

The influence of commitment to social responsibility on social innovation: A qualitative study on Dutch small to medium enterprises

Author: Vivek Arora
University of Twente
P.O. Box 217, 7500AE Enschede
The Netherlands

ABSTRACT,

As evident from existing literature, there is an apparent need for a better understanding of how Small to Medium Enterprises (SME) engage in social responsibility and how their engagement affects innovation. In that regard, this study aims to explore the influence commitment to social responsibility has on social innovation in SMEs. A qualitative ‘multi-case study’ method was utilized to examine seven Dutch SMEs. Semi-structured interviews were used to collect data which was then analyzed to find similarities and differences between the cases by means of a ‘within case’ and ‘cross case’ analysis. Despite the limitations of a small sample size for interviews, the results still indicated that a commitment to social responsibility creates a socially aware and dedicated company culture within an SME. As a result, commitment to social responsibility leads to development of innovations which focus more on contributing to society rather than profit.

Graduation Committee members:

1st Examiner: Dr. Kjartan Sigurdsson

2nd Examiner: Dr. Dorian E. Proksch

Keywords

Corporate social responsibility (CSR), Social innovation (SI), Small and medium enterprises (SMEs), CSR commitment, Social Responsibility (SR)

1. INTRODUCTION

The European Commission refers to social responsibility (SR) as the responsibility of a business for their influence on society (European Commission, 2011). The topic of social responsibility has become more important (Carroll & Shabana, 2010; Stekelorum, 2020) and has gained increased attention from academics and practitioners in recent years (Conesa, 2016; Ortiz et al., 2018). The implementation of social responsibility can benefit both society and businesses (Książak, 2016), as research indicates that its implementation can lead to the development of new technologies and innovations that contribute to the progress of society (Książak, 2016). However, the combined topic of social responsibility and innovation has only recently been explored in the literature (Szutowski & Ratajczak, 2014).

Furthermore, most research focuses primarily on large companies (Vo, 2011; Castro et al., 2015; Ortiz et al., 2018), with less attention being given to social responsibility in small to medium enterprises (SMEs) (Bikefe et al., 2020). The neglect in literature has been linked to the small size of SMEs, assuming it limits their potential for social impact (Bikefe et al., 2020). In reality, SMEs play an important role in the European economy (EU commission, 2019) as they account for 80% of Europe's employment, and innovation activities in SMEs are a major contributor to the development of new markets (Veugelers, 2008). However, the topic of social responsibility and innovation within SMEs remains under-researched (Macgregor & Fontrodona, 2008; Bocquet & Mothe, 2013).

Researchers have urged the need to better understand social responsibility engagement in SMEs (Morsing & Perrini, 2009; Vázquez-Carrasco & López-Pérez, 2012) and the relationship between social responsibility and innovation in SMEs (Bocquet & Mothe, 2013). Thus, this study contributes to existing literature relating to social responsibility and social innovation in the context of SMEs by developing a deeper understanding of the influence commitment to social responsibility has on social innovations in SMEs. This leads to the study's research question:

"What influence does commitment to social responsibility have on social innovation in Dutch SMEs?"

The practical relevance of this study is the improved understanding of current social responsibility implementation in SMEs. Its impact and its influence on social innovation can aid decision-makers in better implementing and understanding the outcomes of practicing social responsibility (Morsing & Perrini, 2009; Vo, 2011).

The research question is answered by reviewing literature related to social responsibility and social innovation in SMEs and by conducting a qualitative multiple case study. The descriptive, instrumental, and normative attributes (Mason & Simmons, 2014) of stakeholder theory (Freeman, 1984) are used to better understand the commitment to social responsibility and social innovation in SMEs. The descriptive attribute relates to a firm's commitment to social responsibility, reporting on social responsibility corresponds with the instrumental attribute, and finally, engaging in innovation activities to resolve social issues corresponds with the normative attribute (Sigurdsson & Candi, 2019).

The study is structured as follows. First, literature regarding the concepts of social responsibility and social innovation are reviewed. The next section describes the research methodology by explaining the analysis approach, cases selection and sampling, data collection method, and data analysis method. Then, the findings and results are presented and then analyzed in the subsequent section. Finally, in the discussion, the conclusion,

managerial implications, limitations of the study, and future direction for research are discussed.

2. LITERATURE REVIEW

The following sections will be reviewing literature related to social responsibility and social innovation. The literature review will focus on the origin of social responsibility, stakeholder theory, social responsibility within SMEs, and social innovation. At the end of this section, an understanding of the current literature related to the aforementioned topics is developed. Social Responsibility

2.1.1 Origin and definition of social responsibility

The concept of social responsibility was introduced after World War II but was not considered important until the 1960s (Carroll & Shabana, 2010). The start of modern social responsibility (Carroll & Shabana, 2010; Rahman, 2011) was signified as society started taking note of the unsafe products being sold, repressive labor practices, businesses negatively affecting the environment, and morality being compromised to gain more power and money (Lantos, 2001).

One of the earliest definitions of social responsibility was proposed by Bowens (1953), who defined the social responsibility of businessmen 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 our society" (p6). Bowen's definition focused on having decision-makers consider how their actions align with society's values and to take actions that benefit society. Bowen's definition gave rise to further explorations on the topic of social responsibility (Agudelo et al., 2019) which led to the development of new definitions.

Another important definition was provided by Keith Davis (1960) who defined social responsibility as referring to the decision and actions taken by a businessman for reasons beyond economical interest (Davis, 1960). Later in the 1970s, Eilbert and Parket (1973) emphasized the implementation and practice of social responsibility, defining social responsibility as the, "commitment of a business or businesses, in general, to an active role in the solution of broad social goals" (Eilbert & Parket 1973, p7).

These definitions focus on different aspects of social responsibility and, at the time, were being used in many different contexts (Agudelo et al., 2019). The first unified definition of social responsibility was introduced by Carroll (1979), stating, "The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time" (p. 500). By building upon previous definitions, Carroll's definition is concise, applicable under any context (Agudelo et al., 2019).

2.1.2 Stakeholder theory

Stakeholder theory (Freeman, 1984) has emerged as the dominant concept in social responsibility (McWilliams & Siegel, 2001; Bikefe et al., 2020). The theory is concerned with the relationship between an organization and its relevant stakeholders (Fernando & Lawrence, 2014). Freeman (1984) defines stakeholders as a group or individual who can or is impacted by the actions of a company. Managers, in organizations, encounter demands from both internal stakeholders (such as employees) and external stakeholders (such as customers) (McWilliams & Siegel, 2001). These stakeholder demands can motivate organizations to commit to social responsibility (Sigurdsson & Candi, 2019) to reduce risks associated with stakeholders (Morsing & Perrini, 2009).

Furthermore, Mason and Simmons (2014) identified three attributes of stakeholder theory: the descriptive, normative, and instrumental attributes. The descriptive attribute identifies an organization's stakeholder expectations, how it relates to its stakeholders, and the implications for both parties, if expectations are met (Donaldson & Preston, 1995; Brickson, 2007; Mason & Simmons, 2014). This attribute describes who an organization's stakeholders are, how the organization manages its stakeholder relationships, and the influential drivers for a company to commit to social responsibility. Thus, for this research, descriptive attributes of the organizations will be used to understand their commitment to social responsibility (Sigurdsson & Candi, 2019).

The normative attribute views social responsibility as an essential part of business. This perspective is related to organizations' moral and ethical guidelines (Donaldson & Preston, 1995). Social innovation can demonstrate a firm's ethical and moral values by developing new products or services which solve social problems rather than seek profit (Phillis et al., 2008; Klein et al., 2010; Sigurdsson & Candi, 2019). The final attribute is instrumental, which relates to communicating social responsibility activities to stakeholders to enhance firm performance, effectiveness, and profits (Mason & Simmons, 2014; Sigurdsson & Candi, 2019). According to Mason and Simmons (2014), organizations can demonstrate more than one of the three attributes of stakeholder theory.

2.1.3 Social responsibility in SMEs

The European Commission (2019) defines SMEs as having less than 250 employees and an annual turnover of less than or equal to 50 million euros or a balance sheet less than or equal to 43 million euros. Social responsibility is important in SMEs, as SMEs account for over ninety-nine percent (99%) of all enterprises in Europe (European Commission, 2019). Social responsibility is considered a major source for improving performance in SMEs (Yumei et al., 2021). Knudson (2018) concludes that social responsibility can provide a competitive advantage by improving a company's reputation, improving employee motivation, and increase sales. Yet, there exists a lack of consensus regarding the perception of social responsibility in SMEs in literature (Sen & Cowley, 2012).

On one hand, the literature finds that European SMEs view social responsibility as a threat (Morsing & Perrini, 2009). SMEs believe the inability to meet legal requirements or social expectations can lead to diminished competitive ability (Morsing & Perrini, 2009). Furthermore, some studies indicate that SME directors are skeptical about the benefits of implementing SR activities and are not motivated to go beyond legal requirements (Revell & Blackburn, 2007) as it can influence their bottom line.

SMEs emphasize survival over socially responsible initiatives beyond legal compliance (Jenkins, 2004). Therefore, the limited resources of SMEs are cited as a significant barrier to implementing social responsibility (Vo, 2011, Lepoutre & Heene, 2006). Furthermore, Lepoutre and Heene (2006) find that SME directors lack the time and information to implement CSR activities. Research suggests that the lack of knowledge related to social responsibility can discourage its implementation in SMEs (MacGregor & Fontondona, 2008; Kechiche & Soparnot, 2012).

On the other hand, literature also indicates that SMEs are not always profit-driven (Goffee & Scase, 1995; Sen, 2011). The primary motivation for implementing socially responsible actions in SMEs is the owner's personal values (Lapoutre & Henne, 2006; Kechiche & Soparnot, 2012). The smaller scale and more informal work relationships of SMEs increase personal contact with internal and external actors (Julien & Marchesnay,

1996; Torrès, 1999). This leads SME directors to think of social responsibility less economically and more socially and environmentally (Kechiche & Soparnot, 2012). Additionally, the literature indicates that SMEs play a major role in local economic development by contributing to solving social problems (Joseph, 2000). The implementation of social responsibility can drive the development of innovative products and services, allowing an SME to take advantage of new markets (Jenkins, 2009). According to Herrera (2015), innovation can be a mechanism to integrate social responsibility.

Furthermore, MacGregor and Fontrondona (2008) analyzed the implementation of social responsibility in SMEs and reported two approaches: proactive and reactive. Chang (2015) defines proactive social responsibility as a company's ethical behavior to support sustainable social, economic, and environmental developments, going beyond legal requirements. MacGregor and Fontrondona (2008) state that a proactive approach requires a progressive and inventive mindset, which strives to develop new solutions to issues rather than following the market. Contrastingly, a reactive approach relates to responding to social or legal changes. Chang (2015) defines a reactive approach as a company's ethical behavior to solely meet legal requirements. Most literature has emphasized SME's exhibiting a reactive attitude towards environmental and social issues (MacGregor & Fontrondona, 2008; Klewitz & Hansen, 2013), although this is becoming more uncommon (MacGregor & Fontrondona, 2008).

2.2 Social innovation

The social dimension of innovation has recently gained more attention in the literature (Cajaiba-santana, 2014; Candi et al., 2019; Sigurdsson & Candi, 2019). Definitions of social innovation are provided in the literature, such as Phillis et al. (2008), who define social innovation as a better solution to a social problem that creates value mainly for society rather than shareholders. Additionally, Herrera (2015) provides a similar definition for social innovation, as being an initiative that uses new concepts to create shareholder and social value. Finally, based on the research by Candi et al. (2019) on definitions of social responsibility, they created the term: "innovation with social intent" (p. 1019). Their study identified three perspectives in the literature addressing the social aspect of innovation; 1) social innovation in a not-for-profit context, 2) businesses combining both for and not-for-profit perspectives to solve social issues and 3) social innovation from a business ethics perspective. In the third literature perspective, business goals and social needs are combined to generate shared value for society and shareholders. From this perspective, managers view business and social goals as one and create value for business and society through innovation (Candi et al., 2019).

Contrastingly, MacGregor and Fontrondona (2008) state a virtuous cycle between social responsibility and innovation (Figure 1). Their study concludes that SMEs can be driven by their values or in search of value. Furthermore, MacGregor and Fontrondona (2008) state that there are two types of social innovations. The first type, CSR-driven innovation, is driven by values and aims to create a product or service with social intent. Thus, innovation actions are more focused on "doing the right thing" (p. 14). The second, Innovation-driven CSR, is driven by value and the developed output may not have a social motive, but the product does aim to meet social expectations. Thus, innovation actions are more related to "doing things right" (MacGregor & Fontrondona, 2008, p. 14).

Furthermore, MacGregor and Fontrondona (2008) state that social innovation requires a proactive attitude towards social responsibility. Social responsibility can drive firms to engage in innovation that is not necessarily about cutting-edge technology

but about solving social problems (Van der Have & Rubalcaba, 2016). Cajaiba-Santana (2014) supports this by stating that social innovation is presented as a normative instrument to resolve social problems by creating new services or products. Thus, the development of social innovations can indicate a firm's commitment to CSR through applications of its values (Mishra, 2017).

By combining this literature, a virtuous circle of social responsibility and innovation is anticipated as shown in Figure 1. Furthermore, it is expected for most SMEs implement CSR out of obligation and possess a reactive, innovation-driven CSR approach, with their main motivation being value.

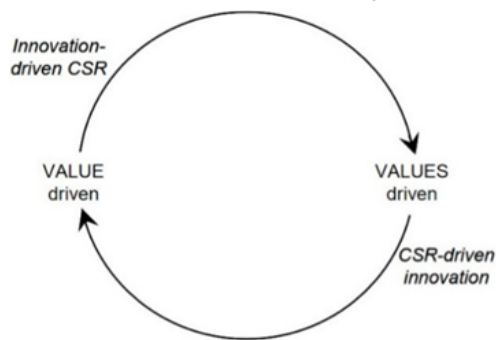


Figure 1. Virtuous cycle of CSR and innovation.
(MacGregor & Fontondona, 2008)

3. METHOD

3.1 Analytical approach

This study aims to gain a deeper understanding of what influence commitment to social responsibility has on social innovation in SMEs. The study is exploratory in nature as it attempts to gain insight into an under the researched topic (Saunders et al., 2003), thus a qualitative multiple case study method is used. A multiple case study is most often used in exploratory research (Saunders et al., 2003) and requires studying individual cases separately and then comparing them (Starman, 2013) to understand the similarities and differences between the cases (Gustafsson, 2017; Baxter & Jack, 2008; Stake, 1995). Adopting this approach results in more robust outcomes in the context of inductive theory building (Eisenhardt & Graebner, 2007). Therefore, through the analysis and comparison of the cases, a deeper understanding of how SR commitment in SMEs influences social innovation can be gained. Figure 2 provides a step-by-step overview of the study's methodology process.

3.2 Case selection and Sampling

Seven cases were selected using convenience sampling, which is collecting data from a population that matches all relevant criteria based on convenient availability (DeCarlo, 2018). The selection criteria for this study were based on the European Commission (2019) definition, which defines SMEs as having less than 250 employees and an annual turnover of less than or equal to 50 million euros or a balance sheet less than or equal to 43 million euros.

The cases for this study were selected from the "KVK innovative top 100 2020" (Kamer van Koophandel, 2021) list. This list presents the 100 most innovative Dutch SMEs in 2020 and describes their innovation. Out of the 100 SMEs, 71 were randomly contacted via email for interviews. Out of the 71 contacted SMEs, 8 companies responded positively for an interview. A detailed overview of the steps taken to obtain the final samples can be found in Table 1. Appendix (2)

Additionally, the topic of data saturation arises when selecting cases. Researchers provide insight into data saturation in multiple case studies; Guest et al. (2006) define data saturation as when no new data and no new themes arise. They note that six to twelve interviews may attain data saturation. Additionally, Schoch (2016) states that four unique cases for comparison are sufficient in a multiple case study. However, it should be noted that the point of data saturation differs for each study (Fusch & Ness 2015; Schoch 2016). In this study, data saturation was reached after seven interviews when no new information was obtained.

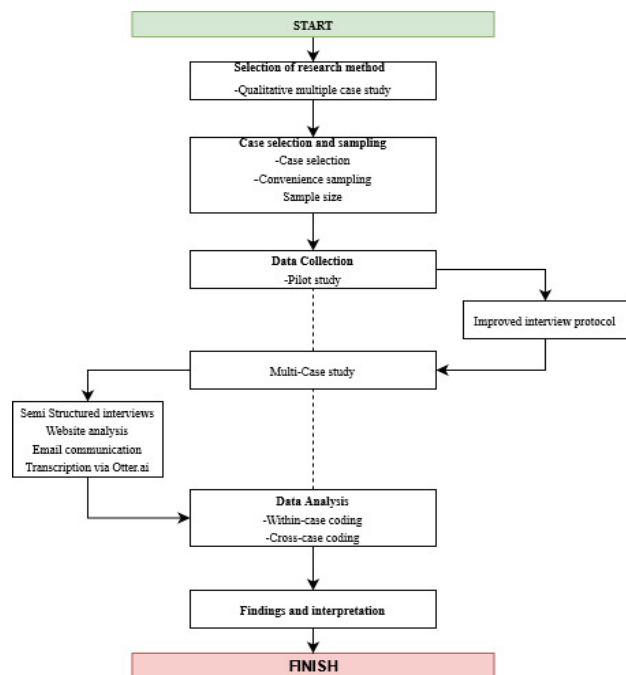


Figure 2. Methodology process planning and steps

3.3 Data collection

3.3.1 Data collection method

Semi-structured interviews were conducted to collect data for this study. Semi-Structured interviews are the most dominant data collection method used in social sciences (Bradford & Cullen, 2012), and posing open-ended questions allows the participant to elaborate on questions and clarify answers (Creswell, 2014). Additionally, Popping (2015) states that open questions are useful to construct new theories. Furthermore, to develop a more detailed overview (Sands & Roer-Strier, 2006) and to enhance the reliability of the data (Fusch & Ness, 2015), a with-in data triangulation method was used. Data triangulation involves collecting data from multiple sources (Nøkleby, 2011), it is important in qualitative research and the with-in triangulation method also helps achieve data saturation (Fusch & Ness 2015).

Two pilot studies were conducted to test the interview protocol quality before the case interviews. By conducting a small-scale trial of the interview, with the same inclusion criteria and methodology as the main study. Feedback was received and was used to improve the interview protocol's quality, improve interview questions, and identify and rectify potential researcher biases (Chenail, 2011).

3.3.2 Interview design

After the pilot studies, the interviewees were informed about the interview topics via email and were sent an invite link for their preferred video call platform. Due to the ongoing global pandemic and regulations encouraging social distancing, the

interviews for this study were held online via platforms such as Google hangouts, Microsoft Teams, and Zoom, as per the convenience of the interviewee. Before the interview started, the respondents were asked for permission to record the interview. The interview was separated into three parts. The first part aimed to gather information about the company and its business activities. The second part, related to the descriptive attribute of stakeholder theory, asked questions about their CSR activities and their motivation for CSR engagement. The final part of the interview focused on innovation and related to the normative attribute of stakeholder theory. Questions were asked about how the company innovates, their drivers for innovation, and the integration of values in their innovation. A list of the interview questions is provided in the Appendix (1).

The recorded interviews were transcribed utilizing “Otter.ai” and as per the request of the interviewees, all information was anonymized. Additional follow-up emails were used to gain more information and the firms’ websites were examined before the interview to increase the reliability of the results (Robert, 1999).

3.4 Data analysis

After the interviews were transcribed, they were analyzed using within-case and cross-case analysis. Like Yin (2003), Ayres et al. (2003) recommends performing a within-case analysis to understand individual cases and then a cross-case analysis to compare them. The interviews were analyzed using inductive content analysis, which is used for making conclusions from data with the purpose of providing new knowledge or insights (Krippendorff, 1980). Using this analysis method is recommended in a situation where existing knowledge on the subject is lacking (Elo & Kyngas, 2007).

Microsoft Word and Excel were used to manually code the interview data following the recommended method by Ose (2016), who states the method is efficient for more than four interviews. The codes from the content analysis are organized into categories and groups and each case was coded separately using the same method (Elo & Kyngas, 2007). The categories and codes can be found in Table 2. Appendix (3). Once the within-case analysis was complete, a cross-case analysis was conducted between the cases to examine similarities and differences (Yin, 2003). The interview data was analyzed to arrive at a description of each company’s business objective, their commitment to social responsibility, and their innovation activities.

4. FINDINGS

4.1 Overview of cases

An overview of the cases is provided in Table 1. The table presents the 7 companies which were used for data analysis. The following section will be describing each company’s start and business objectives, their perceived and practiced social responsibility, and describe their views on innovation and social innovation.

Table 1. Overview of participating companies

Company	Product type	Founded	Employees	Revenue last year	Position interviewed
A	Consumer Electronics	2016	7	€100,000	CEO
B	Transportation	2016	3	Not disclosed	CEO
C	Food	2019	3	<€50,000,000	CEO
D	Food	2019	10	€150,000	CEO
E	Energy storage system	2014	26	<€1,000,000	CEO
F	Security device	2009	3	€200,000	CEO
G	Computer software	2018	10	€200,000	Sales Manager

4.2 Results of individual cases

4.2.1 Company A

The company started due to the CEO’s previous experiences and strives to improve their customer’s quality of life. The CEO stated their goal is to create a healthy company that cares for its employees.

Social Responsibility

The interviewee defined SR as “caring for the people, environment and things you impact”. He commented he values feeling good and being healthy and wants to share this with his employees and customers. To share his values, the company’s product stabilizes a user’s sleep schedule to improve their quality of life. When asked, the interviewee agreed that the company plays an active role to enhance people’s wellbeing.

The company’s main stakeholders are its customers and employees. The interviewee agreed they are more driven by their values rather than profit. He commented that decisions are always made in the company employees’ best interest, although profit-based decisions are also necessary. He stated, “We need the business to keep the employees at work. One thing cannot go without the other thing”. The company does not have a formal SR strategy, rather the drive to help people and improve their lives via technology is at the core of the company’s culture.

Social innovation

The CEO stated that innovativeness is very important and “when you do not innovate, the well will dry up”. he believes the company must keep making new products that are useful for people and to improve their quality of life. Their most recent innovation is software that can help improve the effectiveness of their previous product. Thus, the company creates innovations to better reach its social goal and generate profit.

4.2.2 Company B

The company started because the owner believed they could help improve bike waste in the Netherlands. The interviewee stated, “Well, that’s something that we think should be done better”.

Social Responsibility

The interviewee defines social responsibility as taking responsibility for the whole environment, on both the environmental and social sides. He stated that how bikes are produced and abandoned as waste in the Netherlands, “with the social responsibility in your mind, it doesn’t make any sense”. The company’s main social activity relates to its business activity, which is the production and sales of recycled and reusable bikes. Additionally, the company involves its local community by producing the product and sourcing parts locally.

The company’s main stakeholder is society, but they also find it important for the business to succeed. The interviewee agreed that the company balances business and social goals equally, commenting, “We think this is how you should work”. When asked if the company follows a formal SR strategy, the

interviewee said they don't follow a formal strategy but rather the company culture is focused on implementing their values.

Social innovation

Innovativeness is very important for the company. The interviewee stated that innovativeness is inherent to their business and said, "it's quite important for us to, to think ahead and to be creative with how to solve things". This philosophy has created an innovative company culture. The company aims to improve their bikes to be more eco-friendly and to create a circular economic system with their bikes. The interviewee hopes the company can promote the bikes to be used as public transport and introduce an electric version of the bike. The company makes both incremental innovations to better meet its social goals and significant innovations to help grow the business.

4.2.3 Company C

This company was founded with one purpose, to fight deforestation caused by the palm oil industry. The company started due to the CEO's previous work experience and their wish to create positive change in the world.

Social Responsibility

The interviewee defined SR as being aware of the impact of your actions and how it affects nature and society. The company's main activity is directly linked to their social goal, they produce sustainable alternatives for palm oil-based supermarket products. The interviewee added that since the company has started "We have managed to make 550,000 square meters of palm oil plantation abundant". Their other SR activities relate to marketing activities that inform consumers about the environmental impact caused by the palm oil industry and promote the use of sustainable products. The CEO hopes to influence the large companies in the industry to replace palm oil with sustainable oils, thus further reducing palm oil related deforestation. When asked if the company implements other SR activities the CEO replied, "I think the best way to do something good for these kinds of issues is to focus, so I focus on palm oil". He goes on to say that without focus the company won't be able to have its desired impact.

The company's main stakeholder is society. When asked how they balance their social and business goals, the interviewee replied that they aim to reduce deforestation by palm oil, and decisions are made to reach that goal. On the topic of profit, the CEO commented, "we don't think in money. [But] Money is needed to get this project done" and adding later that the company focuses on square meters on the rain forest saved.

Furthermore, the company follows an informal SR strategy. The interviewee states, "I think the best strategies are under your skin and are not formalized". The company has an organic and informal company culture that attracts like-minded individuals with the common goal of saving the rainforest. However, the respondent mentioned they do have formal business goals, such as selling their product beyond the Netherlands, but such decisions are not financially motivated.

Social innovation

The interviewee doesn't find innovativeness important, stating, "we are not an innovation-driven company". He said the company's main innovation was developed during its foundation, since then the focus has been on creating an impact. However, earlier in the interview, the respondent stated the company is looking at other supermarket products to implement their innovation to further reach their social goal. Thus, the company aims to utilize its innovation in new ways to further achieve its social goals.

4.2.4 Company D

Company D started with due to the CEO's previous work experiences in the fishing industry. the goal of the company to make the global fishing industry more sustainable.

Social Responsibility

The definition of SR provided by the interviewee is "You're conscious about the impact you have on society and on the planet". The company's main goal is to have a positive impact on society and the environment as the interviewee wanted to reduce the negative future consequences caused by the global fishing industry. The company's main stakeholders are its customers. The CEO believes If the customers show interest in their alternative fish product, the company will be able to influence the global fishing industry to adopt more sustainable alternatives. Furthermore, the company also advertises the unsustainable nature of fishing to society and triggers larger companies to be more sustainable. When asked how they balance their business and social goals, the CEO replied their main focus is to create an impact.

The company's SR strategy is informal, "we are not like coming up with all kinds of absolute goals....but we want to improve every time in an area". The company has a culture that reflects their SR initiative, "it's something which is probably ingrained in your own values, that you do those kind of things".

Social innovation

The CEO finds innovativeness important. As the company ventures into different countries, varying governmental requirements cause the company to adapt its product. The interviewee commented that these varying requirements are seen as an opportunity to improve their product and to reach their social goal. Such an attitude is a part of the company's innovative culture, their aim is to iteratively improve their product in every aspect. The interviewee states that innovating iteratively allows them to be mindful of multiple aspects of the product, rather than having a fixed mindset and allows them to better reach their social goal

4.2.5 Company E

The company's main objective is to accelerate the transition to green energy. To achieve this goal the company developed a new type of battery to be used for storing energy from solar panels and turbines.

Social Responsibility

When asked to define SR the CEO replied, "we always should think about, what did we contribute and what we leave behind". The company's main goal is to help society and the environment, the interviewee commented, "we need to do something for this world, how can we protect the next generations from global warming?". The interviewee agreed when asked if they viewed social responsibility as an opportunity to act.

The company's stakeholders are society and their customers. On the topic of business and social goals, the interviewee commented, "[to] reach this goal to accelerate and facilitate the energy transition, there must be an economic reasoning behind that". He said their main business goal is to develop a battery for the cheapest price as, "this will encourage big groups to adopt the technology and then in return you have an impact". Thus, they have to make their product more economically viable for them to create their desired impact.

The company's approach to their SR strategy is informal and embedded in the company culture, "everyone in the company sees it important to be ethical, and like, considerate of the environment". He added, "[The] team is already formed from

people, you know, who have this idealism”. This company culture helps them be motivated and make decisions that are socially responsible in nature.

Social innovation

The company finds innovation very important. The interviewee stated that their innovation is based on their desire to improve the state of the world. With a company culture that is innovative and driven by their social goal, the company’s goal is to keep experimenting and finding new ways to create the cheapest batter they can. Their innovative efforts integrate their values and consider economic factors to achieve their company’s objective.

4.2.6 Company F

The company was founded because of the CEO’s interest in blockchain technology. Their platform enhances the tradability and transparency of assets.

Social Responsibility

Social responsibility is important to the CEO, he defines it as being responsible for what you do and what you leave behind. When asked why he has an interest in blockchain, he replied, “it is a more fair part of the technology and brings a lot of fairness”. The respondent also agreed that they value fairness and equality. When asked about their SR activities in the company, the interviewee stated that they try to take steps as individuals. The CEO aims to create a socially responsible company culture and inspire employees to take socially responsible actions, however, the company does not have an SR strategy.

The company’s main stakeholders are their customers. Their focus is now on artists. The CEO commented that their platform can provide transparent transactions and prevent fraud, which benefits individuals such as artists. Their business goals and social goals are balanced. While not being a solely social company, the interviewee believes that profit is important but the business and social goals need to come together. The respondent explains their idea of ‘minimum viable profit’ which is enough profit to run the business and the rest should be invested into making the lives of their employees and customers better.

Social innovation

Innovation is very important to the CEO because, “[The] application of new technologies is super fascinating for me, and to find the market and a situation where you can improve things”. The company stays innovative by hiring people passionate about technology and by having an open company culture. When asked if their innovation integrates social values or the interviewee’s ethical principles, the CEO replied that he finds equality and fairness very important and blockchain is able to bring fairness to a lot of people.

4.2.7 Company G

The company creates and sells hand palm scanners for security and authorization purposes. The Company’s mission is to be specialized in biometrics and be the leader in authorization and security.

Social Responsibility

The definition of SR provided by the interviewee related to taking care of employees and being a good employer. The interviewee finds SR very important and states that the absence of SR can dangerously divert a company’s image. The company’s main SR activities relate to the treatment and work conditions of employees, but these are legally required. Although the company does not have an SR strategy, they do utilize modern machinery and drive hybrid company cars to reduce pollution.

The company’s main stakeholders are their customers. The interviewee believes their innovation can provide customers safety and security. When asked if their innovation was created to contribute to society or for their business, they stated that it’s a very expensive product to launch and that “we have to make a business”. However, the interviewee stated he believes their product’s contribution to society is a feeling of safety for their customer.

Social innovation

Innovativeness is important for the company. The interview stated, “if you don’t innovate..... you’re lagging behind the market, you lose your customers”. This encourages them to keep innovating. The company developed their product to be extremely private and secure, claiming it is un-hackable and does not retain any personal information. However, such a feature was implemented to comply with local laws.

5. ANALYSIS OF FINDINGS

5.1 Summary of cases

Table 2 provides a summary of the results related to the company, social responsibility, and social innovation of the interviewed companies. The following section will present the results of the cross-case analysis and examine the similarities and differences between the cases.

Table 2. Summary of the company, social responsibility, and social innovation of cases

COMPANY	A	B	C	D	E	F	G
Founding year	2016	2016	2019	2019	2014	2018	2018
SME size	7	3	3	10	26	3	10
<i>Business</i>							
<i>Company objective</i>							
Social	X	X	X	X	X		
Business						X	X
<i>Social Responsibility</i>							
<i>Importance of SR</i>							
Very important	X	X	X	X	X	X	X
<i>Reason for having SR</i>							
Personal values	X	X	X	X	X	X	
External pressure							X
<i>Stakeholders</i>							
Society		X	X	X	X		
Customers	X					X	X
Employees	X						X
<i>SR Strategy</i>							
Company culture	X	X	X	X	X	X	
Legal compliance							X
<i>Social innovation</i>							
<i>Innovation importance</i>							
Very important	X	X	X	X	X	X	X
<i>Integration of values</i>							
Integrate values	X	X	X	X	X	X	
Do not integrate values							X
<i>Social intent</i>							
Innovate with social intent	X	X	X	X	X		
Did not innovate with social intent						X	X

5.2 Company objective across cases

Five out of seven companies (A, B, C, D and E) started with a social purpose and have a **social objective**. Company A's goal is to help improve the quality of life of their customers and to keep their employees happy. Company B aims to help reduce bicycle waste. Company C's main objective is to save the rainforest from deforestation. Company D's goal is to influence the global fishing industry to be more sustainable and company E aims to accelerate the transition to green energy.

All these companies primarily focus on their social goals. Although, it should be noted that these companies, while not profit orientated, do find money important for the survival of the company to continue their social goals and to reinvest into innovation activities and social projects.

Furthermore, two out of seven companies (F, G) have a **business focus**. Company F created a platform to tokenize ownership, used to make transactions easy and safe. Additionally, company G's main objective is to be the leader of security and authorization with their product. These companies focus more on their business goals, for example, Company F's focus are their clients and their social responsibility activities are limited to personal actions. Company G wants to grow into an industry leader and only take socially responsible actions to meet social and legal expectations.

5.3 Social responsibility across cases

5.3.1 Importance and definition of social responsibility

All companies (7 out of 7) find social responsibility **important** and provided different definitions. Company A and B stated that it's about caring for both society and the environment, with company A emphasizing caring for employees. Company C and D commented that it is important to "be aware" and "conscious" of the actions taken and their impact on the world. Company F talks about being responsible for your actions and what you leave behind in the world. Company G focused solely on SR being about caring for employees. Finally, Company E was the only company that spoke about contribution to the world in addition to considering what the company leaves behind.

5.3.2 Reasons for social responsibility

Four out of seven companies (A, B, C, D, E) implemented a social responsibility into their company due to **personal values**. CEO of company A stated that he values feeling good and healthy and his aim is to share this with his employees and customers. Company C and D started with SR as their company goal due to their personal values to help improve the planet and society. SR is at the core of company E's goals and integrated the founder's values, "I really wanted to contribute something" (E). Company F implements SR as the CEO finds it personally important to be aware of their actions.

Finally, Company G implements SR activities to meet customer and legal demands, commenting about **external pressure** and "pressure from the community" to apply CSR.

5.3.3 Socially responsible activities

Four out of seven companies (B, C, D and E) main stakeholder is **society**. These companies focus their SR activities for the environment to help future generations. Company B develops recyclable and reusable bicycles which are all created locally. Company C informs society about the impact caused by the palm oil industry and selling palm oil alternative products to combat deforestation. Company D sells sustainable seafood alternatives to influence the fishing industry to be more sustainable and

finally company E is developing a product that helps accelerate the transition to green energy.

Two out of seven companies' (A and G) main stakeholders are their **customers** and **employees**. The socially responsible activities of these companies focus on their stakeholders. Company A provides a product that improves their customer's quality of life and the company supports its employees. Company G provides their customers with an authorization device that guarantees them safety and they aim to provide their employees with benefits to improve their quality of life. Finally, Company F states their stakeholders are their **customers**. The company does not take any socially responsible actions beyond personal actions of company employees.

5.3.4 Social responsibility strategy

All respondents commented that they do not have a formal SR strategy. Six out of seven companies (A, B, C, D, E, and F) state their informal strategy towards social responsibility arises from their **company culture**. Conversely, company G does not have a socially responsible company culture. Decisions are made with SR in mind but only to meet customer expectations and for **legal compliance**

5.4 Social innovation across cases

5.4.1 Importance of innovation

Six out of the seven companies (A, B, D, E, F, G) find it **very important** to be innovative. Company A states without innovation "The well will dry up" and the company won't be able to keep its employees. Company B states innovation is inherent to their product and to reach their goals. Company D and E state their goal is to improve their product iteratively to reach their goals. Finally, company F finds innovation important as he can find new ways to implement technology to help society. Company C states innovativeness is **not important**, "we are not an innovation driven company". The CEO made such comments because the company isn't focused on creating new alternatives or focusing on launching a new product line. They explained further that their main innovation was created at the start, a palm oil alternative, and now their focus is on applying their innovation to other supermarket products to replace palm oil and to better reach their goal.

5.4.2 Integration of values and social intent

Six out of seven companies (A, B, C, D, E and F) **Integrate their values** in their innovation activities. Company A's CEO founded the company to spread his values. Company C, C and E integrate their values of helping society into their product. Company F's CEO values equality and fairness and created a platform that integrates these values. However, one company (G) **does not integrate their values** into their innovation, rather society's values such as privacy measures are integrated to meet legal requirements.

Furthermore, five out of seven companies (A, B, C, D, and E) **innovate with social intent**. Their innovations were created to help society, people, and the environment. Two companies (F and G) **did not innovate with social intent**. Although, both companies believe their products can contribute to society.

6. DISCUSSION

6.1 Theoretical implications and conclusion

Researchers state that European SMEs view social responsibility as a threat (Morsing & Perrini, 2009). This may be due to an SME director's unfamiliarity with social responsibility (Lepoutre & Heene, 2006; Kechiche & Sopartnot, 2012), the focus on short-term goals for survival in SMEs (Vo, 2011) and to avoid additional costs (Kechiche & Sopartnot, 2012). However, the results of this study indicate that Dutch SMEs have a clear understanding and a deep respect for social responsibility. The interviewee's explanations of social responsibility were ethical in nature, focusing on their company's relationship with their stakeholders and the environment. However, the economic aspect of social responsibility was not mentioned.

Furthermore, most of the SMEs were founded with social responsibility in mind. Their aim is to help improve the current state of our society and the planet by developing innovations and acting beyond societal expectations to help solve current and future social issues.

Literature states that the values of an SME director are a determining factor of the implementation of socially responsible activities (Lepoutre & Heene, 2006; Murillo & Lozano, 2006). The study's results support the literature, suggesting that the drive to help society and activities related to social responsibility are implemented due to the personal values of the founders. Furthermore, the founder's values were found to be at the core of the company culture. These values are shared by the employees, creating a strong commitment to their social goal. Thus, increasing employee motivation to participate in meeting their social goals.

Furthermore, Jenkins (2009) states that the implementation of social responsibility can lead to the development of innovative products and services. All the cases in this study were innovative, although the companies with socially focused objectives created innovations with social intent. Additionally, these companies focused their efforts on improving their innovations to further reach their social goals, rather than for profit.

The companies which did not implement socially responsible activities did not innovate with social intent. Their reactive attitude (MacGregor & Fontondona, 2008) to social responsibility and their focus on business goals, created innovations that merely met social demand. On the other hand, the companies with proactive attitudes support Macgregor's and Fontondona's (2008) findings. Their proactive attitude led to the development of CSR-driven innovation.

As previously stated, it was expected for most SMEs to be driven by value, developing innovation that implement social expectations out of obligation and possess a reactive approach to social responsibility. The study finds this not to be the case with Dutch SMEs, rather, most of the SMEs were proactive in their social responsibility approach. These SMEs were developed with social intent and created innovations that aim to help society and their stakeholders.

To conclude, this study finds that commitment to social responsibility in SMEs and a proactive attitude can influence innovations in SMEs to be developed considering its impact on society and the environment and to be created with the intention to improve the wellbeing of society and our planet.

6.2 Academic contribution

As mentioned previously, the literature has primarily focused on CSR in large companies (Panwar et al., 2017; Dubruc et al., 2018; Lucky, 2018) with literature on SR within SMEs being scarce. The ability of SMEs to contribute to society (Vázquez-Carrasco & López-Pérez, 2012; Gupta & Barua, 2017; Lee et al., 2017, has created a need to better understand social responsibility in SMEs (Vo, 2011, Vázquez-Carrasco & López-Pérez, 2012). Additionally, Bikefe et al. (2020), find that most of the literature has focused on a few topics related to social responsibility in SMEs, for example, SR implementation, motivation for SR, SR communication and employee engagement. Thus, there is the need to better understand SR engagement in SMEs (Morsing & Perrini, 2009) and relation between SR and innovation in SMEs (Bocquet & Mothe, 2013). This study contributes to the gap in the literature regarding the effects of SR on innovation in SMEs, finding that commitment to social responsibility in SMEs leads to innovation activities integrating socially responsible values and being developed with social intent.

6.3 Practical implications

Research indicates that the lack of knowledge regarding social responsibility, of SME directors, discourages its implementing in SMEs (Revell & Blackburn, 2007, Kechiche & Sopartnot, 2012; MacGregor & Fontondona, 2008). Researchers have urged for a better understanding of the impact of CSR implementation in SMEs to help support managers in their decision-making process (Morsing & Perrini, 2009; Vo, 2011). Thus, the practical relevance is founding an improved understanding of the effects of CSR in SMEs to support decisions maker.

The research finds that Dutch SMEs understand social responsibility and precise it as very important. The findings of this research indicate that commitment to social responsibility results in innovations being developed with social intent. By contributing to the literature, this information can aid decision makers in Dutch SMEs with a better understanding of the effect of their socially responsible actions.

6.4 Limitations and future research

This research is subject to several limitations. The first limitation is related to the use of a multiple case study approach. This study approach is time consuming and due to the limited time for this study, resulted in a small sample size of seven interviews. The small sample size makes it is difficult to assess if the conclusions are representative of a larger population. It would be recommended for future researchers to interview a larger sample size of SMEs to avoid such limitations.

Furthermore, the cases for this study were acquired using convenience sampling, which can lead to bias results as the selected cases may not represent the whole population (Farrokhi & Mahmoudi, 2012). As mentioned previously, these samples were collected from the KVK innovative top 100 2020 list. By selecting cases only from this list, implies that these SMEs are innovative in nature, making the results of this study bias. Therefore, generalizability is not possible as the conclusions drawn from the small and universe cases, most likely won't apply to the whole population. to ensure that the results of the study are more representative of a population, it is recommended for future researchers to include all European SMEs. By including multiple countries also contributes to a better understanding of the phenomenon.

Another limitation is the inexperience of the researcher conducting interviews. Drawbacks of using semi-structured interviews with an inexperienced interviewer relate to not asking prompt questions and potentially missing relevant data (Koskei

& Simiyu, 2015). A more skilled and experienced interviewer may be able to gather more and higher quality data.

The solo coding method used in this study is also a limitation. The interview transcripts were coded by a single researcher, the quality of the codes, therefore the quality of the results, can be influenced by the perceptions and biases of the researcher. Future researchers can avoid these limitations by conducting face to face interviews for a better understanding of each case. utilizing multiple researchers in the coding process is also recommended, to generate better codes (Saldana, 2015) and to increase the confidence in the findings (Eisenhardt, 1989).

Additionally, this study did not discern between how committed the SMEs are. While it assumes some SMEs are more committed than others through their actions, there is no distinction between how committed the SMEs are in relation to each other. By looking at how innovation and social innovation activities are influenced by different levels of commitment to social responsibility in SMEs, future researchers can better understand how SR influences innovation within SMEs. Such research can contribute greatly if it includes SMEs from multiple countries.

Furthermore, this study did not consider the impact of external factors such as public legislation. The Netherlands has taken steps to incentive innovative practices in business (EU commission, 2019). Future researchers should consider public legislation as they greatly influence businesses.

7. ACKNOWLEDGEMENTS

I would like to thank my supervisor Dr. Kjartan Sigurdsson. I would also like to thank the firms who participated in this study.

8. REFERENCES

- Agudelo, M. A. L., Jóhannsdóttir, L., and Davídsdóttir, B. (2019). A literature review of the history and evolution of corporate social responsibility. *International Journal of Corporate Social Responsibility*, 4(1), 1.
- Ayres, Lioness & Kavanaugh, Karen & Knafl, Kathleen. (2003). Within-Case and Across-Case Approaches to Qualitative Data Analysis. *Qualitative health research*. 13. 871-83. 10.1177/1049732303013006008
- Badulescu, Alina & Badulescu, Daniel & Saveanu, Tomina & Hatos, Roxana. (2018). The Relationship between Firm Size and Age, and Its Social Responsibility Actions—Focus on a Developing Country (Romania). *Sustainability*. 10. 805. 10.3390/su10030805
- Baxter, P., & Jack, S. (2008). Qualitative case study methodology: Study design and implementation for novice researchers. *The qualitative report*, 13(4), 544-559. <http://www.nova.edu/ssss/QR/QR13-4/baxter.pdf>
- Berg, N., Holtbrügge, D., Egri, C. P., Furrer, O., Sinding, K., & Dögl, C. (2018). Stakeholder pressures, CSR practices, and business outcomes in Denmark, Germany and the Netherlands. *European Journal of International Management*, 12(4), 472-500. <http://dx.doi.org/10.1504/EJIM.2018.092846>
- Bikefe, Grace & Zubairu, Umaru & Araga, Simeon & Maitala, Faiza & Ediuku, Ekanem & Anyebe, Daniel. (2020). Corporate Social Responsibility (CSR) by small and medium enterprises (SMEs): a systematic review. *Small Business International Review*. 4. 16-33. 10.26784/sbir.v4i1.243.
- Bocquet, Rachel & Le Bas, Christian & Mothe, Caroline & Poussing, Nicolas. (2013). Are firms with different CSR profiles equally innovative? Empirical analysis with survey data. *European Management Journal*. 31. 642–654. 10.1016/j.emj.2012.07.001.
- Bowen, HR 1953, *Social responsibilities of the businessman*, New York: Harper & Row
- Bradford, S., & Cullen, F. (2012). *Research and research methods for youth practitioners*. London: Routledge
- Brickson, S. L. (2007). Organizational identity orientation: The genesis of the role of the firm and distinct forms of social value. *Academy of Management Review*, 32, 864–888
- Cajaiba-Santana, G. (2013, July 01). Social innovation: Moving the field forward. a conceptual framework. Retrieved April 10, 2021, from <https://www.sciencedirect.com/science/article/abs/pii/S0040162513001236>
- Candi, M., Melia, M. & Colurcio, M. Two Birds with One Stone: The Quest for Addressing Both Business Goals and Social Needs with Innovation. *J Bus Ethics* **160**, 1019–1033 (2019). <https://doi.org/10.1007/s10551-018-3853-y>
- Carroll, A. B. (1979). A three-dimensional conceptual model of corporate performance. *Academy of management review*, 4 (4), 497–505.
- Carroll, A. B., & Shabana, K. M. (2010). The business case for corporate social responsibility: A review of concepts, research and practice. *International journal of management reviews*, 12(1), 85–105. <https://dx.doi.org/10.1111/j.1468-2370.2009.00275.x>
- Castro, Sandra & Guzman, Gonzalo & Martínez Serna, Maria del Carmen. (2015). The Relationship between Corporate Social Responsibility and Competitiveness in Mexican SMEs. *Journal of Business and Economics*. 6. 276-285. 10.15341/jbe(2155-7950)/02.06.2015/005.
- Chang, C. (2015). Proactive and reactive corporate social responsibility: antecedent and consequence. *Management Decision*, 53, 451–468.
- Chenail, Ronald. (2011). Ten Steps for Conceptualizing and Conducting Qualitative Research Studies in a Pragmatically Curious Manner. *Qualitative Report*. 16. 1715–1730. 10.46743/2160-3715/2011.1324.
- Conesa, Isabel & Soto-Acosta, Pedro & Palacios Manzano, Mercedes. (2016). Corporate social responsibility and its effect on innovation and firm performance: An empirical research in SMEs. *Journal of Cleaner Production*. 142. 10.1016/j.jclepro.2016.11.038.
- Creswell, J. W. (2007). *Qualitative inquiry and research design: Choosing among five approaches* (2nd ed.). Sage Publications, Inc
- Creswell, J. W. (2014). *Research Design: Qualitative, Quantitative and Mixed Methods Approaches* (4th ed.). Thousand Oaks, CA: Sage.
- Curran, J., Rutherford, R., & Lloyd, S. (2000). Is there a local business community? Explaining the non-participation of small business in local economic development. *Local Economy*, 15(3), 128–143
- Davis, K 1960 (Spring), „Can business afford to ignore social responsibilities“? *California Management Review*, vol. 2, pp. 70–76.
- DeCarlo, M. (2018). *Scientific Inquiry in Social Work*
- Donaldson, T., & Preston, L. E. (1995). The stakeholder theory of the corporation: Concepts, evidence, and implications. *Academy of Management Review*, 20, 65–91
- Dubruc, N., Mekdessi, S., & Khawaja, D. (2018). Towards an eventual three-dimensional equilibrium regarding corporate social responsibility in Lebanese small and medium enterprises. *World Review of Entrepreneurship, Management and Sustainable Development*, 14(1/2), 229. <https://doi.org/10.1504/WREMSD.2018.089069>
- Eilbert, H & Parket, I R 1973(August), „The current status of corporate social responsibility“, *Business Horizons*, vol. 16, pp. 5–14
- Eisenhardt, KM 1989, ‘Building theories from case study research’, *Academy of management review*, vol. 14, no. 4, pp. 532–550. <http://dx.doi.org/10.5465/AMR.1989.4308385>
- Eisenhardt, K. M., & Graebner, M. E. (2007). Theory building from cases: Opportunities and challenges. *The Academy of Management Journal*, 50(1), 25–32.
- Elo, S. and Kyngas, H. (2007) The Qualitative Content Analysis Process. *Journal of Advanced Nursing*, 62, 107–115.
- EU Commission. (2017, June 28). Corporate social responsibility & responsible business conduct. Retrieved April, 2021, from https://ec.europa.eu/growth/industry/sustainability/corporate-social-responsibility_en
- European Commission. 2011. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: A Renewed EU Strategy 2011–14 for Corporate Social Responsibility.
- Evans, C., & Lewis, J. (2018). *Analysing Semi-Structured Interviews Using Thematic Analysis: Exploring Voluntary Civic Participation Among Adults*.
- Farrokhi, Farahman & Mahmoudi, Asgar. (2012). Rethinking Convenience Sampling: Defining Quality Criteria. *Theory and Practice in Language Studies*. 2. 10.4304/tpls.2.4.784-792.

- Fernando, Susith & Lawrence, Stewart. (2014). A theoretical framework for CSR practices: Integrating legitimacy theory, stakeholder theory and institutional theory. *Journal of Theoretical Accounting Research*, 10, 149-178.
- Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Boston: Pitman
- Friedman, M. (1970). The Social Responsibility of Business is to Increase its Profits. *New York Times Magazine*, September 13th, pp. 32–33, 122, 126
- Fusch, Patricia & Ness, Lawrence. (2015). Are We There Yet? Data Saturation in Qualitative Research. *Qualitative Report*, 20, 1408-1416
- Guest, G., Bunce, A., & Johnson, L. (2006). How many interviews are enough? An experiment with data saturation and variability. *Field methods*, 18(1), 59-82. <http://dx.doi.org/10.1177/1525822X05279903>
- Gupta, S., Sukhmani, & Kalra, N. (2012). Impact of Corporate Social Responsibility on SMEs in Asia-Pacific *Journal of Management Research and Innovation*, 8(2), 133–143. <https://doi.1177/2319510X1200800206>
- Gustafsson, J. (2017). Single case studies vs. multiple case studies: A comparative study (Dissertation). Retrieved from <http://urn.kb.se/resolve?urn=urn:nbn:se:hh:diva-33017>
- Herrera, Maria. (2015). Creating competitive advantage by institutionalizing corporate social innovation. *Journal of Business Research*, 68, 10.1016/j.jbusres.2015.01.036.
- Jenkins, H. (2004). A critique of conventional CSR theory: An SME perspective, *Journal of General Management*, 29, pp. 37-57.
- Jenkins, H. (2006). Small business champions for corporate social responsibility, *Journal of Business Ethics*, 67, pp. 241-256
- Julien, P.-A., & Marchesnay, M. (1996). L'entrepreneuriat (p. 112). Ed. Economica, Collection Gestion, Paris.
- Kamer van Koophandel. (2021, January 21). *KVK Innovatie Top 100 | Top 100 van 2020*. KVK Innovatie Top 100. <https://www.kvkinnovatietop100.nl/site/top-100-2020>
- Kechiche, A., & Soparnot, R. (2012). CSR within SMEs: Literature review. *International Business Research*, 5(7), 97. <http://dx.doi.org/10.5539/ibr.v5n7p97>
- Klein, J. L., Tremblay, D. G., & Bussi eres, D. R. (2010). Social economy-based local initiatives and social innovation: A Montreal case study. *International Journal of Technology Management*, 51, 121–138
- Klewitz, Johanna & Hansen, Erik. (2014). Sustainability-Oriented Innovation of SMEs: A Systematic Review. *Journal of Cleaner Production*, 65, 57-75. 10.1016/j.jclepro.2013.07.017.
- Knudson, Haley. (2018) [Making the business case: The effects of corporate social responsibility on SME competitiveness](https://doi.org/10.1016/j.jbusres.2018.01.017), 2018.
- Koskei, B., & Simiyu, C. (2015). Role of Interviews, Observation, Pitfalls and Ethical Issues in Qualitative Research Methods. *Journal of Educational Policy and Entrepreneurial Research (JEPER)*, 2(3), 108–117.
- Krippendorff, K. (1980). *Content analysis an introduction to its Methodology*. London: Sage.
- Ksi ezak, Paulina. (2017). The Benefits from CSR for a Company and Society. *Journal of Corporate Responsibility and Leadership*, 3, 53. 10.12775/JCRL.2016.023.
- Labelle, F., & Saint Pierre, J., (2010). Les D eterminants institutionnels,organisationnels et individuels dela sensibilit  des PME au sujet du d veloppement durable. 10 me Congr s International Francophone en Entrepreneuriat et PME, 27-29 Octobre, Bordeaux, France. 15p.
- Lantos, G. (2001). The boundaries of strategic corporate social responsibility, *Journal of Consumer Marketing*, 18, pp. 595-632.
- Lee, H.-Y., Kwak, D.-W., & Park, J.-Y. (2017). Corporate Social Responsibility in Supply Chains of Small and Medium-Sized Enterprises. *Corporate Social Responsibility and Environmental Management*, 24(6), 634–647. <https://doi.org/10.1002/csr.1433>
- Lee, M.-D.P. (2008), A review of the theories of corporate social responsibility: Its evolutionary path and the road ahead. *International Journal of Management Reviews*, 10: 53-73. <https://doi.org/10.1111/j.1468-2370.2007.00226.x>
- Lepoutre, J. and Heene, A. (2006). Investigating the impact of firm size on small business social responsibility: A critical review, *Journal of Business Ethics*, 67, pp. 257-273.
- Lucky, E. O. I. (2018). An empirical examination of the influence of corporate social responsibility dimensions on the small and medium enterprise performance in Northern Malaysia. *International Journal of Business Innovation and Research*, 16(2), 243. <https://doi.org/10.1504/IJBIR.2018.091919>
- MacGregor, S. P., & Fontrodona, J. (2008). Exploring the fit between CSR and innovation. IESE Business School Working Paper, 759. Retrieved from <https://dx.doi.org/10.2139/ssrn.1269334>
- Mason, C., & Simmons, J. (2014). Embedding corporate social responsibility in corporate governance: A stakeholder systems approach. *Journal of Business Ethics*, 119,77–86
- McWilliams, Abigail & Siegel, Donald. (2001). Corporate Social Responsibility: A Theory of the Firm Perspective. *The Academy of Management Review*, 26, 117-127. 10.5465/AMR.2001.4011987.
- Mishra, D. R. (2017). Post-innovation CSR performance and firm value. *Journal of Business Ethics*, 140, 285–306. <https://doi.org/10.1007/s10551-015-2676-3>
- Morsing, M., & Perrini, F. (2009). CSR in SMEs: do SMEs matter for the CSR agenda?. *Business Ethics: A European Review*, 18(1),
- N kleby, H. (2011). Triangulation with diverse intentions. *KAPET. Karlstads Universitets Pedagogiska Tidskrift*, 1(1), 140–156. Retrieved from <http://urn.kb.se/resolve?urn=urn:nbn:se:kau:diva-9578>
- Ortiz, Daniela & Kronenberg, Christopher & Domnanovich, Julia & Scholz, Markus. (2018). Exploring the Integration of Corporate Social Responsibility into the Strategies of Small- and Medium-Sized Enterprises: A Systematic Literature Review.
- Phills, J., Deiglmeier, K., & Miller, D. (2008). Rediscovering Social Innovation. *Stanford Social Innovation Review*, 6(4), 34–43.
- Popping, Roel. (2015). Analyzing Open-ended Questions by Means of Text Analysis Procedures. *Bulletin de m thodologie sociologique: BMS*, 128, 23-39. 10.1177/0759106315597389.
- Rahman, Shafiqur. (2011). Evaluation of Definitions: Ten Dimensions of Corporate Social Responsibility. *World Review of Business Research*, 1.
- Ratajczak, P. and Szutowski, D. (2016), "Exploring the relationship between CSR and innovation", [Sustainability Accounting, Management and Policy](https://doi.org/10.1016/j.sbspro.2016.05.017)

- Journal*, Vol. 7 No. 2, pp. 295-318.
<https://doi.org/10.1108/SAMPJ-07-2015-0058>
- Rebolj, A. Biba. (2013). The case study as a type of qualitative research. *Journal of Contemporary Educational Studies*. 28-43
- Revell, Andrea & Blackburn, Robert. (2007). The Business Case for Sustainability? An Examination of Small Firms in the UK's Construction and Restaurant Sectors. *Business Strategy and the Environment*. 16. 10.1002/bse.499.
- Robert Goffee and Richard Scase: Corporate Realities. The Dynamics of Large and Small Organisations: 1995, London, New York: Routledge. 195 pages. (1996). *Organization Studies*, 17(1), 158-158.
<https://doi.org/10.1177/017084069601700114>
- Saldana, J. (2015). *The Coding Manual for Qualitative Researchers* (3rd ed.). SAGE Publications Ltd.
- Sands, R. G., & Roer-Strier, D. (2006). Using Data Triangulation of Mother and Daughter Interviews to Enhance Research about Families. *Qualitative Social Work: Research and Practice*, 5(2), 237-260.
<https://doi.org/10.1177/1473325006064260>
- Santos, M. (2011). CSR in SMEs: Strategies, practices, motivations and obstacles. *Social Responsibility Journal*, 7(3), 490-508.
<https://doi.org/10.1108/17471111111154581>
- Saunders, M., Lewis, P., & Thornhill, A. (2003). Research methods for business students. Essex: Prentice Hall: Financial Times.
- Schoch, K. W. (2016). Case study research. In Burkholder, Gary J., Cox, K. A., Crawford, L. M. (Eds.), *The Scholar-Practitioner's Guide to Research Design, 1st Edition* (pp. 227 - 241). [VitalSource Bookshelf Online].
- Sen, S. (2011). *Corporate social responsibility in small and medium enterprises : application of stakeholder theory and social capital theory* [Southern Cross University].
https://ap01.alma.exlibrisgroup.com/discovery/delivery/61SCU_INST:61SCU/1267063870002368
- Sen, Suman & Cowley, James. (2013). The Relevance of Stakeholder Theory and Social Capital Theory in the Context of CSR in SMEs: An Australian Perspective. *Journal of Business Ethics*. 118. 10.1007/s10551-012-1598-6.
- Sigurdsson, K, Candi, M. Saying and doing: Social responsibility declared and applied. *Creat Innov Manag.* 2020; 29: 128- 140. <https://doi.org/10.1111/caim.12340>
- Spence L. J. and Rutherford R. (2003). "Small business and empirical perspectives in business ethics: Editorial", *Journal of Business Ethics*, Vol. 47, No. 1, pp. 1-5.
- Stake, R. E (1995). *The art of case study research*. Thousand Oaks, CA: SAGE;
- Stekelorum, R. (2020) The roles of SMEs in implementing CSR in supply chains: a systematic literature review, *International Journal of Logistics Research and Applications*, 23:3, 228-253, DOI: [10.1080/13675567.2019.1679101](https://doi.org/10.1080/13675567.2019.1679101)
- Tilley, F.: 2000, Small Firm Environmental Ethics: How Deep Do They Go?, *Business Ethics: A European Review* 9(1), 31-41
- Torrès, O. (1999). Les PME. Ed. Flammarion, Paris, 128p.
- Van der Have, Robert P. and Rubalcaba, Luis, (2016), Social innovation research: An emerging area of innovation studies?, *Research Policy*, 45, issue 9, p. 1923-1935,
<https://EconPapers.repec.org/RePEc:eee:respol:v:45:y:2016:i:9:p:1923-1935>.
- Vázquez-Carrasco, Rosario & López-Pérez, M.. (2012). Small and Medium-Sized Enterprises and Corporate Social Responsibility: A Systematic Review of the Literature. *Quality & Quantity*. 47. 10.1007/s11135-012-9713-4.
- Veugelers, Reinhilde. (2008). The Role of SMEs in Innovation in the EU. A Case for Policy Intervention?. *Review of Business and Economics*. LIII. 239-262.
- Vo, Linh Chi. (2011). Corporate social responsibility and SMEs: A literature review and agenda for future research. *Problems and Perspectives in Management*. 9. 89-97.
- Yin, R. K. (2003). *Case study research: design and methods* (ed.). Thousand Oaks

9. APPENDIX

Appendix 1: Interview questions

Company information

Company:

Business type:

Existed since:

Number of employees:

Revenue last year:

Company information

1. What does your company do?
 - a. What is the company's objective?
2. Who are the company's main stakeholders?
3. What impact do your business activities have on the environment and/or society?

Social responsibility

4. How would you define Social responsibility? Does your company have a formal social responsibility strategy?
 - a. Is there some indication of socially responsible activities in the company?
5. What are the values and principles of the company?
 - a. How are they integrated into daily activities?
 - b. Do you have any examples?
6. Does your company take any socially responsible actions?
 - a. Why does your company do these things?
7. How important is it to be responsible towards society?
8. What motivates the company to consider stakeholders?
 - a. How does the company balance its focus between internal and external stakeholders and why?
9. Is social responsibility viewed as a barrier or opportunity?
 - a. And why?
10. How are social goals and business goals related?
 - a. And why?

Social innovation

11. How important is innovation to your company?
 - a. How does the company remain innovative?
12. What drives your company's innovation activities, value, or values?
13. How do innovations integrate ethical values?
14. Does your company develop new technology to solve social needs?
 - a. If so, how does your company contribute to societal improvement by developing new products, services, or processes?
15. Does your company initiate improvement in people's lives and wellbeing?
 - a. Please elaborate?
16. How are business and social goals related to innovation?
 - a. Why is it important?

Appendix 2: Method for obtaining final sample

Table 1. Steps taken to obtain final sample

Step	Step name	Value
1	Number of SMEs approached via emails (batch 1)	30
2	Positive email responses received (Batch 1)	3
3	Emails sent to SMEs (Batch 2)	40
4	Positive email responses received (Batch 2)	5
5	Number of SMEs agreeing to proposed interview date	8
6	Final number of interviews fixed	8
7	Total number of SMEs participating in final interview	8

Appendix 3: Code book

Table 2. Codes and Categories from data analysis

<i>Category label</i>	<i>Code</i>
Company	Company objective business goal social goal company activity
SR perceived	SR definition SR activities Values integration Balance of business and social goals SR as opportunity SR externally required
SR activities for	Stakeholders Society Customers Environment Employees
SR goal	Environmental impact Meeting external expectation contribute to society Legal requirement Societal change
SR strategy	Company culture Informal
Innovation	Innovation is important Profit driven Values driven
Innovation strategy	Innovative culture Integration of values Innovation with social intent
Innovation goal	Social intent Value

