

Comparing apples with oranges: a comparison of driving forces for social responsibility and social innovation in-between for-profit SMEs and large enterprises in Germany

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ABSTRACT

This research compares driving forces for social responsibility and social innovation in-between for-profit small and medium-sized enterprises and large enterprises in Germany.

For this explorative research, a qualitative multiple case study approach has been used, including one convenient case group of 7 SMEs, whose case data has been acquired in the form of in-depth interviews, and a second case group of 3 LEs, whose case data has been acquired in the form of enterprise issued sustainability reports. Afterward, the results of both groups have been compared to each other.

Findings show, that for both size categories, identified stakeholder groups correspond by their nature, especially the ranking of the stakeholder group of customers coincides within both groups as being considered as of uttermost importance. In terms of social responsibility, formulated enterprise values show signs of similarities. For social responsibility activities, a differentiated degree of likeness has been detected as well. The drivers for the aforementioned social responsibility activities are to an even higher degree equivalent in-between both different sized enterprise groups. For both SMEs and LEs, the drivers for social responsibility activities correspond substantially to the drivers for social innovation.

The findings support that a comparison in-between SMEs and LEs is plausible, whereas the drivers are in general of the same nature but vary in their degree of sophistication. The implication of this study recommends that SMEs can extract potential strategies and concepts out of social responsibility activities devised by LEs and try to adapt those to their exigencies in order to make their social responsibility strategy more feasible, plannable, measurable, and in consequence more actionable.

Keywords

social innovation, drivers, small and medium-sized enterprises (SMEs), social responsibility, for-profit, stakeholder

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1. INTRODUCTION

Enterprises are currently more than ever faced with operating in contexts that are growing in complexity. The enterprise environment has been transformed not just by the COVID-19 pandemic but also by nature loss, climate change, social unrest, and debates about inclusion and working conditions that extensively shape the enterprise role expectations (World Economic Forum, 2020), clearly discernible as increased pressure from stakeholders. The increased stakeholder expectations put enterprises under pressure to rethink their business models and to become aware of their social responsibilities (Snider et al., 2003).

The discourse around the commitment to social responsibility needs new answers and models, which could be created by social innovation. Social innovation in profit-oriented enterprises expands the possible field for innovation and idea-creation (Sigurdsson & Candi, 2019). Furthermore, social innovation can be an integral part of meeting stakeholders' needs and responding to pressure, and generating solutions deemed necessary to enterprise survival and more than that being even capable of leveraging a competitive edge. To align commitment to social responsibility in for-profit enterprises, social responsibility, and social innovation need to be understood as a possibility to gain a competitive advantage. This creates the need to understand what enables enterprises and motivates them to employ social responsibility practices through social innovation (Saeidi et al., 2015).

Small and medium-sized enterprises (SMEs) play an essential role in the German and European economies (German Federal Ministry for Economic Affairs and Energy, 2015; Gouardères, 2020; von der Leyen, 2019). Due to SMEs driving economic success all over Europe, their economic relevance is getting more and more recognized and investigated with the intention to enable them to thrive even more (2nd OECD Conference of Ministers Responsible for SMEs, 2004). The recognition for the importance of SMEs is growing, they are being considered as the backbone of the European economy and as the fundament of developing countries as well. Furthermore, research suggests that the social responsibility of large enterprises cannot be adapted trouble-free in SMEs (Spence & Lozano, 2000). Therefore, a need has been identified to strengthen SMEs by various supranational organizations (German Federal Ministry for Economic Affairs and Energy, 2018; 2nd OECD Conference of Ministers Responsible for SMEs, 2004; von der Leyen, 2019).

The following question arises because there seems to be a difference in social responsibility practices between large enterprises and SMEs. Furthermore, Spence & Lozano (2000) indicate that incomparability applies to the driving forces of social responsibility and social innovation in-between large enterprises and SMEs. Sigurdsson and Candi (2019) state that enterprises' revenue source number one is the customer, which leads to a desire of enterprises to impress customers. Making it a possible comparable shared driver for both different-sized enterprise groups' customer acceptance.

The research field of social innovation connected to SMEs is relatively unexplored (Sigurdsson, 2020). This depicts more clearly in the reflection of the literature in terms of analysis of social responsibility and social innovation, as most of the work and models present are focused on large firms (Spence, 2014). Furthermore, the literature on social innovation in SMEs indicates scant resources of the importance of SMEs' economic role. The primary literature on social responsibility is already limited but expanding due to the greater priority granted in public and supranational discourse (Nelson & Jenkins, 2006; World Economic Forum, 2020). The problem lies in identifying key

drivers for social responsibility and social innovation in, on the one hand, SMEs and, on the other hand, large enterprises. Thus, this research aims to understand how SMEs strive to meet both business goals and social needs through their innovation activities and how those compare to those of large enterprises. Leading to the research question of this thesis as in the following:

How do drivers of social responsibility and social innovation compare in-between for-profit SMEs and large enterprises?

Those key drivers will be investigated first-hand in both large enterprises and SMEs and compared afterward. The identification and creation of a sensible model that enables a comparison of drivers in both different categories of enterprises is the goal of this research.

Implementation of social responsibility practices positively affects firm performance, in specific, greater customer satisfaction and reputation lead to a greater competitive advantage (Saeidi et. al., 2015). Thus, competitive advantage through social responsibility implementation can lead to enhanced financial and social performance (Herrera, 2015).

Social Innovation is the enabler of business sustainability (Eccle & Serafeim, 2014) and is a key factor for enterprises to reach a competitive advantage (Urbancova, 2013). This link between social responsibility and competitive advantage has also been identified by Porter and Kramer (2006). By getting insights into driving forces and the enablers of social innovation in the first place is in conclusion in line with the for-profit corporate goal of achieving competitive advantage. This research is, in consequence, directly interested in providing an understandable model of those driving forces and concepts to assess drivers for social innovation and CSR in SMEs and large enterprises. It also enables a comparison of the applicability of those created concepts in terms of enterprise size and has therefore a direct managerial impact.

The qualitative findings of this research support that a comparison in-between SMEs and LEs is plausible, whereas the drivers are in general of the same nature but vary in their degree of sophistication. The implication of this study recommends that SMEs can extract potential strategies and concepts out of social responsibility activities devised by LEs and try to adapt those to their exigencies in order to make their social responsibility strategy more feasible, plannable, measurable, and in consequence more actionable. First, the theoretical framework used in this research will be shaped, afterward, the design of the research will be thoroughly explained, and thereafter the findings of the case studies will be presented. Those findings will be analyzed and become the subject matter of discussion and conclusion.

2. THEORETICAL FRAMEWORK

2.1 Units of analysis

The Units of analysis in this study are in general "enterprises", which are defined as any entity that is engaging in economic activity of any kind, the concrete legal form or structure is irrelevant (European Commission, 2003). Both are either sorted into two broad categories, either they belong into the category of SMEs, or into the category of large enterprises. The classification, according to particular criteria, will be explained in the following:

2.1.1 Small and medium-sized enterprises (SMEs)
SMEs are enterprises whose personnel numbers fall below certain limits. The abbreviation "SME" is used by international organizations such as the World Bank, the European Union, the United Nations, and the World Trade Organization (2nd OECD Conference of Ministers Responsible for SMEs, 2004; SME

Definition, 2017). SMEs play an essential role in the economy, making up about 37% of the total corporate turnover in Germany and 99% of all enterprises in the European Union being categorized as SMEs that account for over 85% of jobs created (German Federal Ministry for Economic Affairs and Energy, 2015; Gouardères, 2020; von der Leyen, 2019). In contrast, their annual total turnover has to fall beneath 50 Million EUR, total staff headcount below 250 and balance sheet total below 43 Million EUR.

2.1.2 Large enterprises (LEs)

According to this study, large enterprises, are all enterprises that are larger in any one or more aspects, than the defined criteria for SMEs (European Commission, 2003). In consequence, this means that the cases fall over an annual total turnover of 50 Million EUR, total staff headcount above the number of 250, and the balance sheet total over 43 Million EUR (SME Definition, 2017).

The German Institut fuer Mittelstandsforschung Bonn draws the threshold for Large Enterprises to a higher employee number over a staff headcount of 499 (Institut fuer Mittelstandsforschung Bonn, 2016). The Institut fuer Mittelstandsforschung Bonn suggests this deviating definition arguing that it takes necessary account of the specific enterprise population of the German economy, which varies in its specific size distribution compared to other European Union member states (Institut fuer Mittelstandsforschung Bonn, 2016).

In this research all observed large enterprises are listed in the German DAX 30 stock index, consisting of the 30 major German stock companies (DAX Digital | DAX® (TR) EUR, 2021). All observed large enterprises have a staff headcount greater than 250 and 499, a final ruling upon the favored criteria threshold in the presented definitions is therefore not deemed pivotal in this study.

2.2 Underlying Core Concepts

2.2.1 Stakeholder Theory

Being an integral part of strategic management, the so-called stakeholder approach, generally credited to Freeman's work (1984) in which he vowed for a value-creation-oriented enterprise objective in favor of the named groups of customers, suppliers, employees, communities, and shareholders. This value-creation-oriented stakeholder approach differed greatly from the hitherto popular stockholder approach, which prominent Milton Friedman (1970) proposed afore, who argued, that the only responsibility of business is to increase shareholders profits. Freeman's approach in contrast is adding various other important groups an enterprise should benevolently treat and create value for. Interesting is also the aspect, that Friedman uses profit, whereas Freeman uses the more extensive term 'value', which can be interpreted in several non-monetary directions, but still does not exclude monetary aspects as well.

Priorly Schwab and Kroos (1971) proposed already in 'Modern Enterprise Management in Mechanical Engineering', which was very branch-specific, that enterprise management must serve not only the shareholders but integrate all 'Interessenten', translated into stakeholders, to create real growth and prosperity. Based on this matured idea of his, Schwab crafted, alongside his establishment of the World Economic Forum, recently his theory of 'Stakeholderism' or 'Stakeholder Capitalism' (World Economic Forum, 2020), which has caused some of the most recent debates about stakeholder concepts in academia and the business world (Kelley, 2020; Sundheim & Starr, 2020). This rather growing popularity of the wide-ranging Stakeholder theory and its concepts shows the relevance it still has in academia and business. The definition of stakeholders used in

this research agrees with the general viewpoint of stakeholders being any person or entity that has an interest in an enterprise or project or is affected by it in any way (Steiner & Steiner, 2011). Stakeholder theory is important for this particular research, as it is seen as the current center and building block on social responsibility (McWilliams & Siegel, 2001), for this reason, demand from stakeholder groups for enterprises to engage in social responsibility is substantively expectable (Sigurdsson & Candi, 2019).

2.2.2 Social Responsibility

Bowen (1953) introduced the concept of social responsibility by advocating for a moral obligation for 'Businessmen' to assume responsibilities to society (Bowen et al., 2013). Prior to that, Abrams (1951) formulated a similar thought, that managers should not just focus on profits but also integrate employees, customers, and society into their considerations to be able to prevail in the complex contexts of the modern business environment. This complexity accumulated over the last decades, due to globalization, which is also reflected in social responsibility matters (Camilleri, 2016).

Since the late 1980s environment and sustainability have become popular buzzwords, that are associated with social responsibility in enterprises and the general public by laymen since public awareness for global environmental issues grew and with that the international academic literature on those topics (Kolk, 2016; Stoll, 2020). Andriof and McIntosh (2001) are even proposing to change the word social into societal, as in European public matters the word social is just connected to welfare-related politics, they also argue that the three greater social responsibility fields of environment, society, and economy each overlap with the other in terms of company impact. According to Carroll (1991) the fields of social responsibility dealings are either of legal, ethical, economic, or philanthropic nature.

Social responsibility most often is described as business practices that involve participation in initiatives that benefit society (Sanghi, 2014). The aim is to contribute to societal goals by means of engaging in or supporting, or volunteering in ethically oriented practices, which are in their nature considered philanthropic, activist, or charitable (Kotler & Lee, 2004). This does not mean that business profitability has to be excluded, rather synchronistic social responsibility can generate both profitability and societal welfare (Hopkins, 2003). The combination of these three definitions will be used as the common ground for understanding social responsibility in this research.

2.2.3 Social Innovation

Social innovation refers to creating new social practices with the aim to satisfy social needs better than the yet existing solutions (Howaldt & Schwarz, 2010), which can mean classical products or services (Kinder, 2010). Still, social innovation transformed from the originally analytical concept, used in academic communities, into a rather normative concept (Edwards-Schachter & Wallace, 2017). With Neumeier (2011) going even so far as to merely speak of them as being 'non-material' and just concerned with a change of attitudes, behavior, or perceptions and considering the possible generation of material outcomes just as supplementary.

Enterprises were put under the pressure to rethink their business models and becoming aware of their social responsibilities by increasing stakeholder expectations (Snider et al., 2003). This creates a perspective on social innovation, as being the enabler of social responsibility, which is therefore also connected to a firm's competitive advantage, as it is not just providing financial value, but social and environmental value as well (Saeidi et al., 2015).

2.3 Frameworks for Model Creation

On top of the presented literature theories, a list of identified drivers for both social responsibility and social innovation has been derived inductively in Table 8. Those have been grouped into fitting categories. Those categories have been based on the research results and observations inductively. From a deductive perspective, an influence by the prevalent literature and models, of the discussed research field of social innovation and social responsibility, certainly had most likely no minor effect on the researcher. Therefore, the generated framework has been derived via a mixed method of deduction and induction.

From Doran and Ryan's (2014) research structure, sorting diverse drivers and types of environmental innovation for firm performance, for categorizing social innovation drivers has been derived. Those drivers can be sorted into demand-side drivers (e.g., consumer demand for environmentally friendly products, public procurement requirements, and exports), Supply-side drivers (firms' technological and organizational capability, intramural [internal] innovation capabilities, accumulation of innovation-related knowledge, level of engagement between innovating firm and its external environment) and regulation, environmental policy, institutional and political drivers.

Another framework that has influenced the framework creation has been the research of Candi et al. (2018). It is distinguished between external drivers, e.g., social intent, characteristics of the business environment, changes in laws and norms, technological progress, instability, rapid changes in customer needs, market trends, new sources of monetary and non-monetary resources, partnerships with unexpected actors or intense competition. Whereas changes in customer needs, wants and preferences are referred to as market turbulence also called demand-driven drivers like in Doran and Ryan (2004). Candi et al. (2018) also mention competitive intensity, which is described as a pressure-driven threat. The mix of de- and inductive grouping of the drivers mentioned above into open categories assures the preservation of the explorative nature of this research and led to a coding process adaptable to possible peculiarities in the findings.

3. RESEARCH DESIGN

This chapter describes the research design and the research methodologies that have been used in this paper.

Table 1: Research Design in Overview

Small and medium-sized enterprise's 'side'	Large enterprise's 'side'
<p>Data has been gathered by using interviews with executives of seven German SMEs. The interviews conducted in German were transcribed and translated afterward with the software DeepL into English, to prevent possible biases and interpretations during manual translation by the researcher.</p> <p>Data analysis evolved through an iterative process of a multiple case study approach. A qualitative approach was conducted. A mix between deductive and inductive research approach methods and within-case analysis on case studies per interviewed SME, in addition to cross-case analysis and comparison in-between interviewed SME case studies has been used. This analysis has been done using the computer-assisted qualitative data analysis software atlas.ti.</p> <p>Data includes interviews gathered by distance communication (video calls).</p>	<p>Data has been gathered by using recent sustainable reports and similar publications of 3 DAX 30 companies. The interviews conducted in German were transcribed and translated afterward with the software DeepL into English, to prevent possible biases and interpretations during manual translation by the researcher.</p> <p>Data analysis was developed through an iterative process of a multiple case study approach. A qualitative approach has been used. A mix between deductive and inductive research approach methods and within-case analysis on case studies per report of LE, in addition to cross-case analysis and comparison in-between LE report case studies has been used. This analysis has been done using the computer-assisted qualitative data analysis software atlas.ti.</p> <p>Data includes officially released and publicly available corporate reports.</p>

The two multiple case study groups, consisting out of the SME group's results and the LE group's results have been compared in the following to each other qualitatively.

3.1 Methodology

Due to the nature of the research field, the connection of social innovation drivers in SMEs, which is currently relatively

unexplored, the research of this thesis will be based on exploratory qualitative research methods (Sigurdsson, 2020). The research conducted in this paper aims to assess drivers for reaching social responsibility by innovation activities, on the one hand, for SMEs and compares those results, on the other hand, to those of large enterprises. This explorative method intends to help gain insights into the comparison of social innovation as an enterprise tool to result in social responsibility.

3.1.1 Conceptual Analytic Approach

It is common to define qualitative research in the literature to emphasize its relatively natural setting and highlight its nonmathematical data analysis process (Cassell et al., 2018). As things are observed in their natural settings, qualitative research enables an attempt to make sense of and interpreting phenomena in terms of meanings people bring to them. Thus, it aims to understand the social reality of individuals by using research following an exploratory qualitative approach (Denzin & Lincoln, 2017). Answering the perspectives and views of individuals in SMEs and large enterprises and the exploratory nature necessary qualifies qualitative research as an appropriate tool for this undertaking (Saunders et al., 2019). This led to choosing a mono-method qualitative approach of a comparison of two qualitative multiple case studies.

3.1.2 Case selection and sampling

In line with Guest et al. (2006), data saturation in qualitative research can already be reached around 6 to 8 to reach the point of saturation where no new information or themes are observed in the data. This is not to be understood as a fixed number of a minimum conductible number of qualitative data collection methods, but rather reflects the average of a normally distributed curve. The limitation of this saturation point lies in the average character of the number, the actual saturation can vary and can only be deemed when no new information can be retrieved during the analysis of the new case transcripts. This means that when and how the saturation point is met can differ from study to study and will be analyzed in consequence in this particular research context (B. Saunders et al., 2017). Furthermore, the exact point of saturation has still to be assessed by the researcher: when no new information is extracted from adding new cases. Nevertheless, the sample size for the small and medium-sized group of conducted in-depth interviews until data saturation was 7 cases. On the other side data saturation for the second group of analyzed reports of large enterprises was hit just after 3 reports. The research has been conducted in Germany and the selection of the small and medium-sized category focused on German enterprises. To create comparable sets of data the category of large enterprises will be consisting out of subjects chosen only out of enterprises which are listed in the DAX 30 stock index, which is consisting out of the 30 major German stock companies (DAX Digital | DAX® (TR) EUR, 2021). This means both different sized groups of enterprises originate from Germany.

The non-probability sampling method used will be convenience sampling, this involves selecting cases haphazardly because they are easily available. It is a widely used sampling method, but prone to different biases if cases are not selected to purposive sample criteria (Saunders et al., 2019), which are set by the definitions for SMEs and large enterprises given above in the theoretical framework section.

3.1.3 Data collection

Qualitative data are derived from spoken words (verbal data), written typed, or printed words (textual data), textual data are collected as notes from interviews or observations, or and derived from documents (Saunders et al., 2019). This research will use two ways of data collection; on the side of SMEs, interviews with representatives of the enterprises will be conducted. Those will

produce an audio file, which will be transcribed into written words. This will lead to the creation of phrasal data in the form of interview transcripts. On the side of the large enterprises, a similar way has been achieved by directly capturing those relevant phrases out of the reports. Those data were stored in the form of the interview transcripts and original reports in the computer-assisted qualitative data analysis software atlas.ti.

The structure of the interviews was subject to changes, influenced by the concrete situation faced while conducting those with the interviewees according to their answers and reactions, thus employing their end in their character of being structured as open-ended questions. A pilot interview has been conducted prior to conducting the mass of interviews to assure the interview structures' workability and usability for this research. The interviews were conducted in the German language via the zoom videotelephony software and recorded, afterwards a transcript has been crafted. This transcript has been translated using the translation software DeepL, to be less prone to bias and interpretation fallacies of the researcher while conducting the research. Due to the request of the interviewees, those translated transcripts will not be published. The choice of sustainable reports will be done, merely out of DAX 30 reports which those companies issue publicly and can be found in the references of the thesis. The reports will be of adequate recency (last 5 years).

3.1.4 Interview Design

The design of the interview was semi-structured to fit the exploratory nature of this research adequately (Magaldi & Berler, 2018). The in-depth interviews will be conducted with representatives of the enterprise. Those are expected to have strategic influence on and/or awareness of ongoing social responsibility and innovation practices. Their strategic involvement lets also suggest that they were able to reflect a complete image of retrievable information the particular SMEs has to offer on the questioned topics in terms of the socio-economic and environmental strategy of the organization.

Interviews with employees that are having the role of being the social responsibility commissioner in the enterprise were declined, the reason for that is that a higher social desirability bias was expected in their answers. The person in charge of social responsibility also crafts the agenda for this and is therefore under higher pressure to give the 'right' answers, a 'normal' employee without this look was expected to have a more clear perspective on those matters. To retrieve as much exploratory data material as possible the interview questions were in general open-ended research questions, just orienting cautiously on a set predefined guideline according to answer the problems and issues raised in the research question, without inducing bias onto the interviewee (Magaldi & Berler, 2018).

The beginning of the interview involved a short introduction and clearance of formalities like approval of recording, and the question if the interviewee and enterprise want to stay anonymous. The interviews were conducted in Germany, and therefore in the German language. The rest of the open questions related to the presented theories and the objective of retrieving social innovation drivers. The interviewee has been free in answering and presenting his opinions and experience on those matters and was also allowed to jump questions he did not want to answer. The interview questions are displayed in Appendix 1.

3.1.5 Data analysis

After identifying reasons for social innovation in terms of the generation of social responsibility in the group of large enterprises by using the computer-assisted qualitative data analysis software atlas.ti. The crafted analyzed data has been categorized under the headlines Stakeholders, social responsibility, and social innovation for both groups.

Data analysis evolved in both groups through an iterative process of a multiple case study approach. A qualitative approach has been used. A mix between deductive and inductive research approach methods and within-case analysis on case studies per interviewed SME, in addition to cross-case analysis and comparison in-between interviewed SME case studies has been used for both groups. This analysis has been done using the computer-assisted qualitative data analysis software atlas.ti.

The small and medium-sized group's data includes interviews gathered by distance communication (video calls). The large enterprise group data includes officially released and publicly available corporate reports. The two multiple case study groups, consisting out of the small and medium-sized group's results and the LE group's results have been compared in the following to each other qualitatively.

Expectation bias based on the grouping process of Large enterprises and the urge to categorize interview phrases into those groups even if they do not quite fit to be able to sort them into the crafted model is imminent in the interview evaluation and has to be avoided (Babbie, 2015). The transcripts will be coded separately. The data is anonymized if the small and medium-sized representative requested it in the first interview question.

3.1.6 Content analysis

Content analysis is a social research method appropriate to study the recorded human communications data (Babbie, 2015). Considered as qualifying for recorded human communications data in this particular study are the interviews conducted in SMEs, but also the sustainable reports of the large enterprises. Therefore, the units of analysis will be elements of communications, the interviews, and the phrases referring to social responsibility and social innovation drivers in large enterprises sustainability reports, to find common patterns in those, helping in the creation of driver categories (Babbie, 2015; Erlingsson & Brysiewicz, 2017). This analysis method will be applied to all case studies on both qualitative research sides of SMEs and large enterprises. Those results will be cross-coded to create a suiting model of general categories in-between the cases. The content analysis helped to generate codes, which afterward have been categorized. Those codes can be found in Table 9.

3.1.7 Multiple case study comparison

This thesis is based on single cases, those cases focus on single instances of different sized enterprises (Babbie, 2015). As those single cases of different enterprises have been collected into two groups, dependent on their size a multiple case study has been conducted as described by Eisenhardt (1989). This method is widely used which speaks for its high usefulness and surprise value of findings, thus thoroughly serving the explorative nature of this research (Ravenswood, 2011). The goal of binding those cases is that this way they are expected to provide a more in-depth understanding of ongoing phenomena than the sole cases would be able to offer on their own (Mills, 2010). Once the within-case analysis has been done, a cross-case analysis of the groups followed, both for the small and medium-sized groups, consisting of 7 enterprise cases, and as well for the large enterprise group, consisting of 3 enterprise cases (Yin, 2003; Creswell, 2012). The results of the two groups have been compared to each other conclusively.

4. FINDINGS

4.1 Overview of the cases

An overview of the investigated cases belonging to the group of SMEs can be found in Table 2. An overview of the comparison group of large enterprises can be found in Table 3.

Table 2: Overview over SME cases

Company	Branch	Foundation	Revenue p.a.	Number of employees
A	Design and marketing	2017	€400,000	5
B	Sports retail	1969	Not disclosed	120
C	PR and communications	1990	Not disclosed	30
D	IT industry	1995	Not disclosed	80
E	Event management	2005	Not disclosed	3
F	Internet marketing	1996	Not disclosed	1
G	Event marketing	2002	Not disclosed	12

Table 3: Overview over large enterprise cases

Company	Branch	Foundation	Revenue p.a.	Number of employees
Adidas Group	Design and marketing	1949	€19.8 billion	62,285
Siemens Group	Multi-industry	1847	€57.1 billion	293,000
Volkswagen Group	Automotive	1937	€222.9 billion	662,575

4.2 Results from individual SME cases

Assessment of the SME cases has been done under the three headwords social responsibility, social innovation, and stakeholders. Under the headline social responsibility a list of social responsibility actions, judged solely by the opinion of the interviewee, mentioned in the interview is given. Afterward, drivers expressed by the interviewee for those actions are represented. Under the headword social innovation social innovation processes and approaches of the company are listed and drivers for each of them, as they have been described by the interviewee. For the last point stakeholders, a ranking has been tried of the three most important stakeholders according to the interviewees' opinion about the enterprise surrounding.

4.2.1 Enterprise A

Enterprise A is a young design and marketing agency with 5 employees, specialized in rebranding and dealing with the problems older companies face at company successor handover and the often wished reorientation of the enterprise and its brand afterward.

4.2.1.1 Stakeholders

The most important stakeholder group for the interviewee were definitely End-Customers: "We have the end customer in mind first and foremost." Secondly, he mentions their own customer, the contracting companies, the word customer is used over 30 times during the interview. Afterward, he sorts the employees: "customers are at position 1, but employees are not far away from that".

4.2.1.2 Social responsibility

Values that matter most for Enterprise A are entrepreneurial freedom, due to earlier experience with dependency on investors, coolness, and flexibility, in terms of sympathetic employees and customers. The interviewee lists four social responsibility activities enterprise A is or was recently pursuing. The first action is being paper-free, motivation here is the greater effectiveness by using this technology making processes faster on the one side and the other that it "saves money". They also support a local soup kitchen financially, the driver here is a sense of "giving something back" and "feeling good". The same applies to their creation of an online shop, free of charge, for brick-and-mortar stores in their local city during the first lockdown in the corona pandemic. Here they generated an idea and wanted to "see what is possible on short notice", so a kind of spontaneity and testing out possibilities in an "innovation sandbox" of non-profit work. But the fact that it is also a great marketing tool, creating awareness and attention for enterprise A has not been neglected but rather stressed. They were also able to possibly get customers out of their actions. In the end, the moral compass behind those actions is emphasized again: "if you

give something unconditionally, you get double back.", this perception of being part of the local community is described as communitarianism. The biggest constraint of engaging in social responsibility actions expressed is time.

4.2.1.3 Social innovation

The generation of the social ideas by enterprise A does not differ from the generation of their normal innovative solutions, processes, and products. The results are crafted in the day-to-day activity, by single employees coming up with new ideas. There are no complicated tools or meetings to create those. Ideas are generated in the normal office discourse.

4.2.2 Enterprise B

Enterprise B is a half-a-century old retail chain, specialized in sportswear with about 120 employees in several locations.

4.2.2.1 Stakeholders

The most important stakeholder group for enterprise B is the customer, because "That's the one that enables us to do all the other things, because if we lose that, then we would have problems on the employee side and with the suppliers, that's the most important thing because that's how we finance everything else." But also describes it as more of an inter-dependent circle and is a bit hesitant to rank. The second stakeholder group is the employees.

4.2.2.2 Social responsibility

Values that matter most for Enterprise B are fairness, openness, and honesty. Those values are created as a general 'game rule' for all employees, but also managing staff. The most important value is honesty which is connected to fairness. The interviewee lists a lot of sponsoring activities of local sports clubs, but also the support of academia, service clubs, and arts & culture by financial and goods support. The motivation for that is mostly marketing, the corporate brand is represented and awareness for it is created. It also leads to the generation of new customers, that come back after sponsorships to buy their sportswear at the particular chain stores, out of a sense of loyalty and obligation. But enterprise B sees itself as part of their local communities, and the sports clubs as well, so they also see it as their duty and kind of also expected of them. The limiting factor for more engagement in social responsibility activities is time. As an enabler, the good economical management of the enterprise is seen.

4.2.2.3 Social innovation

Prospective Sponsors normally come to the stores and ask for money, but sometimes the managers have their own projects of interest. Thus, the ideas are not really generated, but it is rather as described by the interviewee: "a matter of awareness of the network". This means, if they are not aware of the projects, they do not actively engage in finding solutions but are rather open for inspiration in those regards. Social innovation looks more like an assessment process of prospective projects than an active generation of solutions and ideas.

4.2.3 Enterprise C

Enterprise C is a PR and communications agency. With about 30 employees they cover all different fields of communications, like external, internal, crisis management, etc. Therefore, the working fields of single employees are rather complex and wide.

4.2.3.1 Stakeholders

For interviewee of enterprise C, the most important stakeholder is the customers, because "we are very tied to the cash flow from the customer ... and employees are even trained in the way that they are clear about that the customer pays our bill in general". The second stakeholder group mentioned are the partner agencies and in the following the employees.

4.2.3.2 Social responsibility

Core values defined by the agency are quality, independence, team spirit and integrity. The interviewee finds integrity as the most important value, because it affects the internal part against employees but also external as their role of being consultants to the customer. Social responsibility activities exist in form of sponsorships, driver here is a personal bonding to the community or project by the enterprise C or just a single employee, dependent on the fact that the other employees ‘like’ or support this matter as well. Then they do a lot of pro bono work, for example for a small swimming club, here also the personal relation is given but another driver has been identified in the pro bono work for a networking festival, where being a part of this network plays a role but also marketing reasons. By creating brand awareness through these pro bono projects, awareness for the agency in their closer community is created, which could lead to possible new customers at some point. Another factor for doing pro bono work in the case of crisis management of middle-sized enterprises, that otherwise can not afford the service in the Covid 19 pandemic is pure solidarity. Enterprise C is aware that it could face similar dangers through the pandemic and is also aware that it is a middle-sized company. The limitation for engaging in social responsibility is time, as no employee can have his focus solely on this purpose, as it is not considered a core business field.

4.2.3.3 Social innovation

The pressure in the market for new solutions and the supply of new services is high. “The industry is constantly evolving, and we always want to be one step ahead of our customers and make them a proposal that they don’t know yet. But which are important, and which could be made to bring added value”. However, there is no fixed process for generating innovation in the agency, it “happens in day-to-day business and in conversation. So, someone comes up with an idea and then you talk about it … and if there’s a demand for it, then you do it”. This also applies to social innovation; it is described as rather “unbureaucratically” – “I just told that at lunch. That was met with interest and then we did that”. The small size seems to generate a hands-on mentality and information chains seem to be short.

4.2.4 Enterprise D

Enterprise D is an IT and Software company that is specialized in Open-Source technology and adaptation for clients. They were able to create out of the non-profit idea of open-source software service and turn it into a for-profit concept. With about 80 employees in high-knowledge jobs of the IT industry, the idealism and optimism of the non-profit Open-Source spirit still seem to dominate.

4.2.4.1 Stakeholders

The most important stakeholder according to the interviewee is the open-source community the enterprise D sees itself as a part of. Afterward, directly the employees, which in some ways are also part of that community. As third-place customers are ranked, for the reason, that “… if there are no customers there are no employees”.

4.2.4.2 Social responsibility

The value that matters most, according to the interviewee of enterprise D, is diversity, afterward ‘cool’ as a description of the employees’ relationship is given. This value is described as a good relation in-between employees, team building, and a positive working atmosphere resulting in a “high employee satisfaction”. Social responsibility activities listed are for example the local and organic purchasing of groceries like milk. Even when those goods were not needed during the lockdown the

payment of the contract was not suspended. Another action is the financial support of the local soup kitchen. Activities in terms of environmental sustainability described were the use of reusable towels and digitalizing forms that were printed out before to save paper. “All this is not very media-friendly but we do it anyway”. As drivers for those things are given the political conviction of the employees who “have a heart for social issues and also for people”. Also, the core business of improving open-source software and consulting on it is seen as a “benefit for the society”. The driver for this is similar political convictions of the employees as “open-source attracts idealists, which radiates on other social topics”. He describes this also in a greater employee attractivity, as the company gets through its social responsibility actions more attractive for people connected to this idealistic philosophy behind open-source software development.

4.2.4.3 Social innovation

The idea of generating a so-called corporate social responsibility was generated at a startup festival, all employees became two days extra-holidays to be able to partake in this idea generation Bootcamp, all ideas there somewhat start from a social beneficiary perspective. One of the generated ideas there was the implementation of social responsibility strategies and policies into the enterprise. Furthermore, regulation has been a driver, as the GDPR favors transparent open-source software leading to higher demand. Day-to-day idea generation works also for social innovation like the one for core business activities: “In software development, there is always the keyword agile”. It is described also as a very simple process that is also unbureaucratic. Motivation for it is “simply to do something good”. But other ideas like taking part in pride month were generated in the marketing department, here the interviewee describes that the process “can go both ways”. So, marketing and brand positioning are also drivers for social innovation.

4.2.5 Enterprise E

Enterprise E is in the branch of event management, specialized in golf sport and related events like trophies and tournaments. The exceptional about the enterprise is, that they mainly try to establish the golf sport in the areas of the former GDR, where the golf sport is not that popular yet compared to West Germany.

4.2.5.1 Stakeholders

Enterprise E mentions first the customers. Secondly, they rank the Sponsors, as the third most important stakeholder in the venues, which can be considered similar to suppliers for the operations of event managing. This was mentioned by the interviewee as well: “We have the golf courses as suppliers.”.

4.2.5.2 Social responsibility

The value that matters most for Enterprise E according to the interviewee is their characteristic of being mid-sized, which for him stands for trust, familiarity, and open cooperation. Socially responsible engagement of the enterprise listed by the interview is sponsoring a children’s transplant aid organization, where the motivation is to “give the customers the opportunity to do something good”. From a company perspective, this good feeling will be attached to the enterprise itself and its events, so related to enterprise image and marketing activities. Another is selecting golf courses that are sustainable and got awarded certain certificates like that they are protecting the bees and the environment. Driver, therefore, is simply an expected growing demand for sustainable sports by the customer. Also, they want to create a supply of it in advance, as it is also feared that regulations could hit the whole sports industry, so to speak prophylaxis before prohibitions start. A constraint for more engagement in social responsibility activities voiced is the lack of resources to have just one employee or a department being able to focus just on social responsibility topics.

4.2.5.3 Social innovation

Innovation is according to the interviewee not generated on the enterprises' side, but rather on their suppliers. They do not engage in it actively. For the social responsibility activities listed above, he states that the reasons for those are the same as for their generation.

4.2.6 Enterprise F

Enterprise F is an internet marketing company, whose work is characterized by working with a lot of freelancers and supplying agencies.

4.2.6.1 Stakeholders

The most important Stakeholders of enterprise F are clearly the customers: "Everything we do for our customers". The second group mentioned are the employees, it is cared the most for, according to the interviewee. As the third most important, the group of suppliers is being seen. But they are more phrased like employees in his answer, probably due to the agency style work characteristics.

4.2.6.2 Social responsibility

The main value, as described by the interviewee, is total customer focus. For engaging in social responsibility issues, he judges the company as too small. Still, there are two minor 'projects' as just using certified green servers and investing money in a startup-related charity organization. The driver for this is, that the interviewee sees such things as societal "standards".

4.2.6.3 Social innovation

Innovation is generated through day-to-day activities and inspiration through various media channels. The driver, therefore, is to stay ahead in branch-specific knowledge themes.

4.2.7 Enterprise G

Enterprise G is an event agency, specializing in recurring local sports events with about 12 employees.

4.2.7.1 Stakeholders

"The biggest focus is on the customers.", the interviewee describes their most important stakeholder group. Apart from that, the second rank is reserved for people of the community where the events take place. Those seem to be involved in the thought process of the enterprise. A third ranking is not distinguishable out of the interview context, so it is left blank for enterprise G in Table 5.

4.2.7.2 Social responsibility

The interviewee states being familial as the core value of the enterprise. Actions for social responsibility of enterprise G were actively trying to reduce CO2 emissions or the carbon footprint. Also, they offer shirts that are made of recycled plastic cups, and those cups on the other hand are now made out of paper, not plastics. The driver here is identified as keeping up competitiveness, but also to gain new customers out from a marketing perspective.

4.2.7.3 Social innovation

Those ideas were developed not with a special method, "it was probably just developing out from day-to-day work". The innovation of core business activities and services/products does not deviate from one of the social engagements, also the drivers for that are the same, namely "You always have to get better. And you have to go with the times and adapt.". The driver here is identified as keeping up competitiveness, but also to gain new customers out from a marketing perspective.

4.3 Results from individual large-sized cases

The large enterprise group consisted out of 3 different enterprises which fulfill the criteria defined under 2.1.2. Report assessment is in line with the analysis of the SME group under 4.2.

4.3.1 Adidas Group

The Adidas Group is an international sportswear manufacturer. The sustainability report of Adidas has been integrated into the annual report since 2017.

4.3.1.1 Stakeholders

Even while discussing stakeholder strategy in detail Adidas Aktiengesellschaft (2021) fails to provide a clear ranking. For this reason, the number of mentions of common stakeholder groups has been assessed throughout the Our Company part of the annual report, with the result of 68 mentions for the Stakeholder group 'employees', leaving it with the first rank. The second rank 'suppliers' is mentioned 53 times, and the third rank 'customers' is just mentioned 17 times.

4.3.1.2 Social responsibility

The most important value for Adidas identified is credibility, sustainability, innovation, and digital and experience are mentioned as well, but those are more deduced from the core value credibility, which is also closely knitted to the group's stakeholder. Social responsibility activities Adidas is engaging in are e.g. the creation of a "scaled and comprehensive sustainability report", as driver for this the core value of increasing brand credibility out of marketing concerns has been identified. Another activity is reducing the CO2 footprint, where the same driver is causal. Adidas also promises to "end plastic waste", and name their uttermost "desire to shape a better future" as their reason for this altruistic act. The group also tries to make sustainability measures more transparent in different ways for the buyer in connection to the presentation of the products, as reasons for that also increasing brand credibility have been identified, but as a different kind of marketing connected driver the "elevation of customer experience", as Adidas calls it, as well. This activity is also explained with the aim of "strengthening consumer advocacy", which appears as very idealistic.

4.3.1.3 Social innovation

Adidas is speaking of a "mindset of innovation across all dimensions of our business", social innovation is not differentiated from their normal innovation process, rather it is highlighted that this innovative spirit applies to all areas of adidas strategy and operating fields.

4.3.2 Siemens Group

The Siemens Group is a multinational conglomerate best known for its principal divisions of Industry, Energy, Healthcare, and Infrastructure.

4.3.2.1 Stakeholders

In their "Siemens sustainability information 2020" Siemens Aktiengesellschaft (2021) wrote: "We count our customers among our most important stakeholders." In their report, Siemens is listing a lot of identified stakeholders, but non as explicitly, as in this sentence, as customers. Therefore, through this sole highlighting of one group, it has been identified as their most important Stakeholder. As the second stakeholder group, Siemens is identifying their Suppliers along with the very general 'Society'. In the following, they mention, that they identified about 500 other stakeholders for Siemens.

4.3.2.2 Social responsibility

Siemens is especially highlighting the value of sustainability, this might be that the source is their sustainability report. Social

responsibility activities Siemens is engaging in are e.g. reducing CO₂ emissions, this is driven by an idealistic belief that enterprises play a pioneering role in the fight against climate change. Another activity is the responsible sourcing of minerals, Siemens states integrity as the main reason for that, but integrity with respect to “adherence to applicable laws and internal policies” as well.

4.3.2.3 Social innovation

Siemens does not differentiate between different innovation activities, they rather see their technology innovations in general as benevolent to society on the large scale, this highlights that they see it as a result of their day-to-day innovation activities in the course of their core value of relentlessly pursuing innovation and competitiveness.

4.3.3 Volkswagen Group

The Volkswagen Group is an international motor vehicle manufacturer, the group is consisting out of various car brands.

4.3.3.1 Stakeholders

Volkswagen Aktiengesellschaft (2021) formulates in their Sustainability report, that their two most important Stakeholders share rank one evenly. On the one side the customers and on the other side the employees. The second rank or third rank is also shared by other 8 stakeholder groups, which have been defined: Media, Residents and Local Authorities, Academia and Education, NGOs and Charitable Associations, Politics & Associations, Owners, Investors & Analysts, Business Partners & Suppliers, Competitors.

4.3.3.2 Social responsibility

As the core value of the adjective genuine is stated, its main role gets clear as it is directly linked in the report to integrity. Other values are being straightforward, open-minded, ‘as equals’, and united. Volkswagen is supporting various future, educational, and community projects at their sides around the world. As the local relevance is highlighted and that those activities are in close dialog with local stakeholders, this is identified as a communitarianism engagement. Another activity is the planned establishment of a group-wide social responsibility strategy, drivers noted therefore are to increase manageability and transparency. Volkswagen also provided assistance for healthcare during the pandemic, for this socially responsible activity no drivers or reasons have been stated in the report, it stands only for itself. On top of that, Volkswagen employees are encouraged to partake in a program where they work at the Auschwitz memorial site pro-bono, reason for that is, extracted out of the report, that it promotes general responsibility throughout the enterprise.

4.3.3.3 Social innovation

“Our innovations are at the same time intended to help our customers be more environmentally friendly.”, this sentence exemplarily describes, that Volkswagen sees their regular innovation activities in terms of products, processes, and services as integrating innovation with social intent.

5. ANALYSIS OF FINDINGS

In Appendix II a list with the specific social responsibility activities and their linked identified drivers can be found. There has been a high equivalent of identified drivers in-between LEs and SMEs, both are driven by marketing, communitarianism but also altruism, idealism. The greatest difference observed is in terms of the influence of regulations and policies, which have just been identified as drivers for LE, one mention in the SMEs was explained with it being considered rather a demand-sided driver.

5.1 Comparison of SMEs and LEs

5.1.1 Stakeholders

Customers are clearly the most important stakeholders as can be seen in the ranking provided in Appendix IV. For every enterprise, they are ranked at least in the top 3. In 6 of 7 cases, they are even ranked at first place. For enterprise N, where it is ‘just’ ranked at the 3rd place, still, their monetary importance for the enterprise is strongly highlighted. This includes the mention, that without the customers the enterprise would cease to exist. Similar interpretations of the customers’ influence and importance for the enterprise were made in all cases. Analysis of this importance ranking of stakeholders across the small and medium-sized cases suggests a strong customer focus, which is linked to the mention that this is the income source. Therefore, the existential drive for serving this most important stakeholder with due diligence.

Similar to the SMEs the large enterprises placed the customers at rank one, which is also displayed in Appendix IV. Also, the employees get a similarly important role assigned in terms of their importance for the enterprise. In general, the small and medium/sized enterprises name the same important stakeholder groups if you compare Table 3 with Table 4. Also, the most important stakeholder for both different enterprise size groups is customers, closely followed by employees. Of course, classic stakeholder groups like suppliers, customers, and employees are mentioned and ranked (Springman, 2011). The stressing of customers’ importance alike in both different sized enterprise groups makes one think of Drucker’s posthumous theoretical outlay of a customer-centric enterprise and therefore suggests strategic self-assessment of the enterprise’s mission and purpose starting with the customer (Drucker & Frances Hesselbein Leadership Institute, 2008). Findings show, that for both size categories, identified stakeholder groups correspond by their nature, especially the ranking of the stakeholder group of customers coincides within both groups as being considered of uttermost importance. Social responsibility

5.1.2 Social Responsibility

In terms of social responsibility, formulated enterprise values show signs of similarities. But the ranking of the values differs. The impression is, that LEs tend to create extensive word clouds with a wide range of conceptualities, whereas SMEs just focus on a few core values. This can be seen as a lack of sophistication, but can also be a more focused approach and in consequence more usable. Identified values in SMEs and LEs can be found in Appendix V. The identified drivers of both groups have been ranked according to the number of their mentions, findable under Appendix VI. Here it can be seen, that both SME drivers, as well as LE drivers, are to an even higher degree equivalent in-between both different sized enterprise groups. For SMEs as well as LEs marketing as a driver for their social responsibility is ranked as most influential. For both groups marketing is the main driver, this links as it being a demand-sided driver to for both important credibility and competitiveness. Also, the supply side drivers are shaped by altruism, idealism, and communitarianism. Especially by grouping them according to Doran and Ryan (2014) and Candi et al. (2018), it gets apparent that the same groups of demand-sided or external drivers shape socially responsible activities in both types of enterprises. Also, a huge part seems to develop intrinsically out of the enterprises, but here as well, applicable to both SMEs and LEs as trackable in Appendix VII under supply-side drivers.

5.1.3 Social innovation

The results for both groups are strongly comparable, both groups identify their drivers for social responsibility activities as identical to the drivers for their social innovation. This has been

visualized in Appendix III. For both SMEs and LEs, the drivers for social responsibility activities correspond substantially to the drivers for social innovation.

6. DISCUSSION AND CONCLUSION

6.1 Contributions

The theoretical implications of this thesis affect the identified need to investigate SMEs' engagement in social responsibility and social innovation through assessment of its drivers. Through comparison to LEs, it was expected to explore possible additional insights, as the research field of social responsibility is far more extensive with LEs as their main subject than SMEs. Thus, the research question serves as an essential guideline and will be answered here: *How do drivers of social responsibility and social innovation compare in-between for-profit SMEs and large enterprises?*

This research is adding four important contributions. The first one is the general partaking in the elucidation of the research field of social innovation connected to SMEs, as well as to social responsibility and social innovation, where a gap in the literature has been identified on several occasions (Sigurdsson, 2020; Nelson & Jenkins, 2006). Secondly, it lodges an appeal against Spence & Lozano's (2000) findings, that driving forces of social responsibility and social innovation in-between large enterprises and SMEs are incomparable. The findings of this research rather imply that the drivers are quite similar, taking into account the factors of enterprise size and possibilities beforehand and in consequence that separation of the social responsibility activities from their drivers has to be ensured to provide a legitimate ground for an appropriate comparison. Thirdly it agrees with Sigurdsson and Candi (2019), that enterprises' revenue source number one is the customer, as identifying it as the most important stakeholder group for both LEs and SMEs, which could be an argument for their proposed customer impression tendency of enterprises, but is also in line with their proposal of it being a comparable shared driver for both different-sized enterprise groups' customer acceptance. Fourthly it endorses to some degree the inclusion of the wide range of works and models of the research topics about social responsibility and social innovation on LEs yet existing, in research about SMEs, on the condition that major reservations will not be neglected but kept in mind.

6.2 Practical implications

The Findings support that a comparison in-between SMEs and LEs is plausible, whereas the drivers are in general of the same nature but vary in their degree of sophistication. The implication of this study recommends that SMEs can extract potential strategies and concepts out of social responsibility activities devised by LEs and try to adapt those to their exigencies in order to make their social responsibility strategy more feasible, plannable, measurable, and in consequence more actionable.

In addition, this research provides an understandable overview of identified driving forces for social responsibility and social innovation in SMEs as well as in large enterprises and evaluates similarities and differences. This comparison also enables a viewpoint on the dependency of enterprise size and its relations to drivers that lead to social responsible actions and innovations, thus it has a direct managerial impact. Implementation of those social responsible enterprise practices positively affects firm performance and can lead to greater customer satisfaction and reputation which leads to a greater competitive advantage (Saeidi et. al., 2015). By allowing self-assessment through identification of drivers in SMEs and comparing it to the way more sophisticated large enterprises in social responsibility matters hitherto undetected potential can be discovered. A certain

professionality in the regards of social responsibility and their generation through social innovation is linked to the creation of a thought-through strategy and professionalism in those regards. This means, that SMEs should start getting aware of their unused potential in this area, which means unused potential also in regards to missing out on competitive advantage by enhanced financial and social performance through social responsibility implementation (Herrera, 2015; Urbancova 2013; Porter & Kramer, 2006).

6.3 Limitations and possible biases plus suggestions for future research

This study is like any other academical research prone to several possible biases and other limitations. Being aware of that helps to make the study more moral and ethical, thus the following potential fallacies in this thesis are being taken into consideration (Simundic, 2013). In the course of this investigation enterprises operating in eminently different branches have been researched (Table 2+3). This means, that it is assumed that they are to some extent comparable, which is necessary to conduct a multiple-case study qualitatively. Here for further research, it is advised to make branch-related studies with more cases. With more data, a comparison between cases and branches could be assessed more reliable.

Another possible fallacy could be the used definition of SMEs of the European Commission (2003), which offers very broad thresholds for the categorization of SMEs. The sizes of all interviewed SMEs greatly differ from case to case, but still, all are considered under the proposed definition, this also leads to the conclusion, that comparability of cases can just be assumed in this research. A suggestion would be to conduct future research with a more narrow definition of SMEs, to increase comparability. Suggested criteria to alter or add to this definition for more expressiveness of future research results, would be for example a narrower perimeter for business size plus the definition taking into account the stage the company has reached yet in the organizational life cycle, like described by Sirmon et al. (2010), e.g. just comparing start-ups.

Also, there could have been bias in the selection of the cases, as the easiest accessible interview partners have been chosen, and in some points, one interviewee was referred by another one, which could lead to a kind of social desirability bias (Althubaiti, 2016), as interviewees knew already about the topic and were in addition sometimes referring enterprises that in their eyes were 'role models of social responsibility activities'. Therefore it is important to be aware that case selection was not randomized, and judge the results accordingly.

The social desirability bias is a big topic in this research field in general, as social responsibility is more and more perceived as a political issue, which could also result by non-observance of social responsibility practices of the enterprise in possible total image damage and even bankruptcy (Ding et al., 2019). Especially for the interview answers of the small and medium-sized companies, the risk for the social desirability bias being made by the interviewee is high, as their self-reporting can be affected by an external bias caused by the expectation that social approval in this topic is essential (Althubaiti, 2016), for example in possible exaggerations of the importance of social responsibility activities in the real day to day business activities of the enterprise. To dampen this bias, the researcher offered anonymity in the publicly made paper, which was in every interview requested.

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9. APPENDIX

Appendix I: Adaptive Interview structure

Open Interview Structure – SMEs

Bachelor Thesis: Mario Fleischmann 2173263

Introduction

Information about the enterprise:

- Enterprise name:
- Enterprise size:
- Enterprise branch:
- Total staff headcount:
- Balance sheet total below 43 Million EUR?
- Annual total turnover beneath 50 Million EUR?

Information about interviewee:

- Position/role in the enterprise:

Social responsibility:

- Is there a vision or a purpose defined for your enterprise?
- Does your enterprise have formulated certain sets of universal enterprise values?
- How do you enact upon those values?
- Do you engage in any way in social responsibility matters? (Do you even know about social responsibility?
 - o If not: Definition is provided: "*Social responsibility most often is described as business practices that involve participation in initiatives that benefit society (Sanghi, 2014). The aim is to contribute to societal goals by means of engaging in or supporting volunteering and ethically oriented practices, which are in their nature considered philanthropic, activist or charitable (Kotler & Lee, 2004).*"
 - o If yes, what makes you engage in those matters?
 - o If not, what could let you engage in social responsibility?
- What do you think is necessary to let your enterprise engage more in social responsibility matters?
- Is there a conflict between being able to provide for the social good and the enterprise's profit goals?
 - o If yes why?

- Do you have plans to engage in social responsibility matters in the future?
- What motivates you to see your company as an integral part of society?
- Do you think there is a demand for social responsibility for your particular company? (demand-side drivers)
 - o If yes, in which form?
- Are you able to take social responsibility? If yes, what enables you? If not, what could enable you? (supply-side drivers)
- Does any kind of regulation or laws influence your social responsibility ability? How important would you rate the influence of laws and regulations for being socially responsible?

Social innovation:

- Does your enterprise undertake innovation activities in its core business fields?
- Besides that, could those mechanisms also work for innovation in terms of engaging in social responsibility matters?
- How do you create or come up with solutions/ways of social responsibility?
- Does your enterprise strive to better society or people's lives through new products/services/business fields?
- How do you identify needs in your surrounding society?
- How do you generate ways/ideas/solutions to needs you identified in your near societal surroundings?
- What drives you to find solutions to societal needs?

Stakeholders:

- Whom do you identify as the most important groups of people connected to your company or affected by it, besides the common customers/suppliers and employees?
- Could you order/rank those different groups of people according to their importance for your enterprise?
- How do you integrate those groups mentally in your enterprise activities?

Appendix II: Identified Drivers for social responsibility activities

Enterprise	Activities	Drivers	Constraints
SMEs			
A	paper-free enterprise offices sponsoring soup kitchen pro-bono work	process efficiency financial efficiency altruism communitarianism marketing testing opportunity communitarianism	time
B	sponsoring sports clubs and athletes	marketing communitarianism	time
C	sponsoring community projects pro-bono work	communitarianism marketing solidarity idealism altruism	time
D	buying locally saving paper and other sustainability measures engaging in open-source software development creating enterprise social responsibility agenda par-taking in "Pride-Month" sponsoring soup kitchen	idealism altruism idealism greater employee attractivity policies and regulations BUT as demand-side drivers altruism marketing altruism communitarianism marketing	none mentioned
E	sponsoring transplant aid organization for children selecting sustainable suppliers	marketing (expected demand) expected regulations (prophylaxis)	resources
F	solely using sustainable servers investing in start-up related charity organization	convention convention	resources
G	reducing enterprise's carbon foot print sustainable product replacements	competitiveness marketing marketing competitiveness	none mentioned
LEs			
Adidas Group	creation of a scaled and comprehensive sustainability program reducing enterprise's carbon foot print end plastic waste make sustainability measures more transparent	credibility (marketing) credibility (marketing) altruism marketing idealism	none mentioned
Siemens Group	reducing enterprise's carbon foot print responsible sourcing of minerals	idealism regulations and policies regulations and policies	none mentioned
Volkswagen Group	supporting future, educational and community projects at sites around the world establishing a group-wide social responsibility strategy assistance for healthcare in the pandemic work at Auschwitz memorial site reducing enterprise's carbon foot print	communitarianism transparency manageability no concrete drivers reliably identifiable responsibility responsibility regulations and policies	none mentioned

Appendix III: Comparing SI drivers to SR drivers

Enterprise	Status of social innovation
SMEs	
A	SI drivers same as for SR activities
B	SI drivers same as for SR activities
C	SI drivers same as for SR activities
D	SI drivers same as for SR activities
E	SI drivers same as for SR activities
F	SI drivers same as for SR activities
G	SI drivers same as for SR activities
LEs	
Adidas Group	SI drivers same as for SR activities
Siemens Group	SI drivers same as for SR activities
Volkswagen Group	SI drivers same as for SR activities

Appendix IV: Ranking Stakeholders

Ranking Stakeholders in SMEs:

Company	Stakeholder No. 1	Stakeholder No. 2	Stakeholder No. 3
A	End-customer	Customer	Employees
B	Customer	Employees	-
C	Customer	Partner (agencies)	Employees
D	Community	Employees	Customer
E	Customer	Sponsors	Suppliers
F	Customer	Employees	Suppliers
G	Customer	Community	-

Ranking Stakeholders in LEs:

Company	Stakeholder No. 1	Stakeholder No. 2	Stakeholder No. 3
Adidas Group	End-customer	Customer	Employees
Siemens Group	Customers	Suppliers + Society	-
Volkswagen Group	Customers + Employees	Media, Residents, and Local Authorities, Academia and Education, NGOs and Charitable Associations, Politics & Associations, Owners, Investors & Analysts, Business Partners & Suppliers, Competitors	-

Appendix V: Identified values in SMEs and LEs

Enterprise	Most important value	Other Values
SMEs		
A	entrepreneurial freedom	coolness, flexibility
B	honesty	fairness, openness
C	integrity	quality, independence, team spirit
D	diversity	coolness
E	mid-sized	trust, familiarity, open-cooperation
F	total customer-focus	
G	familiarity	
LEs		
Adidas Group	credibility	innovation and digital, experience
Siemens Group	sustainability	environment, creating value for society, responsible business practices, relentless pursuit of innovation and competitiveness
Volkswagen Group	genuineness	straightforward, open minded, as equals, united

Appendix VI: Drivers ranked according to mentions

SMEs	LEs
marketing (8)	marketing
communitarianism (7)	credibility (marketing) (2)
altruism (5)	responsibility (2)
idealism (3)	idealism (2)
competitiveness (2)	regulations and policies (3)
convention (2)	transparency
solidarity	communitarianism
expected regulations (prophylaxis)	altruism
greater employee attractivity	manageability
testing opportunity	no concrete drivers reliably identifiable
policies and regulations BUT as demand-side drivers	
process efficiency	
financial efficiency	

Appendix VII: Grouping of identified drivers

<u>Grouping according to Doran and Ryan (2014)</u>		
demand-side drivers	SMEs marketing (8) competitiveness (2) greater employee attractivity policies and regulations BUT as demand-side drivers	LEs marketing credibility (marketing) (2) transparency
supply-side drivers	communitarianism (7) altruism (5) idealism (3) solidarity testing opportunity process efficiency financial efficiency	responsibility (2) idealism (2) communitarianism altruism manageability
regulation, policy, inst. and pol. Drivers	convention (2) expected regulations (prophylaxis)	regulations and policies (3)
<u>Grouping according to Candi et al. (2018)</u>		
external drivers	communitarianism (7) altruism (5) idealism (3) solidarity testing opportunity process efficiency financial efficiency convention (2) expected regulations (prophylaxis)	responsibility (2) idealism (2) communitarianism altruism manageability
market turbulence (demand-driven drivers)	marketing (8) policies and regulations BUT as demand-side drivers	marketing credibility (marketing) (2) transparency
competitive intensity	competitiveness (2) greater employee attractivity	regulations and policies (3)