CSR in Dutch small and medium-sized enterprises:

Communication, motivation, and implementation

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Abstract

Purpose –Most CSR research has historically focused on larger and multinational corporations (MNCs). Although small and medium-sized enterprises (SMEs) are gaining attention, relatively little research is available on CSR drivers, implementation, and communication at SMEs, including within the Dutch context. Therefore, this study aims to give insights on CSR at Dutch SMEs.

Method – This study employed two methods. First, a content analysis of 92 Dutch SMEs' corporate websites examined their online CSR communication, focusing on the presence of CSR items (e.g. accessibility, transparency, CSR focus), rather than intensity. Second, 14 in-depth interviews were conducted with businesses from the content analysis. Topics discussed were CSR communication, motivation, and implementation. The selection of SMEs that engage in CSR was based on the membership list of MVO Nederland (CSR Netherlands), a Dutch organization promoting CSR.

Results – Content analysis showed that most SMEs prominently mention CSR on their websites, particularly emphasizing the environment, while social CSR, especially employee-related aspects, receives less attention. This aligns with interview findings, although employee-related aspects were mentioned twice as much as in the content analysis. Interviews also highlighted that most SMEs are intrinsically motivated, integrate CSR into their business strategies, and actively communicate their CSR efforts to both employees and clients. Despite facing challenges, such as higher cost for sustainable products and services, most SMEs perceive external demand for socially and environmentally friendly products and services as the main benefit of their CSR efforts.

Conclusion – This study gives insights on CSR in Dutch SMEs and highlights that SMEs benefit from engaging in responsible business practices, indicating market interest in socially and environmentally responsible products and services, with SMEs contributing to meet this demand. Despite facing challenges, SMEs have been integrating CSR into their business strategies, and show they can be important contributors to CSR.

Key words: corporate social responsibility, CSR, CSR implementation, CSR communication, SMEs

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1. Introduction

Corporate Social Responsibility (CSR) is a concept that keeps evolving over time. The social responsibility of businesses already appeared in literature as early as the 1930's (Carroll, 1999). A phenomenon that started many decades ago is still very current today and "as social expectations of corporate behavior changed, so did the concept of corporate social responsibility" (Latapi Agudelo et al., 2019, p.1). The last few decades have seen a rise in CSR related initiatives and major investments are needed by businesses and government as global issues and societal challenges require action (Singh & Misra, 2020). Global initiatives and policies such as UNGC, GRI, SDG, and European guidelines by the OECD and European Commission have been created for the purpose of CSR. The historically voluntary nature of CSR has become a requirement for businesses to engage in.

The CSR initiatives and policies have been geared towards larger and multinational companies (MNCs) (e.g. Jenkins, 2006; Jamali et al., 2009; Baumann-Pauly et al., 2013), however, SMEs (up to 250 employees) could contribute to achieving the sustainable development goals (SDG) set out by the United Nations, especially since small and medium-sized enterprises (SMEs) account for about 90% of all businesses and over 50% of all employment worldwide (Worldbank, n.d; Jenkins, 2004), in Europe (Santos, 2011) and in the Netherlands (CBS, 2021). Their importance for CSR becomes more evident, for instance due to their more personal commitment and local presence in the community (UNIDO 2002, Fuller, 2003). Furthermore, as opposed to MNCs, which are more formal and whose owners are not directly linked to the business, SMEs owners' personal values can directly shape and affect a firms' strategy and practices (Spence, 1999). The past two decades have seen a shift in CSR research from MNCs to SMEs where SMEs motives (e.g. Murillo & Luzano, 2006; Jamali et al., 2009; Santos, 2011) and implementation (e.g. Spence, 2009; Santos, 2011; Baumann-Pauly et al., 2013) have been examined. In addition, CSR communication is also receiving attention (Du et al., 2010; Baumann-Pauly et al., 2013; Strand, 2013; Kent & Taylor, 1998, 2016) as communication is a vital part of effective CSR and involves various stakeholders.

Despite growing knowledge on CSR and SMEs, relatively little research is done on CSR in Dutch SMEs (Sanders et al., 2015). This study seeks to address this gap. Furthermore, most existing research focuses on one research method, whereas this study employs two methods: content analysis and in-depth interviews. Based on the above this study will look at CSR communication, motivation, implementation, as well as the benefits and challenges that SMEs encounter. The main research questions are as follows:

1. How do Dutch SMEs communicate on CSR?

2. What are Dutch SMEs motivations for engaging in CSR?

3. How are Dutch SMEs implementing CSR?

These research questions will be addressed with data from a content analysis of 92 corporate websites and 14 in-depth interviews with SMEs. These SMEs are found via the public member list of MVO Nederland (CSR Netherlands). This Dutch organization is partly government funded and promotes CSR amongst businesses in the Netherlands and most of the members are SMEs. By examining why SMEs decide to conduct their business responsibly and what challenges and benefits they encounter during this process, this study provides insights and contributes to knowledge on CSR within Dutch SMEs.

2. Literature review

2.1   The concept of CSR

The concept of corporate social responsibility (CSR) was already introduced many decades ago (e.g. Berle, 1931; Bowen, 1953; Davis, 1969) and has been described using other terms such as 'corporate social performance' (Sethi, 1979; Wood, 1991, Carroll, 1999), 'responsible corporate citizenship' (Zadek, 2001) and also 'business ethics, stakeholder management, sustainability' (Carroll & Shabana, 2010). Over time, various terms have been used. Currently, however, the term sustainability appears to be used more than CSR (Strand, Freeman & Kockerts, 2015) also within job titles for positions dealing with CSR such as Chief Sustainability Officer. Some use CSR and sustainability interchangeably while others disagree and do not see sustainability as such a broad term and use it in relation to environmental CSR (Strand, 2013). Only if sustainability covers the full meaning of CSR should it be used interchangeably, otherwise best to use it separately.

Apart from different terms and synonyms being used, there have also been different frameworks of CSR. Carroll (1979) defines CSR as the economic, legal, ethical and philanthropical expectations society has of organizations. He developed the CSR pyramid, a popular and comprehensive framework categorizing CSR according to four dimensions (economic, legal, ethical, philanthropical), which illustrates and explains the different levels of CSR. The four dimensions are seen as building blocks starting from the bottom, its foundation of securing financial stability (economic), to obeying law and regulation (legal), to a moral duty of doing what is right (ethical) and progressing the top, fulfilling its philanthropical responsibilities of voluntary actions that benefit society (philanthropical).

Another popular explanation and framework of CSR is the "Triple Bottom Line" approach by Elkington (1997) which considers a companies' financial performance but also their social and environmental impacts. He introduces the three dimensions of People, Planet and Profit where the people dimension is focused on social CSR and the planet dimension on environmental CSR. The differences between the two approaches of CSR are for instance that Carroll's approach focuses on

corporate responsibilities and Elkington's approach also incorporates the impact of the social, environmental, and economic dimensions. Another difference is that the environment is explicitly integrated in Elkington's approach.

CSR is a broad concept and definitions may vary. For the purpose of this study the definition by the European Commission is used, where CSR is defined as "a concept whereby companies integrate social and environmental concerns in their businesses operations and in their practices with their stakeholders on a voluntary basis" (2001, p. 6). This definition will be used because it focuses on social and environmental CSR integration into a business' operations.

2.2   Motivations for engaging in CSR

Businesses can be motivated differently when it comes to conducting business responsibly and the owner's personal values can have a direct effect on the business strategy and practices (Spence, 1999). Existing literature distinguishes two types of motivations, intrinsic and extrinsic. E*xtrinsic* (strategic, economic) motivations suggest that companies engage in CSR for strategic or financial reasons and *intrinsic* (ethical, altruistic) motivations suggesting non-financial reasons for CSR (Graafland & Van de Ven, 2006; Graafland & Mazereeuw-van der Duijn Schouten, 2012) and are twofold. The ethical (moral) driver is seen as the obligation to do what is right (Etzioni, 1988) and the altruistic motive goes beyond obligation to do what is good for society (Graafland et al., 2004).

Murillo and Lozano's (2006) case study of four Catalan firms, found that the main driver for CSR are the values and character of the founder. It should be stated that the firms were chosen specifically for their CSR adoption. Nevertheless, the owners' personal values drove the integration of both economic and social elements within their business model and this integration occurred from the business' inception. The personal values of the SMEs owners/managers playing a role in the adoption of CSR is consistent with existing literature on SMEs CSR motivation according to (Jamali et al., 2009) who conducted comparative research on specific characteristic of MNCs and SMEs in relation to CSR. In their study they also found that contrary to MNCs, whose motives are more of a strategic nature, SMEs motives are altruistic and philanthropical. Other motivations found in the

study were the high level of social commitment, both internally and externally, exhibited by the founders from the business' inception and passed on to others. Also, employees (internal) and customers (external) rank highest as stakeholders, more than the other stakeholders.

However, according to Santos (2011), who researched CSR in Portuguese SMEs, the main motivation for adopting CSR is internally focused, driven on the one hand by economic reasons by reducing cost through eco-efficient management for instance and thereby improving sales, and on the other hand by social reasons like focusing on employee satisfaction. In other words, even though those businesses were internally focused, the drivers were both extrinsic and intrinsic. Such studies that show that businesses are being driven both intrinsically and extrinsically when it comes to CSR is also supported by Graafland & Van de Ven (2006) even though they found that intrinsic motivation is more strongly related to CSR and drives CSR more than extrinsic motivation (Graafland & Van de Ven, 2006; Grimstad et al., 2019).

It is important to pay attention to motivations as they can determine current CSR activities but also businesses' further use of CSR activities. For instance, businesses that engage in CSR for financial reasons will only want to focus on CSR activities that are financially profitable. On the contrary, businesses that are intrinsically motivated are willing to look beyond the financial rewards and are prepared to add CSR activities that are valuable socially (Graafland & Mazereeuw-van der Duijn Schouten, 2012). The same study posits that related to motives is whether businesses focus specifically on social or environmental CSR. Research on CSR shows various dimensions (e.g. social activities, labor conditions, environment) and that motives for engaging in different dimension can differ. The social dimension encompasses various aspects of a company's actions in relation to human beings both inside and outside the organization. The environmental or ecological dimension, on the other hand, refers to a company's CSR efforts regarding the natural environment. Companies can undertake various actions to protect the environment such as recycling efforts, implementing energy efficient solutions, etc. (Araña & Leon, 2009) or using eco-friendly and sustainably sourced products. According to Araña and León (2009), environmental CSR is most valued by consumers.

2.3   Implementation of CSR

Existing literature distinguish between two types of CSR in relation to a company's social activities, namely internal and external CSR. On the one hand, *Internal* CSR refers to social actions taken within an organization directed at its internal stakeholders such as the wellbeing of its employees. *External* CSR, on the other hand, refers to the actions taken regarding social and environmental CSR outside the organization with its external stakeholders such as customers and suppliers (Hawn & Ioannou, 2015). This study focuses specifically on SMEs, which are the majority of businesses within the Netherlands and Europe (CBS, 2021) and could prove important for CSR adoption.

The relevance of a firm's size on CSR implementation has been looked at in several studies but has not yet resulted in consistent or valid findings (Spence, 1999). However, even though the output may not be consistent there are studies that report differences when it comes to implementation. Santos (2011) researched Portuguese SMEs and posits that their current CSR practices are unstructured and there is no clear overall implementation within the business' strategy or practices. The current frameworks available are created with MNCs in mind and may not be a suitable tool for SMEs because their CSR activities are more ad hoc and stem from their personal values. They do not use the structured nature of a framework and thus their activities are less explicit. Especially for small firms, using externally developed frameworks to measure social performance may not be desired as small business owners may perceive this as bureaucratic (Spence, 1999). Also, small firms are usually managed by the owner and their main reason for starting a business is often their need for independence (Goffee & Scase, 1995) and hence may also be a reason why their CSR initiatives are unstructured and not formalized.

On the other hand, however, Baumann-Pauly et al. (2013) who studied CSR in Swiss MNCs and SMEs suggest that MNCs do not necessarily take the lead in CSR implementation when compared to SMEs. There is particular difference between CSR implementation versus communication and reporting. Certain characteristics of small firms, for instance size (fewer employees), internal structure (informal procedures and flat hierarchy), commitment (CSR

engagement due to personal reasons), external collaboration (close ties with stakeholders) benefit CSR implementation over that of MNCs, where their (opposite) characteristics can strain CSR implementation. The notion that SMEs specific characteristics can benefit and enable more effective CSR engagement than that of MNCs has also been confirmed by other studies (e.g. Jamali et al., 2009; Pedersen, 2009).

2.4   Communication

Unlike CSR implementation, when it comes to CSR communication and reporting, SMEs are more restricted over MNCs according to Bauman-Pauly et al. (2013). They find that MNCs are stronger CSR communicators than SMEs due to differences in CSR budget as reporting and publishing externally can be costly. Also, SMEs prefer to engage directly with their relevant stakeholders instead of focusing on a general public. Contrary to the finding that budgetary reasons explain the difference in CSR communication by MNCs and SMEs, Jamali et al. (2009) found that SMEs prefer not to publicize their CSR efforts as they do not seek or expect any commercial benefits in return, but rather "*greater personal satisfaction, clear conscience* and *peace of mind*" (p. 368). They engage in CSR activities purely out of personal reasons while MNCs consider it beneficial for their image and reputation. This could mean that SMES engage in CSR activities but do not necessarily communicate them.

Matten and Moon (2008) differentiate between implicit and explicit CSR. *Implicit* CSR refers to CSR activities being done or embedded within an organization that are not explicitly communicated or marketed as CSR. Whereas *explicit* CSR refers to CSR practices that are consciously and intentionally promoted and communicated. In their study they state that historically US companies have been much more explicit in their CSR adoption and communication. It was part of their business culture more than of European firms, but they state that European firms are "gaining momentum" (p. 10) when it comes to explicit CSR. In fact, the past decade has seen a rise in explicit CSR by European businesses, and they have not only gained momentum but may have surpassed US businesses (Strand, 2013; Strand, Freeman & Kockerts, 2015).

As explicit CSR is increasing, businesses must also consider the importance of congruence. Congruence refers to the alignment of what a company says that they do and what they actually do as stated by Osgood and Tannenbaum's (1955) congruity theory. When it comes to communication, congruence becomes important because consumers are important stakeholders, as they can publicly criticize companies that are not able to back their claims (Chakraborty & Jha, 2019). Making unsupported or exaggerated CSR claims is also referred to as greenwashing. In addition to consumers becoming more aware and sensitive of false CSR claims, legislation is also catching up in the form of the European Union's proposed Green Claims Directive. This directive focuses on explicit claims made by businesses and serves amongst others to ensure reliable claims, to protect consumers from false claims and to create a level playing field for businesses (European Commission, 2023).

Even though greenwashing should be avoided and can impact businesses negatively, not all affects measured have been negative. For instance, a study by Szabo & Webster (2021) finds that perceived greenwashing impacts companies negatively when it comes to how consumers perceive their products, environmental claims and also their website interactions. However, they also find that consumers' existing beliefs do not necessarily relate negatively to perceived greenwashing. Possible reasons they give for this are for instance that even though consumers may have green beliefs, other values may be more important. Also, having green beliefs does not mean they are dedicated to fact-checking or able to recognize subtle forms of greenwashing. Another study, by De Jong et al. (2017) indicates that engaging in greenwashing is not beneficial for a company, does not affect purchase intention and that only genuine green interest may seem to generate benefits. However, they also find that greenwashing can result in positive consumer perception of the organization regarding their green performance. This could mean that when consumers perceive a company as doing something good, they may associate it with being morally good, and that companies hope to profit from this perception. The Green Claims Directive will be useful to prevent greenwashing.

2.4.1   The use of websites for CSR communication

Contrary to greenwashing, it is better to communicate about actual CSR efforts and raise awareness, and also engage with consumers to improve consumer perception in order to maximize the benefits of CSR activities. Moreover, to be perceived as a socially responsible business it is important to communicate this commitment to a wide audience as stakeholders evaluate a business depending on what they know about their social activities (Du, Bhattacharya & Sen, 2010). Reaching a wide audience can easily be done through a corporate website as one of the main characteristics of the internet is that it offers access (Pollach, 2003). Studies indicate that companies globally use their websites to share their CSR practices with the public (Maignan & Ralston, 2002). However, when using the internet for disseminating CSR information one has to keep in mind that the information needs to be easily accessible such as on the homepage instead of several clicks away which according to Hong and Kim (2004) relates to navigation usability. In their study, they evaluate a website based on two criteria: useful content (quality of the information) and usable navigation (navigation ease). The latter refers to the number of clicks needed to get from the homepage to the target information. In other words, it is not only important *what* is communicated on CSR but also *how* accessible the information is. Without accessibility, communication objectives cannot be attained (Hong & Kim, 2004). Furthermore, the type of information disclosed is important as the demand for transparency is growing. Stakeholders are increasingly more interested in information regarding businesses' CSR activities. Their expectations of the social and environmental responsibilities and accountability of businesses may lead to increased social disclosures (Del Bosco, 2017). The quality of disclosures may be enhanced by mentioning detailed information, updating CSR information regularly and also by linking CSR documents on the website (Adams & Frost, 2006).

Thus, communicating through the internet to build relationships with stakeholders is important as it also allows for engagement through dialogue. By offering the public a feedback option makes communication and dialogue possible. In other words, using the internet to communicate a company's CSR efforts to the public should not be underestimated (Kent & Taylor,

1998). However, building a strong online presence goes beyond just the use of a company website. Social media has become an important tool to engage with stakeholders, offering not just one-way communication such as a through the website, but also allows for direct interaction and thus building relationships with stakeholders (Jahdi & Acikdili, 2009; Kent & Taylor, 2016). In other words, including social media as a communication channel may lead to more effective communication.

To conclude, understanding what motivates SMEs is important as it influences the execution of CSR initiatives. Furthermore, societal expectations change and many consumers expect businesses to behave responsibly, hence keeping stakeholders informed about actual actions, progress or impact is important. This proactive approach can enhance reputation, increase returns, and should not be overlooked.

3. Method

3.1   Design

The topic of CSR offers ample research. However, most of this research uses one research method,

either a quantitative or qualitative approach. In this study, both qualitative and quantitative method

were used to address the research questions and this was done in two phases. First, a content

analysis of companies' websites was conducted to examine how SMES communicate online. Second,

in-depth interviews were conducted with SMEs that were included in the content analysis to examine

CSR motivation, implementation, and communication. The next sections will outline the

methodology for each method. Approval for this study was given by the BMS Ethics Committee of

the University of Twente (request number: 230859).

3.2   Content Analysis

3.2.1   Corpus

To find SMEs that engage in CSR the online available member list of MVO Nederland (CSR

Netherlands), a Dutch organization promoting CSR, was used. MVO Nederland is partly subsidized by

the government and most of its members are SMEs. The SMEs on this website are CSR oriented and

have to some extent already adopted CSR within their businesses. The available filter on their

website offered a breakdown by large enterprise, CSR leaders, partners, and sector. This filter was

mainly useful because it allowed for MNC exclusion as the focus was on SMEs. To arrive at a final

sample size a process of elimination was conducted. The MVO member list was retrieved from their

website in March 2023. All 32 output pages were copied over to an excel file giving a total of 1550

companies. An important inclusion criterion was that the companies must be categorized as SMEs. As

such, only commercial organizations with up to 250 employees were included in this study. The MVO

Nederland website offered a filter for large companies (N=151), companies with over 250 employees,

which made them fairly easy to exclude. There was also a separate filter created for front runners

(N=129), which are companies that are considered high scorers when it comes to CSR. As their CSR

engagement may be high(er) it was decided to exclude these, as they may not compare with the

other companies in the list. The 129 frontrunners, including overlap with large companies (N=20), were removed. Furthermore, as SMEs are commercial businesses non-profit organizations (e.g. foundations, unions, coops, federations, municipalities, universities) were removed. Also, businesses without offices in the Netherlands and businesses that were part of a large corporation were also removed as they may follow CSR policy mapped out by the mother company. This resulted in a total 1114 companies.

For the content analysis 10% of 1114, rounded 112 companies were used. These initial 112 companies were randomly selected by choosing each 9th company on the list. During the analysis of 112 businesses, non-profits and large companies were found and removed which resulted in 92 companies to be included in the content analysis. Of the final result of 92 companies, 14 (15%) companies were included in the interviews. Table 1 shows some general information of the companies' websites that were involved. The majority (66.30%) of businesses started after the year 2000 and most of these started more or less in the past decade (62.29%). Most businesses (47.83%) have between 10 to 50 employees. The breakdown between companies that sell products versus services is almost the same, with services being slightly higher (48.91% vs 51.09%).

Table 1

general information

		Frequency	%
# of employees			
	<5	19	20.65
	<10	10	10.87
	10 - 49	44	47.83
	50-100	11	11.96
	100-200	6	6.52
	200+	2	2.17
Inception			
	<1960	5	5.43
	<1970	1	1.09
	<1980	2	2.17
	<1990	6	6.52
	<2000	17	18.48
	<2010	23	25.00
	<2020	33	35.87
	2020 and up	5	5.43

Business type			
	Products/goods	47	51.09
	Services	45	48.91
Sector			
	Wholesale/retail	19	20.65
	Construction	7	7.61
	Auto/transport	3	3.26
	Food/beverage/recreation	12	13.04
	Industrial/manufacturing	10	10.87
	Media/design/events	8	8.70
	Consultancy	25	27.17
	Other services (e.g. legal, facilities, tech)	8	8.70
	Total	92	100

3.2.2 Codebook and procedure

The content analysis was done in April, May, and June of 2023. The first step involved was deciding on a coding system to distinguish between the different types of CSR information to look for on the websites. Previously mentioned studies showed that information *accessibility* is important when communicating on corporate website and *transparency* in particular when it comes to CSR communication. Furthermore, the two types of CSR distinguished are *internal and external CSR* and the *CSR focus* is social and environmental of which environmental CSR seems valued most by consumers according to a previously mentioned study. Based on this, four CSR categories were used, namely CSR accessibility, CSR transparency, CSR focus, and CSR type. In addition, two categories unrelated to CSR were also used: presence of social media links and general company information. All six categories were used for each company website and can be found in Appendix I .

First, general company information (number of employees, type of business, inception data, location) was retrieved. In cases where there was no mention of the number of employees, their LinkedIn pages were used or online sites showing Chamber of Commerce information. This resulted in either exact number of employees or categorical data. Second, the search progressed to the other five categories.

The variable *CSR focus* was based on two broad CSR categories, environmental and social CSR. These were based on Elkington's (1994) triple bottom line, also called the three P's covering people, planet and profit. As the profit element was not often communicated because companies might feel reluctant to emphasize the economic aspect of their CSR, the focus was on the social and environmental components. These two categories were also found as the main focus in online communication of German companies' research by Mögele and Tropp (2010). Since much was known about what variables fall under social and environmental CSR, a deductive approach was used for both categories, where known and often used keywords were used for coding. This deductive approach was used to determine whether there was mention of social CSR, environmental CSR, or no mention.

The variable *CSR type* was coded using the terms internal versus external CSR based on the definition by Hawn and Ioannou (2015). The variable *CSR accessibility* refers to whether CSR was visibly mentioned as a (separate) component on the menu bar, or whether CSR was mentioned on the homepage, or both or not at all. The variable *CSR transparency* was based on whether there is mention on the website about CSR activities being done or not and whether there was a link to a sustainability report or not.

Finally, to determine whether social media channels were used for communication besides the corporate website, an inventory was made whether or which social media links were present on the corporate website. This was inductive as all social media links found on the website were gathered.

3.2.3 Intercoder Reliability

The content analysis solely focused on whether the variables were mentioned or not, without considering the extent of their presence. A second coder was used to code 10% (N=10) of the corporate websites according to the coding scheme. These websites were randomly selected and coded within the same month as the researcher performed the analysis given the dynamic nature of websites. The coder had some general prior knowledge on CSR but no detailed knowledge. To assess

reliability between two coders, Cohen's Kappa is often used (Boeije, 2010). Cohen's Kappa is .838, which was calculated using SPSS. The output can be found in Appendix III.

3.3 Interviews

3.3.1 Participants

After completing the content analysis a total of 41 businesses were randomly called. As this resulted in sufficient interviews (N=14) there was no need for more calls. SMEs were called to ask who was in charge of CSR. In most cases this allowed for addressing the right person in sending an email about the study's purpose and to state that the interview is anonymous. If there was no response, the email was followed up a few days later with another email referring to the first email. This approach took one month and resulted in 16 interviews appointments. One was cancelled due to time constraints, and one was excluded because during the interview it appeared that it did not fall within the criteria of this research because they had about 600 employees. Still the final relevant interview response rate was 34%. The participants (ten male, four female) were mostly owners/partners or directors/managers, either involved with CSR or dedicated specifically to CSR such as a CSR manager or Impact manager (Table 2). The majority of the businesses (42.86%) interviewed have between 10-49 employees.

3.3.2 Interview guide & procedure

Semi-structured interviews were used to collect the data. Due to the geographical spread throughout the whole of the Netherlands, online interviews were set up via Teams, except for one which was conducted in person due its proximity. The interviews were recorded with prior consent of the interviewees and lasted an average of 37 min. The interview questions are based on the theoretical framework and intended to answer this study's research questions: (1) How do SMEs communicate on CSR (2) What are Dutch SMEs motivations for engaging in CSR? (3) How are Dutch SMEs implementing CSR? There were 11 questions in total to cover the three research questions, but one

of the questions "*Are you interested in information on CSR?*" was removed as it made no sense while conducting the interviews.

Even though all participant signed and send consent forms prior to the interview, each interview started by first confirming again that prior consent was giving for the recording. Participants were first asked questions about their motivations for engaging in CSR, including what they see as a benefit of CSR and what their CSR focus is. Then, participants were asked questions about CSR implementation. For example, participants were asked whether CSR is structured and part of their business strategy, but also about challenges and successes of implementing CSR and how employees are engaged. The last question asked participants how they communicate on CSR. The complete interview guide can be found in Appendix II.

3.3.3 Analysis

All participants were informed by email that the interviews were anonymous and were sent a consent form that protects their privacy. This also prevents participants from giving socially desirable answers when interviewed. The interviews were digitally transcribed via Teams for 12 of the interviews. Two interviews were transcribed via Word as one participant was interviewed in person and another participant preferred a phone interview. In all the transcripts the names of the participants were substituted with 'speaker 2' and company names were anonymized. The interview transcripts were coded according to the codebook (Appendix I) using the coding software ATLAS.ti. Both the transcripts and audio files were used during the coding process.

The same second coder was used to check the coding reliability for the interviews. Of the 14 interviews, two interview transcripts (10%) were randomly selected for coding. The coder remembered some of the knowledge from coding the websites but had no detailed knowledge on CSR. For most interviews, the questions followed a particular order and hence the answers could be easily found in the transcripts. Also, asking whether CSR is part of business strategy or whether CSR is structured mostly had one possible explanation, either the interviewee explained that it was or was not. However, for some questions such as 'what do you perceive as a successful initiative' or 'how is

CSR is communicated' multiple answers could be given. Similar to the content analysis, Cohen's

Kappa was calculated using SPSS. The inter-coder reliability tests showed a Cohen's Kappa of .797.

The output can be found in Appendix III.

4. Results

4.1   Content analysis

Information accessibility

The accessibility of CSR information on the websites is high. The majority (81.52%) of the websites mention CSR related terms or items immediately on the homepage. Additionally, CSR and CSR related terms (e.g. sustainability, impact) are mentioned as a component of the menu bar (23.91%) or mentioned under a menu bar item (20,65%), for instance under the 'About Us' section. Also, 32.6% mention CSR both on the homepage and as a separate component of the menu bar (Table 2). The terms mostly used in the toolbar that refer to CSR is CSR (36.59%) and sustainability (34.15%). Some of the other terms used are circular, people & planet, honest, social return, or CO_2 policy.

Table 2

Information accessibility

	n	%
Visible menu bar item	22	23.91
Under menu bar item	19	20.65
Mentioned on homepage	75	81.52
On homepage and menu bar	30	32.60
No CSR mention	2	2.17

CSR focus

On almost all websites it is clear what the CSR focus is. The majority (83.69) of SMEs communicate on environmental aspects such as energy or waste reduction. Almost half (48.91%) of the websites communicate both social and environmental CSR (Table 3). Social CSR was mentioned less, in

particular employee-related CSR. There were 4.35% companies that mentioned no CSR focus, neither social nor environmental.

Table 3

CSR focus

	n	%
People	11	11.96
Planet	32	34.78
Both People & Planet	45	48.91
No CSR focus	4	4.35
Total	92	100

CSR type

Table 4 shows that the majority (95.65%) of the websites communicate CSR activities that are directed towards *external* stakeholders (e.g. customers, society) and include activities such as reducing waste or emissions, or philanthropic initiatives such as donations or community programs. Compared to *external* CSR, a small number of these websites 21.74% (N=20) communicate on *internal* CSR which entail CSR activities directed at *internal* stakeholders (employees) and involve activities such safe and healthy work environment, fair wages, diversity, good employee conditions.

Table 4

CSR type

	n	%
Internal CSR	20	21.74
External CSR	88	95.65
Both internal and external	20	21.74
No mention	4	4.35

Information transparency

The majority of SMEs (89.13%) are transparent about their CSR activities (Table 5). Their websites communicate what CSR activities they undertake such as using green energy, electric cars, solar panels, reducing waste, or the projects and initiatives they have started, and some mention their impact or progress supported by numbers on the website. In addition, 16.30% of the websites also include links to actual CSR reports, CO2 reduction or progress reports, raising their transparency. On a small number of websites (10.87%) it was not clear what CSR activities they engage in.

Table 5

Information transparency

	n	%
Mention activities on site	82	89.13
Link to report	15	16.30
No mention	10	10.87

Use of social media

Apart from looking what is communicated on the corporate websites, an inventory was made whether these SMEs also use social media channels. The majority of SMEs (79.35%) have online presence beyond their corporate websites and offer on their website links to their social media channels (Table 6). On average 2.79 social media sites are used meaning that the majority use two to three social media channels of which most use three. Also, the top three social media channels used are respectively, LinkedIn, Facebook, and Instagram (Table 7).

Table 6

Social media presence

	n	%

	n	%
Social media	73	79.35
No social media	19	20.65
Total	92	100

Table 7

Social media channels

	n	%
LinkedIn	60	82.19
Facebook	44	60.27
Instagram	41	56.16
YouTube	18	24.66
Twitter	21	28.77

4.2   Interviews

Motivation

The majority (N=6) mention intrinsic reasons for engaging in CSR. "*We find it important to simply be a decent company...that includes sustainability…but also good personnel policy and being friendly to your environment*" (*interviewee 3, partner).* Another participant mentioned that CSR was part of their business since inception "*because our founder xx, who set up the company to save a little silver factory in Nepal.... the idea was to create jobs, to preserve jobs*" (*interviewee 5, impact manager*). In another interview a participant mentioned about the owner "*that when she worked there for a while as a csr manager, saw how big the problems were and….want to protect the earth, that she actually 15 years ago really just out of that ideal founded the company" (interviewee 8, sustainability consultant).* Three of the participants cited extrinsic reasons (N=3), for instance a participant working

with bio disposables mentioned "*we noticed that there was quite a lot of demand for alternatives for that*" *(interviewee 12, purchaser)*. However, five participants cite both intrinsic and extrinsic motivation for engaging in CSR. For instance, as one participant explained about the owner engaging in CSR "*from his intrinsic motivation. He thought it was very important and he is religious himself, so that also has something to do with it […] and it is a commercial business, but the values of sustainability are just very high*" *(interviewee 6, csr manager).* Looking at total intrinsic versus extrinsic motivation, there are more businesses that are intrinsically motivated (N=11) than extrinsically (N=8).

Focus

Half of companies interviewed (N=7) mention they focus on both social and environmental CSR. Some businesses start with one particular focus such as a people focus to save jobs and create jobs, and eventually focus on both people and planet, as one participant mentioned because "all the discussions in society triggered us" (*interviewee 5, impact manager)* referring to environmental CSR in particular the traceability of materials used. Except for one, all companies focus on the environment (N=13) compared to social CSR (N=8).

Implementation

Almost all participants (N=13) mention that CSR is part of their business strategy, "*About four years ago the first sustainability manager started...I am the third one, so that does show that we were really working on that early on. And yes, it is just integrated into the whole business*" *(interviewee 6, csr manager),* whereas one participant mentions that is not the case yet but are currently working on it. Also, 11 out of the 14 companies cite their CSR is structured within the organization.

> "*We have a company policy that is based on a number of facets regarding sustainability. That is not just about how we operate here, but also how we purchase of course and how we bring our products to our customers…and corporate social responsibility plays a big role in*

that…also as a piece of PR and other things, but this is a whole vision that plays in the whole

company."

Interviewee 12, purchaser

The remaining three mention it is not structured yet, as one participant mentioned *"we can improve on that" (interviewee 14, operations director).* Furthermore, all businesses focus on *external* CSR, which are CSR activities directed at external stakeholders such as clients and society. Such activities entail using energy efficient machines, electric cars, solar panels, paper reduction, social return, but also setting up initiatives such as initiatives such as the collection of used plastic buckets within Europe for recycling, offering water filling stations for the maritime sector to avoid the use of plastic bottles on sea. Almost half (N=6) of the participants also mention internal CSR, which are employee-related aspects, such as offering employees healthy lunches, offering career development test, having a good personnel policy, and wanting to be a decent and good employer.

Perceived benefit of CSR engagement

The main theme that emerged from the interviews of what businesses perceive as a benefit from their CSR engagement is related to external demand, both from public and non-public organizations. This was the case in 10 of the 14 companies interviewed. In most cases governmental agencies, consumers or other businesses look for socially (e.g. social return) or environmentally friendly options when shopping for goods or services and this is perceived as a benefit, for example as one participant mentioned *"you also see that the customers are increasingly looking for what we do in the field of sustainability...and you also see it coming back a lot in tenders" (interviewee 6, csr manager),* and another participant mentioned *"New clients, say, always find us by reading our vision on the site" (interviewee 10, concept manager).* Furthermore, offering a solution for reducing plastic water bottles at sea is also mentioned as a benefit.

> *"The advantage is it is becoming the best business model within the maritime offshore sector and we can really provide a complete water installation … That is really a distinction for xx and on that segment we are profiling ourselves…and we get a lot of orders."*
>
> *Interviewee 9, marketing manager*

Two of the participants say they perceive no benefit, although one explained that even if CSR benefits are not immediately evident "you will probably be at a disadvantage if you don't make that move" (interviewee 14, operations director). Another participant cited external demand as the reason for becoming structured in their CSR actions. Moreover, one participant mentioned they are reaping the benefits now of their past investment in energy efficient machines and *"as for image, you make an impact in a positive sense" (interviewee 4, mt of business and operations)*.

Challenges

There are several challenges that businesses feel they experience and some businesses mention more than one challenge. The challenges that were mentioned could be grouped in four categories: 1) *Financial* challenges were mentioned most often by businesses (N=5) and are mostly related to clients being price sensitive as the sustainable options are more costly than the non-sustainable alternative.

> *"A lot of customers who say that… if you do 100%, then you are higher in terms of price. Then we prefer to buy 30% PC from the neighbor….so many customers are also still very price driven, not CO2 or sustainability driven."*
>
> *Interviewee 4, mt business operations*

Another financial challenge is the cost of sustainability, the same participant explained that "*because eventually everything has to be paid for and you cannot invest infinite money in making your chain more sustainable" (interviewee 4, mt business operations)*. Also, using sustainability as a cost saving argument to convince clients why to choose an environmentally friendly product can be challenging,

especially in a sector such as the maritime sector where one participant mentioned "*the idea of sustainability has not yet penetrated as far as in other sectors" (interviewee 9, marketing manager).*

2) Challenges relating to a companies' *supply chain* were mentioned by three out of the 14 participants as their biggest challenge because "*the biggest risk lies in our supply chain" (interviewee 5, impact manager)*, citing both the production and traceability of products as the reason.

3) Another three participants mention e*cological/technical feasibility* which is related to a (more) sustainable solution not being possible yet technically.

> *"That is not something we can actually do ourselves and that is currently also not possible….In a chemical way you could still try to recycle it, to get the parts out of that again, but that takes a lot of energy. So the question is whether it makes any sense at all…so the biggest challenge is actually to be able to separate things a bit more."*
>
> *Interviewee 13, product manager*

Or that the ecological option not always being the sustainable option. "*If an ecologically sustainable solution leads to materials that are worse or that are more sensitive to wear and tear…then this interferes with the technical quality you want to deliver" (interviewee 2, owner).*

4) Two of the 14 businesses mention *regulation* as their biggest challenge. One participant explained "*…because it changes from time to time" (interviewee 12, purchaser),* and "*It really just has to fall in your favor, if you want to continue to grow in the coming years" (interviewee 4, mt business operations).* Although another participant cited that the directed measures not always make sense, for instance regarding Life Cycle Assessment (LCA) of materials.

> *"If you look at what your environmental impact is between we are going to burn rubber or we are going to reuse it, then you better burn rubber…according to the calculations. It obviously doesn't make sense, because the moment you burn it…is obviously not good, but they only calculate the energy that is released, so there is still kind of a gap there."*
>
> *Interviewee 13, product manager*

In addition, there were also other challenges mentioned such as worries about greenwashing claims. *"That activism has to come off If we want to get the majority on board" (interviewee 3, partner).* The field in which this business operates is by definition not sustainable, they organize one-time events, but they try to be as sustainable as they can when organizing the events.

Successes

The majority of the companies (N=8) mentioned that the main successes they perceive or experience from their CSR implementation efforts relate to their projects, initiatives towards waste management (e.g. recycling, reduce, re-use). Some take time and investments to materialize.

> *"That xx project….where we have marketed and developed 100% polyester clothing with different chain partners, which was subsidized by the European Union…We spent 3.5 years doing the research…that we want to develop, that it is recyclable, because at the time it was only possible to incinerate it, so then we already looked at it with all different chain partners to make that design for recycling possible."*
>
> *Interviewee 6, csr manager*

Another participant mentioned:

> *"I think the startup has been very successful so far… because when the end user is done with it, then actually for us begins the basis for a new bucket, namely that raw material, that bucket is not a waste stream."*
>
> *Interviewee 4, mt business operations*

Three of the businesses mention employment related successes such as offering living wage plus, facilitating good matches in their social return efforts and offering career path tests to employees, which according to one participant is a relatively low-cost option. *"I think has a low threshold, low cost but a big success factor" (interviewee 11, owner/partner).* Other successes mentioned are the

use of a co2 monitor in catering, the rise of sustainability and making clients enthusiastic about CSR by raising their awareness.

Other initiatives

Almost all businesses, except for one, engage in other CSR actions besides their main CSR activity. These additional activities can range from focusing on home-work travel, reducing paper use to large projects initiated by businesses themselves to set up and design recycling programs within their area of expertise or starting partnerships for instance to map out traceability of materials they use. Some of the initiatives that are set up are related to the challenge the business faces.

> *"Our chain is the biggest risk…we know very well our tier one partners, so our production partners actually…we visit them, we investigate them, we question them, we work really closely with them. But the parties before that are the material suppliers, so those you always have to investigate via the partners*."
>
> *Interviewee 5, impact manager*

Some of the other initiatives are still being worked on and were also mentioned as a success.

> *"Sugar cane…We are working pretty hard on creating alternatives in sugar cane material…We are now looking at how hard we have to press that material and then how thick does it have to be that you can just drink your coffee before it really starts to filter through."*
>
> *Interviewee 12, purchaser*

Employee engagement and communication

Almost all companies (N=12) engage their employees and keep them informed of their CSR efforts, either through communication such as monthly updates (management updates, office drinks) and annual/bi-annual office parties or get-togethers. Some have already more clearly established communication channels than others. "*We have communication screens in the entire building…when the … project was finished, then it will appear on the screens*" *(interviewee 6, csr manager).* Others

are more recently starting to focus on it more. *"I have been here for three quarter of the year now, and we've been working on that more and more since" (interviewee 7, marketing director).* There are five companies that not only communicate about their CSR efforts but also involve all employees in the CSR efforts. For instance, as one participant mentioned *"practice what you preach" (interviewee 11, owner/partner).* Employees are involved through inspiration, theme, or brainstorm sessions, where they can come up with their own ideas or suggestions and are also involved by sharing stories and impact that has been made. These are mainly services companies that offer CSR advisory services but also a retailer that has focused on social CSR since inception. Two companies mention that only some employees are aware of the CSR activities, for instance sales, and that the rest of the employees are not being informed. *"Nobody really knows of our employees, and I mean especially the production employees and the people in the field" (interviewee 13, product manager).* However, there are plans to create or set up internal communication to start engaging all employees. Both businesses are inherently socially responsible because they operate in rental of consumer goods and recycled flooring since inception.

Communication external stakeholders

All companies have a corporate website and some use it more or differently than others when it comes to CSR communication. Some feel their website should be mainly used to show results. *"Empty sentences on the site… we don't do that… what we do is show hard results by doing" (interviewee 4, mt business operations),* and one participant explained they show their B Corp certification as *"it is kind of simple… you don't have to tell the whole story, but you do know that the company values are at least set up in a good way" (interviewee 5, impact manager)* and thus show their engagement that way. But there are also companies that are just starting to pay more attention to CSR communication. *"We are more or less laying the foundation. We are also in a transition in that respect" (interviewee 7, marketing director).* Some participants are hesitant about communicating on CSR. o part*,* and companies that have "mixed feelings about marketing CSR…we have to on the

website, because that is part of that CO2 performance ladder…we are now actually forced by

customer demand to do it anyway" as one owner explained.

In addition, all companies (N=14) use their website for external communication. Besides

using the website, the main focus of CSR communication takes place directly with clients (N=9).

"We are quite modest...We are not the type of company that puts very loud and clear on the

internet like hey we are the best or we are super sustainable or whatever, rather we try

to inform our clients about the difference sustainability can make."

Interviewee 12, purchaser

Another participant stated that "In principle we do not flaunt it…I think what we do do is that we

structurally demonstrate at trade fairs and during customer meetings what steps we are taking"

(interviewee 4, mt business operations). On a shared third place come social media, tradeshows, and

brochures/folders, all three cited equally (N=5). Two companies communicate their CSR engagement

through mentioning their B Corp certification on the website. Four companies mentioned their

hesitancy about communicating their CSR efforts for instance because they do not want to use it

commercially or see it as a form of greenwashing or think it may be perceived as greenwashing.

"That is why I keep the story outward for now for what It is. That is all still without data…we

can all start shouting anything, but that is greenwashing. I think we must actually be able to

demonstrate with data what we do and why we do it."

Interviewee 7, marketing director

5. Discussion and conclusion

5.1   Main Findings

This study aimed to provide insight into what the CSR motivates are of Dutch SMEs, how they

implement and communicate about CSR. The results reveal that most Dutch SMEs are intrinsically

motivated, integrate CSR into their business strategies and explicitly communicate on CSR.

Additionally, these SMEs are rewarded for their CSR efforts as external demand for socially and

environmentally friendly products and services is perceived by most as the key benefit of CSR.

The majority of interviewed SMEs express intrinsic motivation for engaging in CSR. This

aligns with previous research for instance by Jamali et al. (2009) who compared Catalan MNCs and

SMEs and found that the personal values of the founders play a role in adopting CSR. While SMEs

also cite extrinsic reasons, nearly half of them mention both intrinsic and extrinsic reasons. Some

SMEs initially embrace CSR out of personal values, like focus on social CSR, and then, due to external

demand, such as from clients, society, or government, expand their focus on environmental CSR or

vice versa. The main CSR focus lies in environmental aspects, such as energy, CO2, and waste

management. This could be explained for example by Araña and León (2009) who found that

environmental CSR is valued the most by consumers and according to Graafland & Mazereeuw-van

der Duijn Schouten (2012) businesses may respond to that. Another explanation could be that

environmental issues receive extensive coverage in news and regulation, as one participant put it,

"all the discussions in society triggered us". Nevertheless, whether the focus is on social or

environmental CSR, intrinsic motivation is mentioned mostly among SMEs.

This prevalence of intrinsic motivation may be a reason why most SMEs state that CSR is a

structural part of their business strategy, which aligns with earlier research by Graafland & Van de

Ven (2006) who posit that intrinsic motivation has a stronger relation to CSR and drives CSR efforts

more than extrinsic motivation. Consequently, this could explain that most SMEs perceive external

demand for socially and environmentally friendly products and services as the key benefit of their

CSR efforts. Interestingly, the few SMEs that indicate their CSR as unstructured also make no mention

or are hesitant communicating about CSR and did not mention external demand as a perceived benefit. This may suggest a link between structured CSR and financial benefits. The finding that most SMEs mention that CSR is structured within the organization aligns with research from Baumann-Pauly et al. (2013) who posit that SMEs may be ahead of MNCs when it comes to CSR implementation due to SMEs particular characteristics including their size, internal structure, and CSR commitment due to personal reasons.

Regarding communication, Baumann-Pauly et al. (2013) found other results, namely that that SMEs' CSR communication may not focus on the general public, rather on selected stakeholders. While this may be true for CSR reporting, as was found in this study, most examined SMEs do focus on the general public and almost all SMEs prominently mention CSR on their corporate websites. The majority of SMEs make immediate mention of CSR or related terms on their homepage and it is clear what their focus is, mostly the environment. Nearly half dedicate a separate section to CSR, easily accessible via the menu bar or as a subcomponent under another menu bar item such as the 'about us' section. Moreover, most SMEs are transparent about their CSR as almost all SMEs that mention CSR also mention what activities they undertake. Some are more elaborate than others when sharing their efforts, for instance by mentioning their impact or progress supported by numbers on the website or by sharing links to reports such as be full CSR reports, CO_2 performance or social performance reports. This outcome is in line with existing studies (e.g. Strand, 2013; Strand, Freeman & Kockerts, 2015) who posit that there has been an increase in explicit CSR by European businesses, although based on large enterprises in a mostly Scandinavian context. Besides using corporate websites, most SMEs also offered links to social media channels which shows that businesses look beyond their websites when it comes to their online presence. The most popular social media used by companies is LinkedIn, followed by Facebook and Instagram. However, the focus was on the presence of links to social media channels rather than their content.

Furthermore, social CSR, in particular employee-related aspects, receives little attention. Although, employees were mentioned twice as much in interviews compared to corporate websites.

Santos (2010) explains that Northern and Western European countries have well developed social policies covering employee rights and benefits. Consequently, Dutch SMEs may perceive this aspect of CSR as less critical, especially in terms of communication. Nevertheless, certain employee conditions, such as healthy work/life balance and hybrid work options, may vary among employers and hold value for both current and potential employees. Communicating such conditions may enhance a company's reputation and should not be overlooked.

Nonetheless, most SMEs keep their employees informed of their CSR efforts. Some SMEs specifically focus on communicating CSR information in a way that is easy to understand and relate to for all employees, while others actively involve all employees in the CSR efforts. These are mostly SMEs that offer CSR advisory services. Moreover, besides communicating on the corporate website, more than half of the SMEs mentioned that their CSR communication is directly with clients, but also via social media, tradeshows/campaigns, and brochures/newsletters. Communication is an important part of CSR, it can enhance a business' reputation with the various stakeholders and is crucial for reaping all the financial benefits that CSR can offer (Du et al., 2010). Raising CSR awareness by communicating CSR efforts may be another reason why external demand is seen a main benefit.

Other noteworthy findings are that despite encountering challenges, such as financial challenges like higher cost for sustainable products and services, or within the supply chain, or regarding feasibility of certain CSR options, some SMEs have set up initiatives to address such challenges. These projects span various sectors and most involve waste management (recycling, re-use, reduce), and may contribute to CSR beyond Dutch borders as some include Europe and beyond. Such necessary initiatives demand significant time and investments, which can strain SMEs' cashflow, hence funding remains important. Despite these challenges, the majority perceive external demand for sustainable products and services as a benefit, suggesting that the benefits outweigh the costs of implementing CSR, and that SMEs contribute to meeting the demand for sustainable products and services.

5.2   Limitations and Future Research Directions

First of all, the SMEs in this study were chosen specifically because of their membership with CSR Netherlands and hence already have adopted CSR to a more or lesser extent. Furthermore, the majority of the companies in this study are between 10-50 employees so larger SMEs are underrepresented. Regarding the content analysis, the approach used was to identify the presence or absence of various codes, without considering the intensity of their occurrence. The frequency with which items were mentioned was not taken into account. Additionally, it is important to note that websites serve as self-representations by companies, and the content analysis makes no assertions about the actual CSR practices of the companies. Rather, it focused only on whether CSR related items were mentioned or not. Similarly, when examining the use of social media platforms, this study only looked at the presence of links to social media platforms on the website. The content shared on these social media channels and the nature of the engagement with stakeholders were not part of the analysis. This is also the case when examining the presence of CSR report links on the websites, no attention was paid to the content of CSR reports. Future research could address these limitations.

Regarding the interviews there were only 14 businesses interviewed from various sectors. In most interviews questions were asked and one by one but in some interviews responses to questions were already given earlier in the interview and hence did not follow the order of questioning. Also, especially in the case of motivation it was not always clear what the intrinsic motivation was even though it was said they were motivated intrinsically. In those cases the interviewee's answer was used. As SMEs in this study covered various sectors, future research could focus on a specific sector or a specific CSR focus such as re-use or circularity of specific materials, or a combination of sector and CSR focus.

5.3   Implications

Theoretical implications

First, effective communication plays an important role in order to fully leverage the financial benefits of CSR as explained in the study by Du et al. (2010). However, the focus in this article is on large enterprises and multinationals. Government communication on CSR could be examined also. Even though only a few SMEs mentioned this as a challenge it may need attention as government makes CSR regulation and communicates these. CSR requirements need to be defined well to enable effective communication with businesses, so businesses understand how to adjust their internal processes. Second, there is much research and information on certain CSR themes such as plastic or plastic recycling, but other themes need to be researched also such as recycling of other materials to facilitate recycling efforts of those businesses that want to or expected to engage in more than is currently (technically) possible. Research into what the realistic technical requirements and level of sustainability are for such businesses would be helpful.

Practical implications

First, implementing CSR can be costly. Forging collaboration and partnerships with other businesses or experts can alleviate some of the financial burden and avoids one party having to come up with a solution that would be useful to others also. Government can play an important in these efforts as government funding is crucial for some businesses who do not have the cashflow to start projects or to keep projects going as certain initiatives require a lot of time and effort.

Second, communication plays an important role in reaping all the benefits CSR can offer. Even when personal values and mixed feelings play a role, sharing actual CSR activities on corporate websites can be beneficial for image purposes but also for increasing revenue especially when competing with other companies who also communicate their CSR. Worries about greenwashing claims can be removed as the Green Claims Directive that is coming into effect provides guidelines on how to communicate on CSR. Finally, focusing and communicating on employee-related CSR aspects should not be overlooked as employees are important stakeholders who can be enhance a company's reputation.

5.4.   Conclusion

The SMEs in this study recognize the advantages of engaging in responsible business practices. A clear majority perceive external demand as the main benefit for adopting CSR, indicating market interest in socially and environmentally responsible products and services, with SMEs playing a role in meeting this demand. Most of the SMEs that experience this benefit are driven by intrinsic motivations, have made CSR part of their business strategy and inform employees and clients on their CSR efforts. Furthermore, even though employee-related CSR aspects receive little attention, most SMEs give CSR a prominent place on their corporate websites and mention what CSR activities they undertake, while some also offer links to CSR related reports. As SMEs have been integrating CSR into their business strategies, they may be important contributors to CSR and should not be overlooked in the CSR debate.

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Appendix I Codebook

Categories	Codes	Description
Company information*	Inception date	
	# of employees (S/M)	
	Sector	
	Type of business (product/service)	
	Location	
CSR communication	Internal	
	External	
Web accessibility*	Visible on menu bar	
	Under menu bar	
	On homepage	
Web Transparency*	Mention of CSR activities	
	Link to reports	
CSR motivation	Intrinsic	
	Extrinsic	
CSR focus*	Environmental CSR	e.g. energy, waste management, pollution, sustainable products & packaging
	Social CSR	Internal and external stakeholders (e.g.employees, clients, suppliers, community)
CSR implementation	Internal CSR*	Employee related
	External CSR*	Related to external stakeholders
	Structured	
	Unstructured	
	Part of business strategy	
	Not part of business strategy	
	Challenge	
	Success	
	More/other initiatives	
	Employee engagement	

Note: those items with an asterisk* are (also) part of the content analysis

Appendix II Interview questions

Interview Questions for Corporate Social Responsibility (CSR) in Dutch SMEs:

motivation, implementation and communication.

Motivation

1. Wat is de motivatie om verantwoord te ondernemen?
2. Hoe merkt u dat uw bedrijf voordeel heeft van verantwoord ondernemen?
3. Richten jullie je specifiek op een bepaald thema van verantwoord ondernemen?

Implementation

4. Hoe worden duurzaamheidsinitiatieven geïmplementeerd in de organisatie, zijn deze gestructureerd?
5. Wat zien jullie als grootste uitdaging in de implementatie hiervan?
6. Kunt u een voorbeeld geven van een geslaagd initiatief dat u geïmplementeerd heeft?
7. Bent u geïnteresseerd in het implementeren van meer/andere initiatieven?
8. Is verantwoord ondernemen onderdeel van de bedrijfsstrategie?
9. Hoe worden medewerkers hierin betrokken?

Communication

10. Hoe wordt er gecommuniceerd over verantwoord ondernemen?

Appendix III Intercoder Reliability Content Analysis

Symmetric Measures		Value	Asymptotic Standard Error[a]	Approximate T[b]	Approximate Significance
Measure of Agreement	Kappa	.838	.045	20.120	<.001
N of Valid Cases		78			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

Coder_1_Content * Coder_2_Content Crosstabulation												
		Coder_2_Content										Total
		vis-mb	under-mb	on hp	CSR actv	sm link	env-csr	soc-csr	int-csr	ext-csr	disagreements	
Coder_1_Content	vis-mb	3	0	0	0	0	0	0	0	0	0	3
	under-mb	0	5	0	0	0	0	0	0	0	1	6
	on hp	0	0	9	0	0	0	0	0	0	0	9
	CSR actv	0	0	0	9	0	0	0	0	0	0	9
	sm link	0	0	0	0	17	0	0	0	0	2	19
	env-csr	0	0	0	0	0	9	0	0	0	0	9
	soc-csr	0	0	0	0	0	0	3	0	0	3	6
	int-csr	0	0	0	0	0	0	0	3	0	1	4
	ext-csr	0	0	0	0	0	0	0	0	9	1	10
	disagreements	0	0	0	0	1	1	0	1	0	0	3
Total		3	5	9	9	18	10	3	4	9	8	78

Appendix IV Intercoder Reliability Interviews

Symmetric Measures		Value	Asymptotic Standard Error[a]	Approximate T[b]	Approximate Significance
Measure of Agreement	Kappa	.797	.073	15.942	<.001
N of Valid Cases		32			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

Coder_1_Interviews * Coder_2_Interviews Crosstabulation															
		Coder_2_Interviews													total
		In-mot	ex-mot	benefit	soc-csr	env-csr	struct	chall	success	other csr	b-strat Y	em-eng	csr-com	disagree	
Coder_1_Interviews	in-mot	2	0	0	0	0	0	0	0	0	0	0	0	0	2
	ex-mot	0	1	0	0	0	0	0	0	0	0	0	0	0	1
	benefit	0	0	3	0	0	0	0	0	0	0	0	0	1	4
	soc-csr	0	0	0	4	0	0	0	0	0	0	0	0	0	4
	env-csr	0	0	0	0	2	0	0	0	0	0	0	0	1	3
	struct	0	0	0	0	0	1	0	0	0	0	0	0	1	2
	chall	0	0	0	0	0	0	2	0	0	0	0	0	0	2
	success	0	0	0	0	0	0	0	4	0	0	0	0	0	4
	other csr	0	0	0	0	0	0	0	0	2	0	0	0	0	2
	b-strat Y	0	0	0	0	0	0	0	0	0	1	0	0	1	2
	Em-eng	0	0	0	0	0	0	0	0	0	0	2	0	1	3
	csr-com	0	0	0	0	0	0	0	0	0	0	0	2	1	3
Total		2	1	3	4	2	1	2	4	2	1	2	2	6	32