Furthermore, it established trust in these values and corporate cultures among policy makers and business leaders so as not to dilute them by perceived economic patterns and trends in management.
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Appendix 1: Guidelines for stakeholder analysis *(translated by the author)*

*Example guidelines for interview with government:*

**PART 1: GENERAL QUESTIONS**
1. Can you introduce yourself?
2. What does the SECO? What does your department?
3. What is your understanding of Corporate Social Responsibility? Please explain in 3 phrases, how you define personal CSR and what / activities this includes?

Here, CSR is defined as “the responsibility of enterprises for their impacts on society” *(European Commission, 2011: 6).*

**PART 2: THE STATE AND CSR**
4. There are so many ways in which states can implement or promote CSR: regulate by laws, inform, through partnerships, financial incentives etc. What role does the Swiss government take here? What will change?

5. To which model resembles the Swiss model in European comparison? Scandinavia, the British liberal, the Mediterranean, the German conservatives?

6. What measures does SECO take regarding CSR? (Shopping, working space etc.) Compared to e.g. the city of Zurich and the very concrete implementation guidelines

7. The state is indeed a public company and employer, how are these roles perceived in its CSR?

8. What are the reasons for this role? (Competitiveness, popularity among the electorate)

9. Is the state actively seeking an ambassador for these issues? If so, how?

10. In your opinion, in what form should companies perceive CSR?
   - A binding contract as collective agreements GAV?
   - Compliance with labor laws?
   - Certifications and standards as occupational safety?
   - Observance of international voluntary guidelines such as the Global Compact, the Global Reporting Initiative, the OECD Guidelines for Multinational Enterprises?
   - Voluntary CSR own systems, policies and activities develop?

11. What are important actors in CSR in Switzerland? MNEs, SMEs, consumers, media, government, certifiers, consultants, capital providers?

12. How powerful are these actors?

13. How do they legitimate their business, actions?

14. What are the issues they have in Swiss CSR?

14. How urgent are these issues?
Whether, where and how companies perceive corporate social responsibility as important, is often highly dependent on what claims represents the business environment.

15. How relevant are the following stakeholders for you?
   - State: federal, cantonal and municipal example by legal requirements and funding measures
   - consumers: both individually and consumer protection organisation and dressings
   - employees: both individually and unions
   - Nonprofit organisations: both activist groups such as Greenpeace and the Berne Declaration and social institutions such as Caritas, Swiss Cancer League, children, disabled or old people’s homes etc.
   - investors, that is, Investors and banks (Social Responsible Investments, Minergy-loans)
   - provider of CSR-related consulting and certification services

16. How do Mr. and Mrs. Swiss think of CSR in general?

17. What do you think about consumers and their relation to CSR? (Fair working conditions, human rights, employment creation etc.)

18. It is important for companies that the instruments are connected with a certification? What role does formalisation play in your eyes?

19. Please evaluate other stakeholder groups’ power, legitimation, urgency, and claims.

20. How do you react on those stakeholders’ (NPOs, consumers, media, companies, capital providers, support providers) claims in CSR?

21. What do you think of them?
   - “legitimate but does not afford attention”
   - “has high expectations of support”
   - “is irrelevant within the CSR topic”
   - “is unwilling to become involved”

22. What their issues, interests, claims, and concerns in CSR do you think to have in common with others?

23. Can you tell me something about CSR related to foreign economic strategy? For reference to the BRIC strategy? How will that work concretely take place?

24. How does the SECO concretely promote CSR in developing and transition countries? To what extent is this related to the concept of “good governance”?

25. Are you familiar with the new standard ISO 26000? Please briefly explain what it is doing and what the standard is intended to?

26. If not already answered above: Would businesses and SMEs use this standard? Why? Why not?

27. Do you think that the guideline ISO 26000 is especially suitable for SMEs in order to increase the social responsibility?
28. Do you think such a CSR guide meets with SMEs at all on interest?

29. How do you assess in general SMEs and their behavior with respect to CSR?

30. What values are represented in your opinion, in the SMEs? If they are not already socially from tradition? More social than in large companies?

31. What business models are based on this behavior?

32. How do you see the pressure from the stakeholders? Employees, consumers etc. on companies? Is there any pressure?

33. How important are SMEs in Switzerland? What is your contribution to GDP? In how far SMEs are estimated as a taxpayer?

34. Why are SMEs but often not involved in decisions? SECO’s CSR strategy focuses on MNEs. Why?

35. What should change in the future with respect to CSR in Switzerland? What effects will this have and how important is CSR in future?

36. Where do you see potential for improvement? What role will the government take?

37. What measures are being considered here?
Appendix 2: Code tree of stakeholder study
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Business model
Understanding of C SR
Reporting Tool
Reporting Tool

Stakeholder priority
Urgency
No/low urgency
Legitimacy
No/low legitimacy
Power
No/low power
Stakes with others
Reporting Tool
Greenwashing
More trust
Ruggy Process
Labels
High costs
For capital providers
no NPO pressure
Supplier demands
C onsultants
Regulation negative
Regulation positive
Lack of binding/voluntary approach
is a threat
is an opportunity
Business model
Management approach
Entrepreneurial approach
Image oriented
Regional basement
Own checklist
Instruments
Values
Understanding of C SR
Human rights
Employee focus
Marketing/green washing
Not really important
Sustainability
Shareholder value
Society focus
Quality
Liberalistic
C ustomer orientation
Future
C ontrol of MNEs
More regulation
SME concentration
Liberalistic
No regulation
Short guidelines
Past
C ommunication/C ooperation
C onfrontation
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too abstract
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## Appendix 4: Excerpt of coded statements from stakeholder study

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<td>Business model</td>
<td>Communication/Cooperation</td>
<td>103</td>
<td>103</td>
<td>50</td>
<td>Ich meine, das ist im Prinzip nichts anderes als eine moralische Wurzel. Und auch aus meiner Perspektive ist es ein Weg, wie ich verstehe, dass es sich um eine moralische Verantwortung, die wir nicht aufzuweisen hatte mehr als in einem Dialog, und zwar in einem unzi.</td>
<td>28.11.2013 10:44:00</td>
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<td>871</td>
<td>1.94</td>
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<tr>
<td>Org. 20</td>
<td>Business model</td>
<td>Confrontation</td>
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<td>76</td>
<td>50</td>
<td>Wir haben die Verhältnisse nicht zu einem solchen, wie ich meine, zu einem derartig wichtigen Punkt, weil es ja nicht einheitlich war, dass wir jemandem Geld, oder was ist nicht erlaubt, also das wir jemandem Geld, oder so.</td>
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<td>81</td>
<td>50</td>
<td>Ich könnte mir vorstellen, dass ein Unternehmen von der Konsequenz her, etwas soziales, ja. Aber ich denke, es gibt auch große Unternehmen, die genauso sozial oder sogar sozialer sind. Es ist natürlich bei einem grossen, so was unverzichtbar, die Gefahr dar, dass es weniger ist.</td>
<td>24.11.2013 10:02:00</td>
<td>1</td>
<td>1</td>
<td>344</td>
<td>1.40</td>
</tr>
<tr>
<td>Org. 22</td>
<td>Business model</td>
<td>Entrepreneurial approach</td>
<td>15</td>
<td>15</td>
<td>50</td>
<td>Ja, es gibt zwei Dinge, also zu Weiße bekomme ich Kontakte so die Firmen von sich aus aktiv auf mich zukommen. Eben, wie so sind gehört haben auf einen Vortrag vielleicht, vielleicht als Studenten bei mir in Unterricht haben, ganz bunt gemischt, und das muss aber nicht unbedingt CSR sein, das Ansehen Thema ist, oder wer das Umweltmanagement Thema, vielleicht geht es um einen Sprung Frage, einfach was sie denken, ja ich möchte Mal mit dem Kontakten und dann kommen ich ins Gespräch.</td>
<td>28.11.2013 10:55:00</td>
<td>1</td>
<td>1</td>
<td>495</td>
<td>1.53</td>
</tr>
<tr>
<td>Org. 27</td>
<td>Business model</td>
<td>Image oriented</td>
<td>78</td>
<td>79</td>
<td>100</td>
<td>Es ist ja so, dass der Ruf das allermächtigste ist für ein KMU, ja, weil wenn dieser beantwortet, dann hat es niemanden in der Region mehr als die ein. Und ein KMU geht halt einfach in ein anderes Land, es schlägt zwar Wellen aber tatsächlich kaufen doch alle wieder bei dem KMU, weil es das Nachtdazie. Befragter: Genau.</td>
<td>24.11.2013 10:02:00</td>
<td>1</td>
<td>1</td>
<td>325</td>
<td>1.32</td>
</tr>
<tr>
<td>Org. 20</td>
<td>Business model</td>
<td>Image oriented</td>
<td>105</td>
<td>106</td>
<td>50</td>
<td>Selbst an die Dinge gingen vor ca. 2 Jahren, haben die eine PR-Firma angeboten, die zum Teil um unsere, wenn wir es auf unsere Homepage stellen. Wir machten die Erfahrung, dass, als wir plötzlich öffentlich wurde, hat sich viel geändert. So wie an die Dinge gingen, haben sie nicht unbedingt reagiert, und ich glaube, die werden schon scheuen, was man so für Initiativen und so nutzen kann. Ob es dann grad ISO 26000 hat oder so, das kann ich nicht beurteilen, denn ich kann nicht beurteilen, was dieses Instrument im Vergleich zu anderen für ein Gewicht hat.</td>
<td>27.11.2013 12:13:00</td>
<td>1</td>
<td>1</td>
<td>574</td>
<td>1.39</td>
</tr>
<tr>
<td>Org. 22</td>
<td>Business model</td>
<td>Image oriented</td>
<td>25</td>
<td>25</td>
<td>50</td>
<td>Ymm, es ist sehr oft eine Wellebetrüge bfrage, ja</td>
<td>28.11.2013 10:56:00</td>
<td>1</td>
<td>1</td>
<td>49</td>
<td>0.35</td>
</tr>
<tr>
<td>Org. 23</td>
<td>Business model</td>
<td>Image oriented</td>
<td>48</td>
<td>48</td>
<td>85</td>
<td>Ich habe auch schon Kundenbefragungen gemacht. Das war eher eine Imagebetrüge, aber da war auch die Frage die ist es wichtig von der Bank, was haben sie für Erwartungen, und die sind in der Regel auf diese CSR-Daten sogar eindeutige Aussagen herausgekommen. Wir haben auch Befragungen gemacht bei so genannt influenzen, also mit höherem Vermögen von mindestens 100.000 Pfennig, weil das sind die Kunden, die eher auch bei den Banken bfragen. Wir haben es natürlich spezifisch gefragt.</td>
<td>28.11.2013 11:13:00</td>
<td>1</td>
<td>1</td>
<td>578</td>
<td>1.33</td>
</tr>
<tr>
<td>Org. 8</td>
<td>Business model</td>
<td>Own checklist</td>
<td>58</td>
<td>58</td>
<td>50</td>
<td>Ich denke, das sollte einfach nicht verpflichtend sein. Das gibt es eben die falsche Haltung, also wenn ich es machen muss, dann ist das ganz andere Haltung, denn Checkliste erfüllt, gemacht fertig, oder das besser tut aber die Hafte. Umgang mit Geschäftskunden und Einladungen, incentivise also, geltende Seite, also, ob wir das nicht erzielen, also wir jemandem Geld geben oder so.</td>
<td>14.11.2013 10:10:00</td>
<td>1</td>
<td>1</td>
<td>239</td>
<td>0.00</td>
</tr>
<tr>
<td>Org. 7</td>
<td>Business model</td>
<td>Own checklist</td>
<td>148</td>
<td>148</td>
<td>50</td>
<td>Absolut, und ich glaube es ist schon unterschiedlich wenn man regional tätig ist, also wir sind ja in der Schweiz tätig, ich glaube wir vieles darin schon so machen, aber nicht, wir haben diese Kindervorstellungen die haben wir gar nicht.</td>
<td>14.11.2013 11:19:00</td>
<td>1</td>
<td>1</td>
<td>149</td>
<td>0.00</td>
</tr>
<tr>
<td>Org. 14</td>
<td>Business model</td>
<td>Own checklist</td>
<td>175</td>
<td>175</td>
<td>50</td>
<td>Das ist der letzte Jahr, ja, das ist die deutsche Version rausgekommen, ich erzählte ihnen kurz voran es sich handelt, es nennt sich eben Lebensmittel an der Geschäften, Verantwortung, es steht sich an Unternehmen, an Vereine, an öffentliche Orte von Organisationen, und es ist eigentlich das erste, wirklich umfassende Dokument zu diesem Thema, das sich zum Ziel gesetzt hat. Ihnen ein, eben Lebensmittel zu bitten, Ihnen zu erklären, was es eigentlich Gesellschaftliche Verantwortung, aus Ihre Sicht, also aus Sicht einer Firma zum Beispiel, welche Bereiche tangiert das überhaupt. Sie sehen hier, das hat so vielen Kernbereichen abgedeckt, also von Gemeindenvernetzung, Kommunikation, Umwelt, Betriebstreffen, Betriebstreffen, Arbeitspraktiken bis zum Menschenrecht, und in diesen Bereichen geben sie Handlungsanschlüsse, sie geben Tipps was man machen könnte, wie man darüber beschließen kann, und so weiter und so fort.</td>
<td>14.11.2013 11:20:00</td>
<td>1</td>
<td>1</td>
<td>235</td>
<td>0.00</td>
</tr>
<tr>
<td>Org. 21</td>
<td>Business model</td>
<td>Own checklist</td>
<td>28</td>
<td>28</td>
<td>50</td>
<td>Ich denke bei unseren grossen Firmen stellt sich halt wieder die Frage nach der Freiheit, Sie haben gesagt, das ist nicht zertifizierbar. Also das sind sehr wichtige Bekenntnisse, die ich hier sehe (auf dem Übersichtblatt: environment, labour practices, consumer issues, human rights etc) von Einhalten der Arbeitsbedingungen ymm über faire Bedingungen und so, ich weiß nicht wie weit das kontrolliert wird, wenn es die Dimensionen hat eines Leitbildes.</td>
<td>27.11.2013 07:03:00</td>
<td>1</td>
<td>1</td>
<td>459</td>
<td>3.66</td>
</tr>
</tbody>
</table>
Appendix 5: Guidelines for SME analysis *(translated by the author)*

Thank you for agreeing to this interview! I am particularly interested in the issue of corporate social responsibility, even though I would like to begin the interview with general questions and then go into details. I would like to record the interview in order to evaluate the data can then. Of course, the data will be kept confidential and any publication discussed with you. For this, the data can easily be made anonymous. Do you agree?

PART 1: GENERAL QUESTIONS
1. Can you introduce yourself?
2. What does your company? What does your department?
3. How many employees does your company have? Sales? Development of Sales?
4. What’s your company’s business?
5. What are the success factors?
6. What is your business model?
7. What is your understanding of Corporate Social Responsibility? Please explain in 3 phrases, how do you define personal CSR and what features / activities includes this?
8. What are your values, what is important for you regarding your business conduct?

PART 2: Swiss SMEs and Corporate Social Responsibility
1. How important are SMEs in Switzerland? What is your contribution to GDP?
2. How important do you consider to SMEs in Switzerland? Receive SMEs the value estimate they deserve?

Your company is obviously already very active in the area of sustainability and CSR!

3. Why do you have jumped on this bandwagon?
   - pure conviction altruism: for example, Environment is important to me
   - from its own strategic reasons: for example, Employee retention, Image and Marketing,
   - pressure from key stakeholders: e.g. major customers, suppliers, investors

4. What do you think are the main reasons why many Swiss SMEs do not deal with CSR?
   - disinterest in the topic itself: We have to abide by laws, everything else is not our job; we have more important problems
   - ignorance about the possible strategic benefits of CSR
   - ignorance about how any approach needs and too few resources to make detailed deal with it (time, personnel, money)
   - lack of resources to invest in CSR (consulting, management systems, certifications etc.)
   - Lack of SME specific CSR instruments and tools, often to send them to a large, international companies and are costly
5. What do you think are the main reasons why other Swiss SMEs deal with CSR?
   - Marketing and Image, reputation, differentiation
   - anticipation of future legal requirements
   - employee retention, an attractive employer
   - customer loyalty, customer request
   - legitimacy and roots in the community
   - pressure from industry and business associations, for example, in environmental, labour, social issues
   - cost savings example through energy efficiency or reducing waste
   - innovation as by new products and processes
   - easier access to capital and pressure from investors
   - access to major networks and supply chains (MNEs)

6. With whom an SME mainly comes in contact? Who expresses concrete expectations on SMEs or reward certain behaviour?

7. What areas / stakeholders affect your CSR activities? Why these stakeholders?

8. What do you think would change when to enter your company on one chance to step in the global market?

9. If your values would change? What would change your values?

10. What would keep your customers or the community it?

11. How would you react if you were forced to report on CSR? E.g. from major players in the supply chain? Would this change your values? Why? How?

12. What CSR tools use your company?
   - Binding agreements with stakeholders such as Collective agreements GAV?
   - management certifications and standards, for example, ISO 14001 for environment-management, Social Accountability standard SA 8000
   - quality seals and product labels
   - CSR and sustainability reporting
   - sponsorship and donation activities
   - observance of international voluntary guidelines such as the Global Compact, OECD Guidelines, ILO Declaration
   - CSR guidelines and checklists (practical Best Practice Advice)

13. Why did you decide for or against these instruments?

14. Should there be instruments specific for SMEs?

15. What does Mr. and Mss Swiss think about SMEs? And what about CSR? Is this important to them?

16. Do you inform citizens about CSR efforts of your company?
17. Are consumers interested in such information? (do they read sustainability reports? Or get the VA about advertising with?)
18. What form of CSR activities do affect your personal buying behaviour?

19. What do you as consumer look at when deciding to buy something?
   - compliance with laws (product safety, advertising, Terms and Conditions, product information)?
   - Certifications and Standards and Labels for example Fair trade, organic?
   - observance of international voluntary guidelines such as the Global Compact, the Global Reporting Initiative, the OECD Guidelines for Multinational Enterprises?
   - voluntary CSR own systems, policies and activities develop?

20. What purpose should such an instrument have?
   - To ensure that the processes are geared towards sustainable development
   - To communicate this fact to the public

21. It is important for the business owner that the instruments are connected with a certification?

22. What do you think could be the effect if this is steered by law and governmental regulations?

23. What is your personal relation to regulations?

24. What do you think, what would change as a result of government regulations relating to your values? Ceiling effect as keyword!

25. Why are often not included SMEs in Switzerland in decisions? As an example, the policy applies CSR of the covenant, which is clearly likely for MNEs. What is your opinion on this?

26. What should change in the future with respect to CSR in Switzerland?

27. What is the impact and how important is CSR in future?

28. How do SMEs fit to this stress field and what can they contribute to improve the current situation?

29. Where do you see room for improvement for SMEs itself and what should the government contribute?

Finally, I would like to sincerely thank you for the time you provided to me! I will inform you about the findings and completed work at a later stage. In the meantime, I am always available for any upraising question and discussion.
Appendix 6: Questionnaire for Delphi process (translated by the author)

1. What do you think of the model in general? What is too much, what is missing?
2. What do you think of the factor leadership? What is too much, what is missing?
3. What do you think of the factor employees? What is too much, what is missing?
4. What do you think of the factor product? What is too much, what is missing?
5. What do you think of the factor organisation? What is too much, what is missing?
6. What do you think of the factor quality? What is too much, what is missing?
7. What do you think of the factor education? What is too much, what is missing?
8. How do you see yourself and your company within this model?
9. How does this model resemble your motives and values? And how do it fit to values and motives of Swiss SMEs in general?
10. How is the grade of specification of the model? Too high, too low?
Appendix 7: Sample answers from the Delphi process (originally taken from emails, not translated)

Sehr geehrter Herr Haber,

Schon eine Weile ist das Interview mit Ihnen vorbei und ich hole mich jetzt an die Stelle, um Ihnen ein paar Anmerkungen zu geben. Die Informationen, die Sie uns gegeben haben, sind äußerst wertvoll für die Weiterentwicklung unseres Unternehmens. Ich freue mich, dass wir die Möglichkeit hatten, diese intensiven und produktiven Diskussionen zu führen.

Auf Ihrer Frage: Wie könnte ein Erfolg im SwiSсоss (Swiss business community) aussehen?

1. Führungskräfte sollten transparent und verantwortungsbewusst agieren, um die Gewissheit und Vertrauenswürdigkeit der Unternehmen zu schaffen.
2. Mitarbeitende sollten eine positive Arbeitskultur fördern und die Bedürfnisse der Mitarbeiter beachten, um eine harmonische Arbeitsumgebung zu schaffen.
4. Die Unternehmensführung sollte sich auf Nachhaltigkeit und Umweltschutz konzentrieren, um langfristige wirtschaftliche Erfolge zu gewährleisten.

Meine Fragen hierzu lauteten:

1. Wie betrachtet Sie generell das Modell? Was fehlt, was ist zu viel? Es geht um die Ausgestaltung der Geschäftsprozesse und die Strategieplanung.
2. Was halten Sie von der Rolle der Führungskräfte? Was fehlt, was ist zu viel? Es geht um die Leitungsfunktion und die Entscheidungsfindung.
3. Was halten Sie von der Rolle der Mitarbeiter? Was fehlt, was ist zu viel? Es geht um die Mitarbeiterbeteiligung und die Mitarbeiterzufriedenheit.
4. Was halten Sie von der Rolle der Kunden? Was fehlt, was ist zu viel? Es geht um die Kundenbeziehungen und die Kundenzufriedenheit.
5. Was halten Sie von der Rolle der Lieferanten? Was fehlt, was ist zu viel? Es geht um die Lieferantenbeziehungen und die Lieferantenzufriedenheit.

Ich hoffe, dass diese Informationen für Sie hilfreich sind. Ich freue mich auf weitere Diskussionen mit Ihnen.

Mit freundlichen Grüßen,

[Name]

Bester Guss und „Danke“ dem Vorstand

Stephanie Lessier
Liebe Frau Losser

Es ist hart, wie immer vor Weihnachten, man wess Kerzen mehr, was noch mit weicher Geste überrascht erlebt wird muss.

So hatte ich leider nicht sehr viel Zeit, zum mich vertiefte mit Ihren Fragen auseinanderzusetzen. Aber immerhin kann ich Sie beherrschen, dass sie von Ehrlichen mit den Schlüsselsteller in Schwarz getroffen haben und Ihr Modell dem entspricht, was wir zu leben versuchen. Gratuliere für das prägnante Modell.

Ich hoffe, dass diese doch sehr knappe Antwort ein gewisses Feedback gibt.

Ich wünsche Ihnen frohe Festtage und einen guten Start ins 2012, sowie weiterhin viel Erfolg bei Ihrer Arbeit.

Herzliche Grüße

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http://www.ac-tischer.ch
http://www.stoelwile.com

Meine Fragen hierzu lauteten:

1. Was denken Sie generell zum Modell? Was fehlt, was ist zu viel?
   Das Modell ist umfassend definiert.
   Punkt 3 muss nicht unbedingt sein, denn auch mit „Nicht-Nacherzeugen“ kann man durchaus erfolgreich sein.
   Können Sie sich vorstellen, dass man denken muss wie einer – und sowieso langfristig?
   Können Sie sich vorstellen, dass man denken muss wie einer – und sowieso langfristig?
   Können Sie sich vorstellen, dass man denken muss wie einer – und sowieso langfristig?

2. Was halten Sie vom Faktor „Führungsstil“? Was fehlt, was ist zu viel?
   Können Sie sich vorstellen, dass man denken muss wie einer – und sowieso langfristig?

3. Was halten Sie vom Faktor „Arbeitsbeziehungen“? Was fehlt, was ist zu viel?
   Können Sie sich vorstellen, dass man denken muss wie einer – und sowieso langfristig?

4. Was meinen Sie vom Faktor „Produkt“? Was fehlt, was ist zu viel?
   Können Sie sich vorstellen, dass man denken muss wie einer – und sowieso langfristig?

5. Was meinen Sie vom Faktor „Organisation“? Was fehlt, was ist zu viel?
   Können Sie sich vorstellen, dass man denken muss wie einer – und sowieso langfristig?

6. Was meinen Sie vom Faktor „Organisation“? Was fehlt, was ist zu viel?
   Können Sie sich vorstellen, dass man denken muss wie einer – und sowieso langfristig?

7. Was halten Sie vom Faktor „Ausbildung“? Was fehlt, was ist zu viel?
   Können Sie sich vorstellen, dass man denken muss wie einer – und sowieso langfristig?

8. Was halten Sie vom Faktor „Ausbildung“? Was fehlt, was ist zu viel?
   Können Sie sich vorstellen, dass man denken muss wie einer – und sowieso langfristig?

9. Was halten Sie vom Faktor „Ausbildung“? Was fehlt, was ist zu viel?
   Können Sie sich vorstellen, dass man denken muss wie einer – und sowieso langfristig?

10. Wie schätzen Sie den „Schaubildschirm“ der KMU ab?
   Können Sie sich vorstellen, dass man denken muss wie einer – und sowieso langfristig?

 293
Hallo Haussauzer,


Meine Antworten zu Ihren Fragen lasen:

1. Was denken Sie generell zum Modell? Was fehlt, was ist zu viel?
   Antwort:
   Unter Führungseinstellungen haben sie den Effekt voraus, dass ein Mitarbeiter seine Ziele erreicht. Ich würde das Wort "idealistisch" individuell und harakterlich (zuweilen starken) darunter subsumieren, scheint mir durchaus typisch zu sein, vermehrt aber keinen eigenen Punkt wert.

2. Was haben Sie vom Faktor "Loyalität"? Was fehlt, was ist zu viel?
   Antwort:
   Ich denke über einen Umschlag Wirtschaft und Beziehungen,... nehmen, aber noch einige hinzu. Oftmals sind es Persönlichkeiten, die die Mitarbeiter zur Selbstleistung motivieren, Stichwort "Branding" etc.

3. Was haben Sie vom Faktor "Aufgabe"? Was fehlt, was ist zu viel?
   Antwort:
   Dem Begriff der "Swissness" ist Sorge zu tragen. Leitmanagement und kontinuierlicher Verbesserungsprozess sind dabei die Schwachstelle und ein Qualitätsgedanken.

4. Was haben Sie vom Faktor "Qualität"? Was fehlt, was ist zu viel?
   Antwort:
   Der demografische Wandel wird hier eingesetzt zu einem großen Umdenken mit grossem Potential zur Innovation sein. Wo finde ich zukünftige welche Lehrlinge mit welcher Qualifikation, wie behalle ich diese im Unternehmen, was für Weiterbildungs möglichkeiten kann (muss) ich entwickeln? Wenn nicht?

5. Was haben Sie vom Faktor "Ausbildung"? Was fehlt, was ist zu viel?
   Antwort:
   Ich kann mich darin morphologischen Klassen gut wiederfinden ;-) 

6. In welchem Bildung der Schweizer KMU ab?
   Antwort:
   Der Aspekt "Selbstverwirklichung" ("Betreut für sein Ziel") scheint mir wichtig. Viel geht nur zurecht und die andere Hälfte misst noch genau das ab...

7. Was halten Sie von der Praxis der Urteils und zu generell, zu exaktisch?
   Antwort:
   Praxis im Umgang mit...
Sehr geehrte Frau Lounier,

Sorry für die verspätete Antwort, ich war in den letzten Wochen ausserst stark mit anderen Themen befasst. Ich versuche nur ganz kurz zu Ihrenragen Stellung zu nehmen:

1. Modell grundsätzlich
   (Es scheint mir sehr schwierig ein Modell zu entwickeln, dass sich auf viele Firmen allgemein lässt, die Unternehmen sehr unterschiedlich funktionieren. Die Umsetzung und der Inhalt sind somit grundsätzlich gut, wobei ich beim einen oder anderen Punkt einen Korrekturvorbehalt nicht mehr aus meiner Sicht habe)
2. Führungsspitze
   - Liberalismus: In welchem Umfang ich verloren habe
   - wie wäre es mit Strategie: Wie wichtig, entscheidungsbereit
   - entscheidend ist es, ob Unternehmer und nicht als Manager zu denken
3. Mitarbeiter
   - demokratische Züge finde ich nicht gut, fördern, unterstützend wäre besser
   - ganz entscheidend ist der richtige Einsatz der Mitarbeiter ihren Stärken entsprechend
4. Produkt ok
5. Organisation ok
6. Qualitätseins
7. Ausbildung
   - zusätzliche Förderung und Weiterführung der Mitarbeiter


Freundliche Grüße / best regards

Urselin

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Die Varstor AG wurde mit dem KMK-Preis der Zürcher Kantonbank für nachhaltige Unternehmen 2005 ausgezeichnet.

Liebe Frau Linzer

Besten Dank für Ihre Information. Siehe pfeil Ihrer mein mein Meinung zum Thema klagt, erreicht etwa zusammen zu fassen:

1. Was denken Sie generell zum Modell? Was fehlt, was ist zu viel?
   Grundsätzlich sind die, für die operative standortspezifische Entwicklung notwendigen Faktoren mit dem Modell abgedeckt. Da es sich um soziale Verantwortung und damit Verantwortung um nachhaltige Entwicklung handelt, ist die Inhaltsstrategie bei der Zielgruppe wichtig. Es fehlt jedoch eine umfassende Betrachtung, die die Bedeutung der Inhaltsstrategie bei der Zielgruppe aufgreift. Deshalb könnte man von einer Denkstruktur-Führungskraft „Führungskraft“ sprechen, dass die Inhaltsstrategie zentral ist und die entsprechende Verantwortung trägt, um die Zielgruppe effektiv zu erreichen.

2. Was halten Sie vom Faktor „Führungsstil“? Was fehlt, was ist zu viel?

3. Was halten Sie vom Faktor „Mitwirkung“? Was fehlt, was ist zu viel?

4. Was halten Sie vom Faktor „Produkt“? Was fehlt, was ist zu viel?
   Dies trifft zu … Oder aber das Produkt fehlt, wobei der Produktionsprozess in unserem Segment und werden daher in grossem Mange regional abgerufen oder sind explizit mit hohem Service- und Dienstleistungsangeboten. Das Produkt bei den Produktionsprozess spielt die Produktionsleistung und ergänzende Dienstleistungen (im Sinne eines Wohlfühl-Angebots) eine wesentliche Rolle und daher ein wichtiger Faktor. Das heisst wiederum das persönliche Beziehungen zwischen Anbieter und Kunden sowie Aktivitäten oder Befragungen einer grossen Bedeutung haben.

5. Was halten Sie vom Faktor „Organisation“? Was fehlt, was ist zu viel?
   Hier fehlt nichts. Die Art und Weise von Organisationen wie in Mitarbeit setzt eben doch unter Schlüssel zur Mitarbeitergestaltung vorzüglich. So gewähren sie sich essenzielle Abhängigkeiten zwischen den verschiedenen Schlüsselsektionen.

6. Was halten Sie vom Faktor „Qualität“? Was fehlt, was ist zu viel?
   Das trifft zu. Mit einem Wort, wohin auch immer wir gehen, müssen wir sicher sein, dass unser Dienstleistungsangebot hoch qualitativ und entsprechend unseren Kundenbedürfnissen ausgelegt ist. Deshalb ist die Herausforderung, bei der Qualität einer Organisation durchzusetzen, wie gut diese es schafft, sich an die Umweltbedingungen anpassen zu können. Wir verstehen dabei unter Qualität die Fähigkeit, unter den gegebenen Rahmenbedingungen sich zu entwickeln und zu „überleben“. Qualität steht für „Fitness, Wandelungsfähigkeit, einen gewissen Erfolgswert, eine wirksame Immunität, Kraftfreudigkeit, und Widerstandsfähigkeit“.

7. Was halten Sie vom Faktor „Ausbildung“? Was fehlt, was ist zu viel?
   Die Ausbildung funktioniert nur gewissermaßen, für die Gesellschaft wenn wiederrum das Vertrauen gross ist und die Mitarbeiterin gewählt ist etwas zu leisten und erkennen dass sie Mitarbeiterin wie Unternehmen auch weiterentwickelt werden. Deshalb sollte dann auch daran gedacht werden, das gelehrt in der Unternehmung eingebracht. So kann die Unternehmung die über Ausbildung und Weiterbildung den eigenen Mitarbeiter weiterentwickelt, wen im über eine gewisse Zeit erst bei den Kunden durch Einweisung von Produkten und Dienstleistungen gewährleistet einsetzen, das heisst im Modell könnte die Korrektur der eigenen Strategie oder die Motivationen für Entwicklung und Ausbildung der Mitarbeiterinnen abgebildet werden. Denn jede Ausbildung und Weiterbildung trägt auch zur persönlichen Entwicklung des Mitarbeiters bei.
**Appendix 8: Qualitative content analysis on SME peculiarities**

<table>
<thead>
<tr>
<th>Original observations</th>
<th>Items describing the owner-manager</th>
<th>Items describing external strategy</th>
<th>Items describing business model</th>
<th>Items describing CSR</th>
</tr>
</thead>
<tbody>
<tr>
<td>driven by idealistic motives</td>
<td>driven by idealistic motives</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>role of women</td>
<td>role of women</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>emphasis on ownership</td>
<td>emphasis on ownership</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>size and capacity matters less</td>
<td>size and capacity matters less</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&quot;Managers&quot; (as opposed to owners) drive explicit CSR</td>
<td>&quot;Managers&quot; (as opposed to owners) drive explicit CSR</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MBA managers drive rational models, MBA owners resist formalisation</td>
<td>MBA managers drive rational models, MBA owners resist formalisation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>breakdown of hierarchical barriers</td>
<td>breakdown of hierarchical barriers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR has many ethical origins</td>
<td>CSR has many ethical origins</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR is an evolution, not a strategy</td>
<td>CSR is an evolution, not a strategy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M&amp;A activities are a challenge</td>
<td>M&amp;A activities are a challenge</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>formalisation is not a problem, but is not favoured</td>
<td>formalisation is not a problem, but is not favoured</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forced formalisation is opportunistic</td>
<td>Forced formalisation is opportunistic</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>communication on CSR is growing, not for reporting but educational reasons</td>
<td>communication on CSR is growing, not for reporting but educational reasons</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Many CSR reports are aimed at schools</td>
<td>Many CSR reports are aimed at schools</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Links to SME school network</td>
<td>Links to SME school network</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>children of owners are exposed to cultural diversity as a way to prepare for leadership</td>
<td>children of owners are exposed to cultural diversity as a way to prepare for leadership</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>all companies are diversified</td>
<td>all companies are diversified</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>all companies actively pursue business</td>
<td>all companies actively pursue business</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>niche actors</td>
<td>niche actors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>exploit Swiss brand</td>
<td>exploit Swiss brand</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>quality product for export and domestic market alike</td>
<td>quality product for export and domestic market alike</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>trust and clear value-driven business style, in all countries</td>
<td>trust and clear value-driven business style, in all countries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>prefer to deal with businesses that share their culture even if economically detrimental</td>
<td>prefer to deal with businesses that share their culture even if economically detrimental</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>active employment &amp; integration of disabled people</td>
<td>active employment &amp; integration of disabled people</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>supporter of the Swiss apprenticeship system</td>
<td>supporter of the Swiss apprenticeship system</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Running an SME is a lifestyle choice, often to drive innovation, culture and altruism (succession problem)</td>
<td>Running an SME is a lifestyle choice, often to drive innovation, culture and altruism (succession problem)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SME owner-managers are envied for their independence (even if giving up security)</td>
<td>SME owner-managers are envied for their independence (even if giving up security)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>see their business as detached from managers' who are 'agents of absent shareholders'</td>
<td>see their business as detached from managers' who are 'agents of absent shareholders'</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR is implicit and enacted but often not linked to &quot;bottom line&quot;</td>
<td>CSR is implicit and enacted but often not linked to &quot;bottom line&quot;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>support from local communities (philanthropy, pillars of local community)</td>
<td>support from local communities (philanthropy, pillars of local community)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>very low staff turnover rates</td>
<td>very low staff turnover rates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>very high social capital</td>
<td>very high social capital</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>this model is independent of Swiss regions</td>
<td>this model is independent of Swiss regions</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Appendix 9: Summary on Swiss SME CSR peculiarities

<table>
<thead>
<tr>
<th>Company</th>
<th>motives / locus of responsibility</th>
<th>Peculiarities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company 1</strong>: idealistic / corporate</td>
<td>Strong costumer orientation and a business model based on quick responses to customer demands. Security for their employees on the construction sites is a key factor.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 2</strong>: idealistic / individual</td>
<td>Handmade quality and trust based contracts within the 14-wide family business network.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 3</strong>: idealistic / corporate</td>
<td>Driven by post-growth theory, visionary with the financial sector with orientation towards general welfare, especially showing corporate self-restraints by paying nearly no dividends.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 4</strong>: idealistic / individual</td>
<td>Human centered design, vision driven with a strong focus on general welfare, corporate altruism as business rationale. Led by a visionary do-gooder. Social enterprise. w/ a social aim.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 5</strong>: idealistic / individual</td>
<td>Absolute democracy and transparency, employee buyout and therefore employee ownership, improvement and innovation as key drivers, general welfare is focused.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 6</strong>: idealistic / individual</td>
<td>Health and security orientation, integration of employees from abroad, steady education of employees, focus on economic responsibility due to a history of losses.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 7</strong>: idealistic / corporate, family tradition of high-end products for Swiss customers, commitment to Siezeland as only place of production</td>
<td>Strong quality and Swiss market orientation, family tradition of high-end products for Swiss customer, commitment to Siezeland as the only place of production.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 8</strong>: idealistic / individual</td>
<td>Quality, fairness, working conditions is the same in China, Chinese republic and Siezeland. The owner-manager is personally very engaged in the fostering of the apprenticeship system.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 9</strong>: idealistic / individual</td>
<td>Cooperatively organized but well performing in a highly competitive industry with daily changing market process. Strong and social responsibility and environmental responsibility show by the employment of a (out of 54 employees) handicapped employees.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 10</strong>: strategic / corporate</td>
<td>Sustainability is a part of their business as deposer. The aim of the company is the material cycle, so that also certifications are obtained out of strategic reasons to have a competitive advantage in this price driven business of waste and recycling.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 11</strong>: idealistic / individual</td>
<td>Driven by quality and state-of-the-art products, sacrificed market-leadership for more environmental friendly product. Strong reliance on handshake contracts w/ timepiece industry and worldwide customers as well. Opportunistic deployment of certificates and standards. Vision led.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 12</strong>: idealistic / individual</td>
<td>Responsible behaviour is based on Christian tradition, on the belief in god as altruistic god and on the Last Judgment. Strong family tradition of helping and integrating of handicapped, disadvantaged and underprivileged people. Integration is meant as “real” integration into the family, w/ place to sleep and at the family table.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 13</strong>: idealistic / individual</td>
<td>Responsible behaviour is rooted in family tradition and concentrated on the education of apprentices. 47 of the 150 employees are apprentices in four different professions.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 14</strong>: idealistic / individual</td>
<td>Re-invested since 10 years every profit into the company to streamline it. Employs handicapped and disadvantaged people, although seeing this actions as unreasonable from a profit-seeking point of view. The owner-manager is a lone fighter.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 15</strong>: idealistic / individual</td>
<td>Business model is based on steady innovation and the search for new market niches in the food industry. The owner-manager is a visionary leader travelling round the world to find new products and suppliers. He personally takes care of transport of his products but also for writing and production conditions at his suppliers’ production sites in Sri Lanka, etc.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 16</strong>: idealistic / individual</td>
<td>The owner-manager leads this company in the fourth generation and sustainability is a normal process because the business should be passed down to the next generation.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 17</strong>: strategic / corporate</td>
<td>The aim of the company is energy harvesting w/ thermoelectric generators, sensors, w/ a sustainable aim and highly strategic. CSR is on a corporate level, because the company was established with the goal of producing renewable energy.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 18</strong>: idealistic / individual</td>
<td>The owner-manager is a visionary leader searching for new trends in the furniture industry, w/ strong focus on quality and closeness to customers. The owner-manager takes high risks by establishing his company as furniture broker.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 19</strong>: strategic / corporate</td>
<td>Certifications and GRI reporting are seen as success factor; hence the whole company is dedicated to re-certification and streamlined to be appropriate.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 20</strong>: idealistic / individual</td>
<td>Long-term quality, trust, and fairness aims w/ strong wish to pass the business to the fifth generation and model the values as example for the next leader, w/ which is supposed to be his son, although this is not absolutely sure yet. Although, the owner-manager is operating in a highly competitive market he has high quality aims, so that he rather sacrifices an order if he cannot meet his own aspirations.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 21</strong>: idealistic / individual</td>
<td>Organic wines, w/ chich come from selected vineyard, are the key business. Interestingly there are not contracts w/ the vineyards and trust in these partnerships is the key success factor. Vision, innovation, integration and strong personal interests in organic movements are driving CSR in this company. It is a moral activity and just “usual”, or “the way we do business here”.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 22</strong>: idealistic / individual</td>
<td>Today, total revenue is made abroad, no business activity in Siezeland. Nevertheless, quality aims are the success factors. This company is a hidden champion, because it is world market leader as highly specialized niche player. CSR is important as it operates in a delicate business, as it constructs chemical plants in China and India. Their goal is to provide the same quality as they w/ could provide in Switzerland. This vision drives the business although they are operating in areas w/ lower responsibility standards. Innovation is a key success factor and CSR lies on the individual owner level.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 23</strong>: idealistic / individual</td>
<td>Christian values are the basis of this company’s CSR. Although operating in a highly competitive market, the integration of handicapped juveniles and the education are important factors for the owner family. It established an own education on national level, w/ chich is totally financed by them without governmental support.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 24</strong>: idealistic / individual</td>
<td>CSR is the core success factor of this company, inherent w/ the industrial sector of recycling, social responsibility is as important w/ the industrial sector of recycling. The vision “to contribute” or “give something back” is stronger as business drivers as economic profit. Philosophical motives w/ as “Unternehmer-Familie” are further values.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 25</strong>: idealistic / individual</td>
<td>Although in a highly competitive market, this company’s success factor is stay local, be innovative, resist the pressure of grow and fill the Swiss market as high-end supplier. Quality aims are the drivers of this niche player.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 26</strong>: idealistic / individual</td>
<td>Long-term oriented general constructor and architect. Further, liberalism is important and the focus of responsibility is definitively on the individual level w/ idealist motives.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 27</strong>: strategic / individual</td>
<td>Quality and niche oriented w/ focus on improvement and the integration of legal aspects into every business procedure, strong focus on law and therefore strategic orientation towards ethics and general welfare.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 28</strong>: strategic / individual</td>
<td>The CEO tries to establish energy as a common good under the members as a new form of sharing energy gained from solar panels. The “company” is driven by the values of its founder, how ever the sustainable aim is clearly strategic and the founding reason.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 29</strong>: strategic / individual</td>
<td>Opportunistic and liberal business conduct w/ focus on quality and high-end solutions, vision and innovation lead, employees are strongly individualistic, w/ no attempts or measures towards the artificial establishment of a corporate culture (most employees just work for the company and have no other relationships w/ the company).</td>
<td></td>
</tr>
<tr>
<td><strong>Company 30</strong>: strategic / individual</td>
<td>Family tradition defines the business, w/ chich is quality oriented, w/ which organic products always played an important role. However, this is not seen as a competitive advantage and something new, rather it is seen as the origin of plant growing (“because everything is organic”). The CEO is highly rational and CSR is seen to have positive feedback on profit.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 31</strong>: idealistic / individual</td>
<td>Driven by post-growth theory, visionary w/ the financial sector w/ orientation towards general welfare, especially showing corporate self-restraints by paying nearly no dividends.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 32</strong>: strategic / individual</td>
<td>Human centered design, vision driven w/ a strong focus on general welfare, corporate altruism as business rationale. Led by a visionary do-gooder. Social enterprise. w/ a social aim.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 33</strong>: strategic / corporate</td>
<td>The aim of the company is energy harvesting w/ thermoelectric generators, sensors, w/ chich is a sustainable aim and highly strategic. CSR is on a corporate level, because the company was established with the goal of producing renewable energy.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 34</strong>: idealistic / individual</td>
<td>The owner-manager is a visionary leader searching for new trends in the furniture industry, w/ strong focus on quality and closeness to customers. The owner-manager takes high risks by establishing his company as furniture broker.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 35</strong>: idealistic / corporate</td>
<td>Driven by post-growth theory, visionary w/ the financial sector w/ orientation towards general welfare, especially showing corporate self-restraints by paying nearly no dividends.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 36</strong>: idealistic / individual</td>
<td>Human centered design, vision driven w/ a strong focus on general welfare, corporate altruism as business rationale. Led by a visionary do-gooder. Social enterprise. w/ a social aim.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 37</strong>: idealistic / corporate</td>
<td>Today, total revenue is made abroad, no business activity in Siezeland. Nevertheless, quality aims are the success factors. This company is a hidden champion, because it is world market leader as highly specialized niche player. CSR is important as it operates in a delicate business, as it constructs chemical plants in China and India. Their goal is to provide the same quality as they w/ could provide in Switzerland. This vision drives the business although they are operating in areas w/ lower responsibility standards.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 38</strong>: idealistic / individual</td>
<td>Calvinistic values are the basis of this company’s CSR. Although operating in a highly competitive market, the integration of handicapped juveniles and the education are important factors for the owner family. It established an own education on national level, w/ chich is totally financed by them without governmental support.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 39</strong>: idealistic / individual</td>
<td>The aim of the company is energy harvesting w/ thermoelectric generators, sensors, w/ chich is a sustainable aim and highly strategic. CSR is on a corporate level, because the company was established with the goal of producing renewable energy.</td>
<td></td>
</tr>
<tr>
<td><strong>Company 40</strong>: idealistic / individual</td>
<td>The owner-manager is a visionary leader searching for new trends in the furniture industry, w/ strong focus on quality and closeness to customers. The owner-manager takes high risks by establishing his company as furniture broker.</td>
<td></td>
</tr>
</tbody>
</table>
Appendix 10: Sample answers from the Delphi process (originally taken from emails, not translated)

---Unsere lieben Nachbarn---
Von: poueg.wenger@eversahlberg.ch
Datum: 14.02.2013 08:02 (UTC)
An: hermann.gisler@morpho.ch
Betreff: AW [PESA Schweiz]. Artikel im Schweizer Treuhänder vom 4.2. über Corp. Governance von St. Loozer

Danke, Ursula

Und herzliche Gratulation Deiner Tochter. Sie hat den Mut, die Wirkung, des
Strebens vieler Politiker und Manager nach immer mehr Berichterstattung
auch gegen diesen Mainstream aufzeigen und klar die praktischen Folgerungen zu ziehen.

Die Zeit ist reif, um aus der Untersuchung unter angestrebende, machbarkeitende und machbarkeitende dafür aber
natürliche Integrität beruhender „Standards“ zu bewirken.

Danke dafür!

Freundliche Grüsse

Jürg Wenger
JWC – Jürg Wenger Consulting

Ich bin Kapitän meines Lebens
So verwirklichen Sie Ihre Absichten und Wünsche
im (Bouy-) Leben
mit besservere der Power und Entscheidung

Erkennung 37 / Postfach 1040
CH-8300 Winterthur
Tel +41 31 729 19 21
Handy +41 79 374 20 95
Skype jurg.wenger
jw@jwcconsulting.ch
www.jwcconsulting.ch

---

Lieber Christian


Mit besten Grüßen auch an Deine Tochter Reto
Lieber Christian,

ich gratuliere Deiner Tochter für den sehr kompetenten Artikel und u.a. die entscheidende Erkenntnis, die Herausforderungen. Die große Bedeutung der persönlichen Unternehmenskultur, die in erstem Linie täglich und überall von wahren Menschen-Unternehmen verlagert wird, und die hierbei oft aufzeigen, dass die Kohäsion einer Firma von einer solchen Praxis und Lernkultur viel zu wenig ist.


Max Duttlinger
Dipl.-Oek. HSG / MBA
Tel.: +41 79 776 83 83
Fax: +41 79 776 83 83

---------- Ursprüngliche Nachricht ---------
Von: warmileger@syngenta.com
Gesendet: Dienstag, 27. Februar 2013 18:28
An: "Christian Loeser" (E-Mail-Adresse nicht angegeben)
Betreff: AE: EC-Meeting vom 24.2.2013

Lieber Christian,

Wir wünschen unseren Kunden, die wir unterstützt haben, eine gute Zeit zu haben.

Aus der Firma mit freundlichen Grüßen

Bruno

warmileger@syngenta.com
Hochflüchtistrasse 7
6003 Luzern
+41 41 241 91 13
Lieber Christian,

Habe den Artikel zum Todisten durchgelesen, verstehe ja nicht alles, aber klar ist, dass grosse Papieren-Übungen die Unternehmen noch nie einen Deal wert gemacht haben. Was hatten wir in Grossunternehmen uns nicht tagtäglich mit Papierbrüchen abgegeben, der dicke Orden führten, die Mitarbeiter, denen das kommissarisch war, massenweise angeschossen und von ihren eigenen Aufgaben abgelassen - und die dann in wechselvollen Zeiten ein neuer Chef am Tiroler war, war alles Normalität. Besonders schlimm ist, dass all diese Programmatzügungen unter dem Zusat兹u der Kundenzufriedenheit ließen - der Kunden hat das nie etwas gebracht oder genützt.

Herzlichen Gruss, auch an deine Ursula

Marc

Am 16. Februar 2013 um 13:35 schrieb Christian Looser IMAP <looser.ch@bluewin.ch>

Liebe Kollegen,

Ich habe die Einladung für den kommenden FC-Abend mit gewissen Bedauern zur Kenntnis nehmen müssen, da ich an diesem Abend nicht dabei sein kann.

Meine Tochter Stephanie befasst sich mit diesem Thema seit einiger Zeit und hat eine Studie verfasst zu Corporate Governance. Dabei hat sie einige bemerkenswerte Feststellungen gemacht und diese teilweise im Schweizer Topics Nr. 4.2 publiziert. Ich sende Euch diesen Artikel.

Vielleicht erhält sie oder ich ein kurzes Feedback von Euch.

Ich wünsche Euch eine angeregte Diskussion und bedeute meine Anerkennung.

Liebe Grüße
Christian Looser

### Appendix 11: Assessment of consistency – Summary of Delphi process

<table>
<thead>
<tr>
<th>Participant</th>
<th>Key discrepancies</th>
<th>Assessment of discrepancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>Ownership: liberalistic (relation to the state)</td>
<td>The Swiss model is born by owners who have a liberalistic mind-set, they profit from Swissness as brand while they support the Swiss dual educational system by education of a vast majority of apprentices. However, owner-managers are seen as stubborn and not easy to handle.</td>
</tr>
<tr>
<td></td>
<td>Quality: Swissness</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Education: apprenticeship system</td>
<td></td>
</tr>
<tr>
<td>Trade chamber</td>
<td>Organisation: agility</td>
<td>The Swiss model is determined by the need to be as efficient and agile as possible as a result of market pressure and high fixed costs leading to streamlined production processes and high-end solutions. This evolves highly agile, flat, lean organisations. Further, niche products have high entry barriers, which is an advantage for Swiss companies but a detriment for rival companies from abroad. This keeps process high.</td>
</tr>
<tr>
<td></td>
<td>Quality: efficiency</td>
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<tr>
<td></td>
<td>Product: entry barriers, small-scale, specialised, niche</td>
<td></td>
</tr>
<tr>
<td>Media</td>
<td>Ownership: visionary</td>
<td>The Swiss business model is based on visionary owner-managers. They have a focus on breeding their own workforce due to highly specialised production processes that are not educated by public schools.</td>
</tr>
<tr>
<td></td>
<td>Education: give something back</td>
<td></td>
</tr>
<tr>
<td>Switzerland Global Enterprise</td>
<td>Product: entry barriers, small-scale, specialised, niche</td>
<td>Customised services and solutions that make it nearly impossible for competitors to enter those markets and maximised efficiency as a result of high fixed costs due to small-scale production lead in most cases to optimised cost structures. However, this is permanent process of advancement and adjustment.</td>
</tr>
<tr>
<td></td>
<td>Organisation: agility</td>
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</tr>
<tr>
<td></td>
<td>Quality: efficiency, Swissness</td>
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</tr>
<tr>
<td>SME 1</td>
<td>Ownership: liberalistic, visionary, trust-based, long-term</td>
<td>The Swiss model is based on reciprocity (Caliendo et al., 2012: 398) as survival strategy of self-improvement and organisational evolution. Thus, trust in employees, in quality, in the owner and his value-set are integrative factors that build the cornerstones of the Swiss model. However, this is implicit and seldom explicitly communicated as mission/vision. This proves the moral inclination. The Swiss model is based on personal sales channels, often in a shop, seldom over the internet. These channels are based on long-term relations to the relative suppliers (in most cases SMEs) and sealed by handshake.</td>
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<tr>
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<td>Employees: democracy, trust-based, long-term</td>
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<tr>
<td></td>
<td>Quality: Swissness</td>
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<tr>
<td></td>
<td>Education: give something back</td>
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</tr>
<tr>
<td></td>
<td>Apprentices</td>
<td></td>
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<tr>
<td>SME 2</td>
<td>Product: niche, specialised</td>
<td>The Swiss model concentrates on constant innovation driven not by basic research but by customer desires, thus, they have in most cases only one customer segment due to their niche product. The Swiss model is born by owners, who set the key partners in the community in which they often have an important role; networks and tight relations to employees bear the whole system, however this is very personal and not an anonymous group</td>
</tr>
<tr>
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<td>Employees: trust-based, long-term, tight relations</td>
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</tr>
<tr>
<td></td>
<td>Organisation: networks</td>
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</tr>
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</table>
| SME 3 | ✓ Organisation: networks, flat and lean  
✓ Quality: Swissness  
✓ Employees: trust-based and long-term  
✓ Product: niche  
✓ Education: give something back | Personal, trust-based, tight, but informal relations to customers (and suppliers and the community) are the groundwork of the Swiss business model. The Swiss model is determined by the need to be as efficient as possible as a result of market pressure and high fixed costs leading to streamlined production processes and high-end solutions. This evolves highly agile, flat, lean organisation, so that key activities are reduced to the maximum efficiency by minimal costs. High fixed costs due to small-scale production of specialised niche products limit profits. However, as profit-maximisation is not an imperative in the Swiss model, the focus is not on revenue streams. |
Appendix 12: Guidelines for focus group discussion (translated by the author)

1. What are your motives to do CSR?

2. Why are you interested in topics like CSR, sustainability, environment, social issues?

3. What do you think of this topics?

4. How do you strive for responsibility?

5. What factors of CSR are you interested in? (environmental, economic, social issues?)

6. What makes your approach special?

7. How do you distinguish yourself from your competitors? By CSR eventually?

8. What are the values you strive for?

9. What are deciding attributes of companies in Switzerland?

10. What do you want to change in future?
# Appendix 13: Code tree of intrinsic vs. extrinsic motives

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<tr>
<th>Code-ID</th>
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<th>Erstellt am</th>
<th>Alle Codings %</th>
<th>Aktivierte Codings %</th>
<th>Dokumente</th>
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**Appendix 14: Code memos of intrinsic vs. extrinsic motives**

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**306**
Appendix 15: Significant statements of small companies

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### Appendix 17: Code tree of comparative overview

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### Appendix 18: Summary of secondary data analysis and excerpt of coded statements

<table>
<thead>
<tr>
<th>Country / reference</th>
<th>Summary / Coded statements in red</th>
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<tbody>
<tr>
<td><strong>Italy</strong></td>
<td>A study conducted among 12 family and seven non-family SMEs from Bergamo, Italy, confirmed that CSR is not widely approached by them; hence, they do not have a formal definition for CSR (Campopiano et al., 2012: 328). Further, the knowledge of formal instruments to communicate CSR near activities is scarce and the Bergamo SMEs do not report their activities, although they would accomplish those (Campopiano et al., 2012: 329). Issues related to the adoption of good employee-employer relations are seen as really important, including training courses, flexible hours, and periodic meetings to challenge results and strategies (Campopiano et al., 2012: 328f.). Direct stakeholders (customers, suppliers, and the community) are the recipients of their social activities (Campopiano et al., 2012: 328f). Quality certifications of their suppliers are required while only low-threshold measures are taken regarding customers, since most SMEs in Bergamo sell to retail customers (Campopiano et al., 2012: 329). Donations to religious or parish institutions, amateur sport and social activities with a direct impact on the territory are the most frequent practices (Campopiano et al., 2012: 329). In general, the Bergamo SMEs demonstrate high level of responsible business practices, such as measures of energy consumption, water waste, and packaging reduction (Campopiano et al., 2012: 329). A further study on Italian SMEs points to the fact that they mainly practice CSR through relational methods, by informality, with an internal orientation, and with little evidence of a strategic purpose (Coppa and Sriramesh, 2013: 37). Having a CSR department is nearly non-existent and monitoring of CSR is mainly based on informal feedback, primarily from employees (Coppa and Sriramesh, 2013: 37). Coppa and Sriramesh (2013: 37) stress that many Italian SMEs are family businesses and display a paternalistic approach by the owner/manager, who contributes largely to a familiar environment along Catholic tradition. This combination of Catholic tradition, fascist/communist subcultures, and high level of masculinity constitutes the foundation of the Italian SMEs’ CSR approach: centralised decision-making driven by moral motivations revolving round the owners/managers’ personal values, and the Catholic component with the Roman church spreading its social doctrine (also through the Pope Benedictus XVI’s encyclical Caritas in Veritas) are playing key roles in shaping the future status of CSR in Italy (Coppa and Sriramesh, 2013: 37).</td>
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<tr>
<td>Campopiano et al. (2012)</td>
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<tr>
<td>Coppa and Sriramesh (2013)</td>
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<td><strong>Cameroon</strong></td>
<td>Cameroonian SMEs consider themselves responsible for the well-being of their employees, and with qualification, for their community (Demuijnck and Ngnodjom, 2013: 658). They further reject all forms of nepotism and tribalism whereas they do not feel responsible for the effects of their activity on the natural environment (Demuijnck and Ngnodjom, 2013: 660). However, they take in first place their responsibility for employees’ health and security on the work floor that is approached on a voluntary base, interestingly, the different administrative status of employees seems not to matter at all (Demuijnck and Ngnodjom, 2013: 659). For</td>
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<td>Demuijnck and Ngnodjom (2013)</td>
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instance, in the case of an accident on the floor, the owner/manager bears the costs of the treatment independent from a regular or non-permanent contract (Demuijnck and Ngnodjom, 2013: 659). Though Cameroonian SMEs have to cope with corruption and extortion of civil servants the owners/managers do not feel responsible for the rampant corruption in Cameroon (Demuijnck and Ngnodjom, 2013: 659). Nevertheless, CSR addresses the peculiarity of socio-economic development challenges like healthcare provision and poverty alleviation rather than fair trade or green marketing (Demuijnck and Ngnodjom, 2013: 660).

This is in clear contrast to activities European or US SMEs concentrate on. Amashi et al. (2006: 99f.) for instance argue, that indigenous companies in developing countries give priority to philanthropy in form of providing health care, education to their employees and community rather to broader ethical duties (environmental protection or combating of corruption) and they relate this philanthropy to their traditional socio-cultural heritage of network solidarity based on kinship.

Several Dutch studies (Spence et al., 2000; Van de Ven and Graafland, 2006; Bertens et al., 2011; Uhlaner et al., 2012) brought about, that Dutch SMEs have a strong market-driven approach to sustainability, however in addition they express strong intrinsic ethical motives, since CSR is seen as a moral obligation towards society (Van de Ven and Graafland, 2006: 6).

In general this includes on the one hand the development of eco-innovative products and services, on the other hand, in contrast to Bergamo’s SMEs, also the communication about sustainability and the issue of related reports (Bertens, et al., 2011: 122).

In addition, Dutch SMEs are extensively involved in their local trade associations and communities with the goal to define and enforce environmental protection standards (Uhlaner et al., 2012: 413).

This model of collective problem solving and policy development – known under the “polder model” – underpins the importance of civil society in the Dutch SME context (Spence et al., 2000: 954).

This contrasts findings from UK SMEs, which tend to view environmental or sustainability issues as a cost factor rather than an opportunity, e.g., for competitive advantages (Spence et al., 2000: 949). This could be traced back to the fact, that the governmental regulations remaining a dominant motivator for environmental activities in the UK and therefore, self-regulation is not likely to work well (Spence et al., 2000: 951).

UK SMEs seem to have little incentive to improve their environmental performance beyond the minimal legal standard and the explanations for this fact are various: lower per capital UK governmental spending in the protection of the environment (compared to, for instance, the Netherlands) and the impression SMEs gained from society that, in general, they are not of importance to the
Williams and Schaefer (2013) pointed to the fact, that UK SMEs see some salience – mainly based on a diverse range of popular sources (i.e., internet, media) rather than on information targeted to their companies – in climate change, because climate change affect their personal lives and therefore they showed less confusion about this peculiar phenomenon than in earlier studies. The same managers see a clear contradiction in UK governmental policy and wasted resources (time, money, and public attention), which discourage them from taking pro-environmental action, in other words, the only motivators are most commonly based on personal values and engagement of the mangers themselves (Williams and Schaefer, 2013: 181). These values were generally non-religious (in contrast to e.g., Italian SMEs or the first (i.e., agricultural) sector in Switzerland, however humanistic, or derived from science, particularly from the understanding of “the place of humanity in the course of evolution”, while several respondents stated that they had experienced a concern for the environment and society from an early age as a part of their upbringing (Williams and Schaefer, 2013: 182). Depending on the sector (e.g., chemical industry) legal and regulatory requirements are seen as external motivators as well, although personal values were still the key motivator wanting these SMEs to go beyond legal compliance, and as a consequence, UK SMEs stated that CSR and sustainability issues should become more emotional and less formal (Williams and Schaefer, 2013: 181).

Worthington, Ram and Jones (2006) examined Asian SMEs in the UK and discovered interesting facts in terms of social capital, bonding and bridging respectively. However, the idea of social responsibility tends to be seen in very unspecific and broad ways within the Asian business (Worthington et al., 2006: 207). The types of organisational involvement range from: donation to the community and to charities, supporting the arts, lobbying for particular cause, cause-related marketing to ethical purchasing and investment (Worthington et al., 2006: 209). Sharing best practice on social, ethical, and environmental responsibility, while benchmarking these activities against others, investing in deprived areas, engaging people traditionally excluded from the labour market (disabled or homeless people), and supplier diversity initiatives were other reported activities among Asian UK SMEs (Worthington et al., 2006: 209). Interestingly, CSR was likely to become more important once the organisation had achieved the financial bottom line: the latter is seen as “the springboard from which action in the wider community could be launched” (Worthington et al., 2006: 209). The intrinsic side of social responsibility is about employees, customers etc., on the extrinsic side the SMEs are trying to set up funds for themselves, so that the business should support the charity (Worthington et al., 2006: 209). Whether defined narrowly as action in the community or more broadly as responsibility towards a variety of internal and external stakeholders, CSR is seen as a moral duty (Worthington et al., 2006: 210). Besides, Asian UK SMEs are involved in a variety of CSR related social and business relationships, e.g., formal roles in the Asian Business Federation or Chamber of Commerce, which is a clear sign for engagement in such forms of CSR “to build both bonding and bridging social capital” (Worthington et al.,
2006: 210) – a fact that is not reported to the same extent from not Asian SMEs in the UK.

<table>
<thead>
<tr>
<th>Country</th>
<th>Study/Author (Year)</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Australia</strong></td>
<td>Sen and Cowley (2012)</td>
<td>An Australian study conducted by Sen and Cowley (2012: 420), reports a strong philanthropic participation of SMEs in supporting charities, fund raising, sponsorship, and employee benefits, while engagement in customer or supplier related CSR is nearly inexistent. Among the most popular explanations were: supporting business near stakeholders, giving back to the society, of which the company sees itself as a member, and operating the business ethically, moreover, creating a business reputation, helping community organisations and following social norms (Sen and Cowley, 2012: 420). The expenses on CSR related topics are mostly ad hoc, whereas resources are recognised as the major constraint and the participation depends to some extent on business performance (Sen and Cowley, 2012: 421), comparable to e.g., Asian UK SMEs. Australian SME owners/managers often take time out of their schedule to engage with institutions in the near community that had no direct stake in the business, because the connections with these institutions are seen instrumentally for the purpose of networking or information gathering/sharing (Sen and Cowley, 2012: 421). The seemingly greater attention of lower salient stakeholders is an interesting fact, especially from a stakeholder point of view. Hence the stakeholder salience is not the criterion for Australian SMEs’ social participation (Sen and Cowley, 2012: 422). In general, profit-maximisation is not an imperative for SMEs in Australia, however they prefer to be seen as a community member besides a personal satisfaction (Sen and Cowley, 2012: 422), a fact that could be confirmed by other studies (Wartick and Cochran, 1985: 760; Torugsa, O’Donohue and Hecker, 2013: 384), which focus on the proactive approach Australian SMEs demonstrate above and beyond regulatory requirements.</td>
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<td><strong>Wartick and Cochran (1985)</strong></td>
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<td><strong>Torugsa et al. (2013)</strong></td>
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<td><strong>Finland</strong></td>
<td>Lähdesmäki and Suutari (2012)</td>
<td>Similar findings are reported from 25 Finish SMEs. They point to the strong embeddedness in localities and the heterogeneous networks of personal and company connections (Lähdesmäki and Suutari, 2012: 485). For those SMEs responsibility is more than a reaction on normative pressure or taking care of their legal obligations (Lähdesmäki and Suutari, 2012: 489). The core functions of business exceed the sole manufacturing of products or providing services by contributing something to the welfare of the local community as one of the stakeholders in a greater network of businesses (Lähdesmäki and Suutari, 2012: 489). Their responsible business is often based on the idea of “enlightened self-interest” (Johnson et al., 2008: 146), in terms of, that bearing responsibility for the local community is thought to be according to the best interests of the SMEs’ business (Lähdesmäki and Suutari, 2012: 489). As a consequence, the key driver for community engagement is the awareness of positive outcomes, although these outcomes rarely are of any direct financial benefit, on the contrary, the actual effects – such as positive reputation and reciprocal local collaborations – are rather difficult to measure (Lähdesmäki and Suutari, 2012: 489). Besides these benefits, social embeddedness is based on reciprocity. This reciprocity is understood as a moral norm, indeed, the relationships between Finish SMEs and the community leads to a “circle of reciprocity” where the mutual, interactional advantages are acknowledged by both parties.</td>
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<td><strong>Lähdesmäki and Suutari (2012)</strong></td>
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(Lähdesmäki and Suutari, 2012: 489). Hence, both sides seem to invest in the success of the other: local communities appreciate SMEs by asking them for their opinion and offering them the option to comment on local affairs, so that SMEs positively respond by commitment to their village and their investment in the economic development (Lähdesmäki and Suutari, 2012: 488f.). Hence, local involvement is not considered a threat to rational business operations, but optimal social proximity between Finish SMEs and local communities is mutually beneficial for both parties (Lähdesmäki and Suutari, 2012: 490).

<table>
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<tr>
<th>Germany</th>
<th>A study conducted in 15 German SMEs showed that none of the owner/manager had a role in traditional civic leadership (Spence et al., 2003: 21). The reason is that they have no time for so-called “secondary activities”, because daily operations are a heavy burden solely born by owner/manager and a small number of relatives or underlings (Spence et al., 2003: 22). Similar to Dutch and Asian UK SMEs a great number of German firms where engaged in sector or small-firm specific organisations, e.g., in the German Chamber of Commerce (Spence et al., 2003: 21). The reasons for those engagements are seen from an arms-length position and the time invested is a measure to establish the company (Spence et al., 2003: 22). Intra-sector collaboration is often reported and identified as important source of social capital. The form of such connections is wide ranging: exchange of information and recommendations, subcontracting, or borrowing equipment (Spence et al., 2003: 22). These often long-lasting, informally cooperative links have their origin in dropped out employees, who are again employed within the sector and everyone is supplying something to the other and vice versa (Spence et al., 2003: 22). However, this collaboration is not reported to be on a bigger scale, it is more “a helping each other out, so that everybody can take things a bit easier” (Spence et al., 2003: 22). On the other hand, comparably to Swiss SMEs, cross-sectorial networking in the broader local business community is rare and only found under geographical proximity, e.g., between neighbouring firms located in the same industrial estate or street (Spence et al., 2003: 23). Such activities could include the organisation of a Christmas barbecue for neighbours and customers, whereas also cases of “the dark side of social capital” (Putnam, 2000: 355) were reported, e.g., hijacked agendas from informal meetings to forward own agendas of complainants against leaseholders (Spence et al., 2003: 24). In general, German SME managers invoked notions of community and a feeling of wanting “to give something back”, of making friends, and to establish business ties in the long-run where contracts and networks are generated through work (Spence et al., 2003: 25). Overall there are several parallels to Swiss SMEs, which need to be further scrutinised.</th>
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<td>Germany</td>
<td>Spence et al. (2003)</td>
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<th>Hong Kong</th>
<th>Opposite to those findings, a study conducted with stakeholder groups in Hong Kong (Chamber and Business Association, NGOs, governmental authorities, academia, legislative council, finance sector, media) emphasised supply chain pressure as the most effective driver for environmental change there (Studer et al., 2008: 295). A range of means to promote environmental change – such as fiscal policy, energy process, voluntary agreements, consumer preference, employee pressure, etc. – was presented to those stakeholders and the likely effectiveness against the likelihood of it being implemented was assessed by them (Studer et al., 2008: 296).</th>
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<td>Hong Kong</td>
<td>Studer et al. (2008)</td>
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Overall, they saw means that influence company competitiveness as being more effective than voluntary agreements or employee pressure (Studer et al., 2008: 295). Supply chain pressure is seen as most effective in terms of its likelihood to become more important in future (Studer et al., 2008: 295) – this is opposed the attitude of a number of SMEs’ owners/managers (not only from Hong Kong but also e.g., in Switzerland) when they were asked in other studies about meaningful measures. Nevertheless, Studer et al. (2008: 296) found that SMEs in general do not react on non-financial incentives due to the competitive climate in Hong Kong and financial means were judged as too bureaucratic and unlikely to be implemented in Hong Kong’s strong free market economy and narrow tax base.

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<tr>
<th>Country</th>
<th>Study</th>
<th>Source</th>
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<td>China</td>
<td>Li (2012)</td>
<td>76% of 1500 Chinese companies surveyed in a study conducted by the CSR Development Center of Ministry of Commerce reported to have never heard of a Code of Conduct and 58% are not aware of standards like SA 8000 or ISO 26000 wherefrom the author concludes that Chinese companies (including SMEs) lack knowledge and attention to CSR (Li, 2012: 570). In addition, he reports that at present law-making on CSR is divided into various laws and regulations such as product quality and consumer protection law, environmental and social protection laws, and a general, systematic system is not implemented yet (Li, 2012: 571). Nevertheless, especially the SME sector faces competition from multinational commodity supply chains, thus, CSR campaigns has become an important factor of globalisation and a factor of international competitiveness (Li, 2012: 569). Some respondents, however, added that competitiveness only exists if accountability exists – e.g., in terms of standards (as SA 8000) to differentiate and there through enhance core competitiveness, increase appeal as employer, gain customer loyalty, and improve supervision (Li, 2012: 569). The respondents further wished that the promotion of CSR should be increased to attract attention of the whole Chinese society, so that economy structure should be adjusted to promote an industry structure upgrade apart from quantity-dominated growth aims, labour laws and production conditions, quickening law making, and exerting the function of media – in order to amplify the mechanism of CSR supervision and restriction (Li, 2012: 571).</td>
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<td>Taiwan</td>
<td>Lin et al. (2009)</td>
<td>The results from a study conducted among manufacturing SMEs in Taiwan (listed on the Taiwan stock exchange for more than three years, ranked within the top 200 manufacturing firms in Taiwan, donated a minimum of NT$ 2.5 million in 2003) point to the fact that the intensity of CSR investments has no significant positive impact on return on assets (ROA) as a short-term variable of corporate financial performance (CFP) (Lin, Yang and Liou, 2009: 60). This implies that at least in the short run “the better a firm’s investment in CSR the better its financial performance” is not the case (Lin et al., 2009: 60). Nevertheless, the reported key drivers for nurturing and maintaining societal welfare in Taiwan are: the decision to be environmentally sustainable, a strong commitment to corporate social governance, and an open dialogue with stakeholders (Lin et al., 2009: 59). To achieve these principles SMEs devote a certain percentage of their pre-tax profit to community involvement in the form of donation that can be used</td>
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to support health, education and charitable work, and general welfare (Lin et al., 2009: 59).

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<th>Location</th>
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<td>Singapore</td>
<td>Lee et al. (2012)</td>
<td>Compared to those findings, research from Singapore reported slightly different results: 63.7% of all respondents are well aware of CSR, which include philanthropic and concerns of environment (Lee et al., 2012: 304). In specific, owners/managers from Singapore indicate that fostering truthful information, as well as training and enhanced benefits for staff, providing quality products and employee empowerment, helping local communities, caring for the environment, ensuring safety standards and anti-discrimination rules, and respecting individual rights can be classified as “their” CSR (Lee et al., 2012: 304f.). Likewise, an ethical impetus, institutional responsibility, individual values (e.g., to be a Good Samaritan), relationships (such as the sense of family and belonging), governmental influence, and an instrumental rationale for improving profits were mentioned as reasons for the high CSR awareness in Singapore (Lee et al., 2012: 305f.). The reported barriers for a successful implementation of CSR activities are: business goals (profit as core business driver), stakeholder apathy, lack of resources (mainly time, know-how and manpower, astonishingly not money), and situational reasons, like bad economy and recent scandals in the charity sector in Singapore (Lee et al., 2012: 309f.).</td>
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<td>Austria</td>
<td>Ortiz Avram and Kühne (2008) Gelbmann (2010) Höllerer (2013)</td>
<td>A case study describing an Austrian noodle factory revealed that the consideration of social goals in the Human Resources and Marketing &amp; Sales departments is prevalent for CSR there: the company offers, as a family tradition, accommodations for its employees and a system of fringe benefits going beyond legal requirements (e.g., every employee is allowed to carry home 6 kg of pasta/month) (Ortiz Avram and Kühne, 2008: 471). The company has also an in-house academy offering free training and language classes, as non-German speaking immigrants are part of the staff in almost every Austrian SME and German courses are implemented to promote integration and development opportunities to workforce from abroad (Ortiz Avram and Kühne, 2008: 471). The authors conclude that responsible business behaviour is not a matter of getting SMEs away from their usual way of doing things, since SME owners/managers in Austria are well aware of the fact that they can only “do well in the long run by doing good” to society and environment (Ortiz Avram and Kühne, 2008: 472).</td>
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<td>US</td>
<td>Ryan (1989)</td>
<td>A number of US studies explored the motivations of SME owners/managers, or entrepreneurs as they are named in these studies respectively. The reported internal factors for ethical or responsible business practices are: community norms, upholding the law and peer pressure, fear of punishment, higher religious or moral principles, and anticipation of rewards (Ryan, 1989: 92). In terms of external factors there were statements concerning: regional anchorage, publicity, churches, competition, regulations, public and media disclosure, contemporary social standards, and critics of businesses (Ryan, 1989: 92). In addition, US entrepreneurs are sometimes stricter and at other times more lax than others in their ethical judgments, depending upon the issues being considered (Ryan, 1989: 93). The issues where entrepreneurs appeared to be more ethical were around health and safety at work, discrimina-</td>
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tion, favouritism, tax evasion, and insider trading (Ryan, 1989: 95).

Following Wilson (1986: 18) the respondents from his study stated that doing the thing called “social responsibility” was necessary for “the role of profit” as such acts lead to repeated business, a good reputation, etc. Brown and King (1982: 15ff.) surveyed 122 US SMEs and observed that SMEs’ ethics were higher than the ones of public offices or MNEs. SMEs rated the importance of equal employment opportunities, efficient use of resources higher than private individuals; hence, the major contribution of SMEs to society is the providing of jobs and innovation (Christmas and Frey, 1982: 25).

In relation to demands and perceptions of the general public US SMEs assess their social responsibilities in a quite adequate way (Christmas and Archer, 1984: 47). This brings about the danger that a misinformed public will not be aware of potential drawbacks of proposed governmental regulations and laws (Christmas and Frey, 1982: 25). A good example is the minimum wage law that has the tendency to undermine the generation of new jobs and innovation within SMEs because it decreases marginal gains when SMEs employs low-skilled or unexperienced staff (Chrisman and Archer, 1984: 56). Similar to the results from Switzerland, Chrisman and Archer (1984: 54) conclude that the public needs to be better informed about SMEs’ economic role, social contribution, and specifics, e.g., as employer, for innovation, in regard to flexibility.

Spanish SMEs are reported to be a heterogeneous group in terms of their orientation towards CSR (de la Cruz Déniz Déniz and Cabrera Suárez, 2005: 38). De la Cruz Déniz Déniz and Cabrera Suárez (2005: 35) found three clusters within Spanish SMEs: the first cluster is mainly characterised by considering social action not a source of competitive advantage. These companies do not have the resources and capabilities to solve social problems, in other words, they have the objective of “profit-maximisation” and social issues are considered to generate net costs (de la Cruz Déniz Déniz and Cabrera Suárez, 2005: 35). The second cluster compromises companies that consider social responsibility a source of competitive advantage that allows new regulations and laws to be avoided (de la Cruz Déniz Déniz and Cabrera Suárez, 2005: 36). These companies seem to have the resources and capabilities to resolve social problems, although they have still a quite socio-economic approach and a reduced vision of social investment: social responsibility should at least bring some net profit to the company (de la Cruz Déniz Déniz and Cabrera Suárez, 2005: 36). Social implications are neither a source of competitive advantage nor a way of avoiding legislation within the third cluster (de la Cruz Déniz Déniz and Cabrera Suárez, 2005: 36).

Hence, this group fits a philanthropic profile towards CSR, as these companies believe that they should foster a genuine relationship with society, community, and stakeholders – even if it is considered a net cost (de la Cruz Déniz Déniz and Cabrera Suárez, 2005: 36). Interestingly, the first cluster is mostly in the first generation and on average 34 years old, whereas the third philan-

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<td>Wilson (1986)</td>
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<td>Brown and King (1982)</td>
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<td>and Katiuska Cabrera Suárez (2005)</td>
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A study from Chile and Catalonia reported that recycling, the encouragement of customers to be environmentally friendly, selecting sustainable suppliers, and the use of renewable energy were the main claims of SMEs in those regions in terms of environmental issues (Tamajón and Fond i Aulet, 2013: 39). Social measures mainly concentrate on support of local community development, heritage conservation, and respect for local cultures (Tamajón and Fond i Aulet, 2013: 41). Concrete measures are taken by the owners/managers regarding family-work balance, having disabled-friendly facilities, the cooperation with social projects, however with lower interest in other measures, such as customer awareness or the hiring of disabled people (Tamajón and Fond i Aulet, 2013: 42).

The most popular economic measures are: hiring local people and paying them just salaries, often above average, promoting local products among customers, choosing suppliers that support local development, whereas, on the contrary, training programmes for staff and charitable giving are seldom (Tamajón and Fond i Aulet, 2013: 42). “Not knowing what to do” contributed by 20% and concerns about increased management costs by 61% (Tamajón and Fond i Aulet, 2013: 42f.). Lack of budget is the most reported hurdle for being more responsible or introduce more measures, this is followed by lack of time (Tamajón and Fond i Aulet, 2013: 42), similar to many other studies, mainly to the ones from Germany (Spence et al., 2003: 22).

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Appendix 19: Additional material (electronic files)

- Transcripts
- MAXQDA files
- VennMaker files
- Published papers
- Six monthly and annual reports from Surrey
- Pdf file of thesis