

AN EMERGING TEMPLATE OF CSR IN SWITZERLAND

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Abstract

This paper investigates current Corporate Social Responsibility (CSR) practices of Swiss Small and Medium-sized Enterprises (SMEs) with the aim to aggregate an underlying SME business model as value driver of Swiss CSR. To analyse these patterns this study conducted 30 interviews. A two-step Delphi process challenged the results and enabled the aggregation and visualisation of – L'EPOQuE – as emerging template of CSR. Overall, there is a strong emphasis on ownership, or to be precise, ownership-within-tradition. Family/middle class capitalism and the political/historical background of Switzerland are deciding as well, whereas size and capacities astonishingly seem to matter less. This generated some testable hypothesis, e.g., on how the Swiss SME model will be received in particular settings to which it is “exported”. Further, Swiss SMEs turned out to be genuine “social enterprises” so that the relevance of “social business planning” needs to be questioned, certainly as a novel idea in Switzerland. Overall, this study challenges the primacy of formal management systems to support CSR in companies, especially SMEs, and addresses critical moments at which the nexus between small businesses, Swiss society, and the state might be adjusted.

Keywords: Corporate Social Responsibility, SMEs, Emerging Template

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1 Introduction

Corporate Social Responsibility (CSR) frameworks worldwide have been dominated by the concerns and distinctive needs of large companies and by efforts to manage CSR through a management system. However, most businesses are small organisations and approaches to social responsibility in these companies are less well re-searched and understood. In the light of numerous well-publicised problems and scandals involving large corporations whose highly formalised CSR systems failed to prevent anti-social and illegal behaviour, there is growing interest in informal processes and relationships that foster organisational cultures that embed and exemplify CSR. It is proposed that detailed study of Small and Medium-sized Enterprises (SMEs) with informal and non-systematic approaches to CSR can shed light on these issues of cultural embedding of CSR values. The research focuses on a sample of SMEs in Switzerland to investigate the processes, values, and relationships that make up such informal CSR oriented organisational cultures. Thus, it aims at identifying key drivers and dynamics of the overarching CSR business model.

To maximise shareholder value within the rules of law that address specific social and environmental issues is the primary purpose of companies in market economies (Katsoulakos and Katsoulakos, 2007). For this, companies pursue competitive strategies, which

focus, inter alia, on ties to various internal and external stakeholders (Katsoulakos and Katsoulakos, 2007). According to Katsoulakos and Katsoulakos (2007) company motives were previously closer related to social aspects rather than to economic reasons. Following the etymology of the word “company” leads to “breaking bread together” (based on two Latin words, “cum” and “panis”) (Arndt, 2003). This reflects the responsibilities companies have towards society within which they are based and operate. In the political and business debate that started in the early 1990s, corporate responsibility issues have gained importance driven by the insight that a development only focused on economic growth paradigms is unsustainable (Katsoulakos and Katsoulakos, 2007). Therefore, for a developmental process targeting balancing economic growth with social cohesion as well as environmental sustainability, more proactive roles of companies, governments, and communities are needed (Katsoulakos and Katsoulakos, 2007).

Accordingly, CSR as a concept should not just outline what companies should not do, but, more constructively, should outline positive behaviour as well as incentives to support companies towards this (Looser and Wehrmeyer, 2014). Especially in small companies, which constitute the backbone of the socio-economic system in most countries, and Switzerland, the presence of values and beliefs, evolving in their business model, represents a

substantial driving force in the adoption of CSR. Many lead actors indeed see a moral duty their business should fulfil and strive to serve society in a broader ethical, socially sensitive, and, notably, in an intrinsically motivated way. This less utilitarian perspective on CSR sees companies not exclusively profit-driven, but also as agents that enact, perpetuate, and somewhat reinforce wider societal values.

Swiss companies, especially SMEs, have a long tradition of realising public goals beyond compliance to mandatory, legal requirements (Berger et al., 2012; Gentile and Lorenz, 2012). A recent stakeholder analysis among different stakeholder groups in Switzerland found SMEs and cooperating Non-Profit Organisations (NPOs) as being the most significant stakeholders (Looser and Wehrmeyer, 2014). Swiss CSR is therefore not primarily driven by regulators, market pressure, or customers. A network analysis substantiated the importance of SMEs. Looser and Wehrmeyer (2014) show that small business CSR is emerging for reasons detached from CSR as a “business case” or its assumed effect of raising company profitability.

In other words, the CSR agenda Swiss SMEs enact is coming from culture and ethics. Such features were also reported from other cultural backgrounds, e.g., by Jenkins (2006), Pedersen (2010), MacGregor and Fontrodona (2011), or Del Baldo (2013). Formal, explicit CSR, espoused by “big business”, on the other hand is often aligned with formal standards and management systems precisely because they are external and steered by outside pressure, manifesting in external indicators, such as profit, market share, image, etc.

Because of the apparent nexus between ethical values held by SME owner-managers and the societal cultures in Switzerland, Looser and Wehrmeyer (2014) conclude the existence of a Swiss business model for CSR. In general, a business model is defined in many ways, for instance as “a description of sources of revenues” (Timmers, 1998), or “how a firm delivers value to customers and converts payment to profit” (Teece, 2010), “the organisation’s core logic for creating value” (Linder and Cantrell, 2002), “a detailed conceptualization of an enterprise’s strategy at an abstract level” (Camponovo and Pigneur, 2003), or as “a system of interdependent activities that transcends the focal firm and spans its boundaries” (Zott and Amit, 2010). These definitions are mostly linked to profit generation, strategy, or stakeholder management and do not perfectly match the topic of CSR. Therefore, this study adopts the definition of business model as “a method of doing business by which the company can sustain itself” (Rappa, 2000).

This especially fits the context of Switzerland, because the so far identified business model governs how a company can (socially, economically, ecologically) sustain manifesting in an emerging template of CSR rooted in traditional Swiss values and attributes. At this stage, this model is not clearly assessed and it lacks detailed analysis of key factors, driving forces, underlying concepts and attempts. Hence, this study strives after filling these gaps. In

particular, it asks: What are the components, the key drivers, peculiarities, and dynamics of this Swiss CSR business model?

To gain insight into the model’s components the remainder of this paper is organised as follows: the next section provides the theoretical research context and clarifies the concepts used. Subsequently, Section 3 outlines the methodology prior to the presentation of the results in Section 4. Some limitations and suggestions for further research are presented in Section 5, followed by practical/academic implications of the study in Section 6.

2 Theoretical framework

As said, there are two lines of thought in the CSR debate: The first one believes that a corporation has only the two responsibilities given by the law, which is maximising profit for owners and obeying the “rules of the game” (i.e., regulation) (Jamali and Mirshak, 2007). This perspective is strongly supported by the neoclassical approaches of Milton Friedman (1962) evolving the “CSR business case”. The other, e.g., represented by Carroll (1979; 1999), believes that corporations have a responsibility and “moral duty” towards their stakeholders (and society) and should serve them in an ethical and social way. This view involves a broader range of economic, legal, ethical, moral, and philanthropic responsibilities (Jamali and Mirshak, 2007).

The difference between the two lines is both, banal and profound: banal because, given the way described above, the difference is whether scholars think social responsibility is purely defined and governed by regulators, or whether there are non-regulatory forces that shape CSR programmes. However, the distinction is also profound and difficult to bridge because it is still not clear what the limit, purpose, and legitimacy of CSR in the second position are, but the way especially legitimacy is justified, redefines and repositions the “raison d’être” of companies. Thus, this differentiation might also be part of the discussion on the effects CSR has on businesses.

2.1 Concepts and principles of CSR

Different concepts tried to consider these various claims and to outline the aspects CSR may include. Carroll (1991), for instance, organised his four-part definition of CSR as hierarchy (i.e., as pyramid), which for it has been criticised. More criticism arose from his attempt to mix various associated concepts such as business ethics, corporate citizenship, and stakeholder management (Nkiko, 2013). Wood (1991), on the other hand, sees complex companies as open systems in which businesses are connected to their larger environments. From these interactions benefits and harms can arise (Wood, 1991).

Hemingway and Maclagan (2004) see two dimensions, the “locus of responsibility” and the “motives for CSR”, as crucial. The former analyses whether the decisions about CSR are made on the

corporate (as in the term “CSR”) or on the individual level (Hemingway and Maclagan, 2004). The latter explores the motivational aspect of whether CSR is a commercial instrument (comparable to the aforementioned “business case”) or based on an idealistic or even altruistic impetus (or “moral activity”) (Hemingway and Maclagan, 2004). The authors are convinced that individual managers’ company decisions are driven by a variety of personal values (based on philanthropy, religion, etc.) in addition to official corporate objectives (Hemingway and Maclagan, 2004). Obviously, this depends largely on the level of autonomy associated with the individuals’ roles in the company and the amount of influence. This seems to fit the organisational context of SMEs where many studies (Quazi, 2003; Vitell et al., 2003; Fuller and Tian, 2006; Vallentin and Morsing, 2008) found lead actors “to be” the company, endowed with a large amount of autonomy and freedom to decide. This different frame leads to a different manifestation of CSR in SMEs than, for instance, in Multinational Enterprises (MNEs).

Above all, the definition of CSR seems to be not settled and some argue that it has been diluted from its original aims as numerous definitions can lead to confusion and misperception. Dahlsrud (2008) analysed 37 definitions of CSR and identified five overarching dimensions: 1) the environmental, 2) the social, 3) the economic, 4) the stakeholder and 5) the voluntariness dimension. In light of this diversity, which led to CSR seen as “a jungle” (Crane et al., 2013) and to criticism of the concept in general, this study adopts the European Commission’s (2011) definition of CSR as “the responsibility of enterprises for their impacts on society”.

CSR is at heart an ethical stance that needs to be aligned with the business, whereas it might be detached from the bottom-line and from a financial motive, which seems to be especially true in the context of SMEs according to e.g., Jenkins (2004; 2006) or Fassin (2008). Many studies indeed point to the high CSR engagement of small businesses steered by personal, trust based values, and a regional anchor effectively punishing irresponsible practices making SMEs crucial actors within CSR (Spence, 1999; Fassin, 2008; Vidaver-Cohen and Simcic Broom, 2013). Since such idiosyncrasies are reported from Switzerland (e.g., Baumann-Pauly et al., 2013; Looser and Wehrmeyer, 2014) but also from ample other countries (e.g., Brown and King, 1982; De la Cruz Déniz Déniz and Katuska Cabrera Suárez, 2005; Bertens et al., 2011; Coppa and Sriramesh, 2013; Torugsa et al., 2013; etc.) this situation should be investigated to better understand the SME-CSR nexus. Thus, the next section tries to explore what role CSR might play for SMEs.

2.2 The SME-CSR nexus

What CSR means for SMEs is not easily assessed. In general, SMEs are often socially close to the local community because, apart from others, they often have recruited from the local community. SME

owner-managers often have strong social ties, since per definitionem, the local (cultural, ethical, social, political, etc.) specificity of a SME must be higher and more significant than with a multinational company. This means also that the local context must have higher relevance for SMEs, their strategies and management and, therefore, this context (and thus the framing of CSR in SMEs) needs to be looked at closer.

A common assumption made about SMEs is that this sector is homogeneous and that the defining characteristic is size (Wilkinson, 1999). Actually, SMEs vary a lot by sector, technology, or size (Curran and Blackburn, 1994; Campopiano et al., 2012). This study adopts a quantitative definition of SMEs issued by the Federal Statistical Office (FSO, 2013): SMEs have not more than 250 employees and their turnover does not exceed Euro 50 Mio. or the balance sheet total does not exceed Euro 43 Mio. Within the SME category, small businesses have less than 50 employees and have a turnover or balance sheet total that does not exceed Euro 10 Mio. Micro-businesses are defined as not to have more than 10 employees and a turnover/balance sheet total of not more than Euro 2 Mio. However, size only delineates, it does not fully characterise SMEs.

The most common SME form – so as in the case of Switzerland (FSO, 2013) – is the owner- or family-managed company, where ownership and the centre of control are congruent (Jenkins, 2004). Hence, this person (or circle of persons) has the legitimacy to decide upon company resources, for e.g., CSR related programmes, and this allows some freedom and autonomy in decision making (Jenkins, 2004). Although they often have less formalised control systems, less reports, and fewer control procedures, they have a strictly long-term orientation based on trust and reputation needs (Fassin, 2008). Above all, less formalised standards or procedures do not necessarily mean “less strict”. Owner-managers are usually well aware of activities that effect their employees, customers, suppliers, etc. and SMEs often emphasise responsible business practices since they want to “do the right things” (Fassin, 2008). Despite this fact, SMEs are often unaware of the technical term “CSR” and they do nearly never report on their “doing right things”. Different research findings (Worthington et al., 2006; Campopiano et al., 2012) suggest that owner-managers do not judge it as important to talk about their social activities. Their argument is, apart from others, that the actors whom they direct their activities to, are well aware of their contribution, and that is sufficient to them (Campopiano et al., 2012). Moreover, the absence of social reporting might rather manifest their social attempt than a showcase (Murillo and Lozano, 2006). Consequently, SMEs have an unconventional, silent, sub-surface, or, well, intrinsic approach to CSR, which is responsible for the preservation of the philanthropic conception and, in some cases, emphasising CSR among SMEs might be even counterproductive in light of their altruistic setup (Ma, 2012).

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

Many SMEs are pursuing a substantive, non-financial mission or craft that a family has long embraced and come to take pride in (Harris and Martinez, 1994; Le Breton-Miller and Miller, 2006). To many owner-managers the company mission is personal, and, in terms of family-tradition, often more related to the family's history and reputation representing the continuity of the family's contribution to society (Harris and Martinez, 1994). The emphasis is often on concrete technological or social accomplishments rather than on short-term financial results. Their mission statements are not simply slogans but "steadfast beacons" that shape strategy, capabilities, and resource allocation (Le Breton-Miller and Miller, 2006). As aforementioned, this resembles a non-strategic CSR approach, rooted in the avoidance of irresponsibility based on the discretion and incentive of the owner-manager to forego today's return for the sake of the future (Harris and Martinez, 1994; Le Breton-Miller and Miller, 2006).

According to many studies (e.g., Sarbutts, 2003; Russo and Perrini, 2010), SMEs are in most cases not small versions of big companies since their actions do not solely point to economic targets and profit ratios (Baden et al., 2011). In order to attract and keep employees and collaborators SMEs create, for instance, a friendly atmosphere (Fassin, 2008). Their CSR programmes rely on unwritten, cultural norms where honesty and integrity are key aspects. Many SME leaders have in the first priority in fact a very social approach to their employees, a stronger orientation towards long-term continuity, and the goal of "survival of the firm" so as to pass the business to their children (Bridge et al., 1998). Similar pattern are also shown later in the context of Switzerland. At the same time, succession and the quality of the successor are really significant issues for SME lead actors.

Above all, the SME-CSR nexus is biased in several dimensions: A first bias concerns the professionalization of business in recent decades, hence a common element of such movements is "expanding formalisation" (Fassin, 2008). Mission statements, CSR/sustainability reports, policies, code of conducts, audits, and evaluations are the result (Fassin, 2008). This increased need for explicit communication of CSR activities gave rise to the impression that CSR or a sustainable business practice is somehow "less" without its external reporting and extensive formalisation (Fassin, 2008). A lucrative

market of reporting and audit was established by consultants and service companies to provide new tools and reports based on financial principles/accounting standards and therefore a genuine hypocrisy of CSR communication elapsed (Fassin, 2008). This gap between the initial concept of CSR as "moral duty or activity" developed on ethical concerns, which most SMEs fill by their family or long-lasting values, and the part of CSR that is auditable (e.g., following Global Reporting Initiative (GRI), etc.) is a real concern for SMEs and the danger of being judged as not responsible due to missing external reports is substantial for SMEs (Aucquier and Gond, 2006). The simplistic conclusion might assert that since SMEs do not report on CSR, they consequently have no CSR or at least cannot be evaluated on that issue (Aucquier and Gond, 2006). This study contributes to the falsification of such conclusions by elaborating highly sophisticated CSR agendas in Swiss SMEs that are totally detached from formal reports but seemingly successful.

To start with, Switzerland has a long tradition of small companies sharing the viewpoint of CSR as "moral activity" (Berger et al., 2012; Gentile and Lorenz, 2012; Gentile, 2012; Christen Jakob, 2012; Looser and Wehrmeyer, 2014) and as "implicit part of their day-to-day business" (Matten and Moon, 2008). Many companies tackle a myriad of responsibilities in terms of corporate volunteering, preserving environment, supporting communities, or conserving resources in the pursuit of universal benefit (Looser and Wehrmeyer, 2014). The explanation for the heightened awareness for CSR issues in Switzerland may lie in its political/historical background, therefore the next section explores the determinants and current situation of CSR in Switzerland.

2.3 The status of CSR in Switzerland

Officially known as the Swiss Confederation, Switzerland has a stable, prosperous economy based on high-tech products and services. The majority (99.8%) of all companies are SMEs, which employ about 70% of Swiss labour (FSO, 2013), contribute 20% of export value (Credit Suisse, 2014), and 60% of Swiss GDP (SRF, 2013). Hence, Swiss prosperity is mainly borne by its SMEs and although Switzerland is home to several large multinational corporations, its predominant economic sector is manufacturing, largely of health and pharmaceutical products, specialist chemicals, and scientific and precision instruments (Federal Administration, 2008). These are often highly specialised products produced by Swiss SMEs edging a niche, and, although not widely known, in many cases world or at least Swiss market leaders (SECO, 2011). Business is mainly embedded in local value chains relying on traditional businesses with family capitalism and "Mittelstand"/small business culture (Linder, 2005). Switzerland is regarded as the land of the "hidden champions", in an economic sense, related to its highly specialized and quality-oriented SMEs (Looser, 2015), but also with respect to CSR, as for instance shown in the Swiss

Corporate Sustainability Report (Berger et al., 2012) or other studies (Baumann-Pauly et al., 2013; Looser and Wehrmeyer, 2014).

Federalism is one of the most influential attributes in the Swiss state. Notably, the central government must pay respect to 26 individual cantons (in regard for their budgets, languages, unique geographies, social practices, etc.) (Linder, 2005). Switzerland is characterised by a form of direct democracy where citizens retain the civic rights to challenge any law passed by parliament (by referendum) and introduce supplements to the federal constitution (by initiatives) (Federal Administration, 2008). In other words, philosophical, economic, political, and social independencies are very important to the Swiss (Federal Administration, 2008). The principles of subsidiarity and liberalism determine the relationship between state, economy, and third sector (professional associations). As the state is traditionally weak, there are strong incentives for the other sectors to organise themselves.

Related to this specific cultural context (direct democracy, subsidiarity, decency, and federalism), where the community counts and not the individual, responsible, tradition anchored values are widespread borne by a majority of small and family businesses, where the lead actor and decision taker is also the owner. Hence, a profound understanding of CSR in Switzerland cannot be achieved without looking at the values, beliefs, and ethics of small businesses and their owner-managers.

Indeed, a stakeholder analysis (combined with a network analysis) of Swiss CSR stakeholders, recently carried out by Looser and Wehrmeyer (2014), points to SMEs as key actors within Swiss CSR. Since they rely predominantly on their regional and ethical background to guide their responsible approach to business, they are unlikely to apply extensive and/or unspecific CSR instruments. Often, this approach lacks a theoretical anchor, a commercial pursuit or strategic purpose, but rather is based on a long-lasting tradition where physical proximity is translated into a morally correct business.

The stakeholder and network analysis showed that Swiss SMEs have a decidedly and literally unconventional approach to CSR manifesting, for instance, in using handshake instead of formal contracts with customers, employees, suppliers, etc. (therefore saving transaction costs), in democracy and absolute transparency (therefore trust), quality aims, altruistic and philanthropic values, and in visionary instead of profit goals (Looser and Wehrmeyer, 2015). CSR seems to be generic to Swiss SMEs, thus, the authors conclude to a business model as driver for Swiss CSR. Because such models offer a useful, heuristic evaluation of the contribution of formal management systems (e.g., in MNEs) in comparison to the virtue/ethics-driven and unformalised SME business conduct, and since Switzerland has a long history of successful SMEs, Looser and Wehrmeyer (2014) recommend concentrating future research on the idiosyncrasies of this underlying business model.

The paper so far shed light on some of the peculiarities in SMEs. The still unresolved question is: What are their CSR motives, attributes, and distribution of responsibility? What are the core elements (logic, *raison d'être*, or, well, business model) of these companies? To find answers to these questions, it is necessary to explore the business models that steer these companies. The next section outlines the methodical framework to approach and understand how the Swiss SME model may be received in other settings.

3 Methodology

This research analyses the origins or determinants of features of the Swiss business model for CSR. It is guided by grounded theory, which enables to seek out and conceptualise the latent social patterns by using an inductive approach of generating substantive codes from collected data (Patton, 2002). Later, it is possible to develop theories leading to a next sequence of data collection increasingly focussed on the deduction of further questions (Patton, 2002). Considering this hermeneutical integration of rival theories, new insights and additional third party sources are consulted and included whenever useful, achievable, and/or necessary.

As an initial step, an extensive literature review was conducted, i.e., documents from academics and companies were searched, downloaded, and analysed to capture definitions, interpretations, and understandings of CSR in general and in SMEs in particular. This review draws an already fairly accurate picture of CSR in Switzerland, in Swiss SMEs and from other sectorial/cultural contexts. This allowed the development of interview questions able to identify on the one hand motives and responsibilities of Swiss small business CSR and on the other hand driving forces in the form of an underlying business model.

3.1 Sample

Strictly following grounded theory to gather ideas and perceptions suitable for the identification of CSR patterns across heterogeneous cases (Patton, 2002), the selection of the interviewees was based on the maximum variation strategy. The online telephone book tel.search.ch allows for sectorial and/or corporate search, which secured that only companies were reached, thus an initial sample of five companies (companies 1-5) was randomly selected from there. The businesses were initially contacted by phone to seek their participation and to secure their expertise in the topic of CSR. Expertise is defined as “many years of experience, domain-specific knowledge, and skills” (Mieg and Näf, 2005). This definition is likely to prevent the most common methodological error regarding interviews: namely, often persons are interviewed as experts on a particular issue who only have an opinion but no experience (Mieg and Näf, 2005). The initial contact by phone was further applied for “snowballing”, i.e., to gather contacts to

other, somehow aligned, companies, and to have a viral sample distribution mirroring the network character of Swiss SMEs (outlined in Sections 2.2 and 2.3). The size of the selected companies was cross-checked on the one hand by Zefix (2014), the commercial register, but also by consulting the company websites so as to secure that only SMEs were reached as they are defined by FSO (2003).

While trying to reach theoretical saturation and paying some respect to the statistical, sectorial

distribution of SMEs in Switzerland (according to FSO, 2012; 2013) this research finally culminated in 30 interviews. In line with the observations above about the importance and predominance of lead actors in SMEs, it was decided to recruit interviewees from the top of organisations for this purpose.

Table 1 gives a demographic description of the different interviewees and their companies. More company details are chronologically stated in Appendix B.

Table 1. Demographic sample description

		Frequency	Percentage (%)
Gender	Male	28	93
	Female	2	7
Number of years in business	Less than 3	0	0
	3-5	9	30
	6-10	10	34
	More than 10	11	36
Position or title in company	Owner	-	0
	Owner and manager	30	100
	Employed manager	-	0
Level of education	National level certificate	26	87
	Bachelor's degree	3	10
	Master's degree or higher	1	3
	Other	-	0
Legal form of enterprise	Limited company	5	17
	Incorporated company	23	77
	Society	1	3
	Cooperative	1	3
Sector	Finance	2	7
	Manufacturing	14	46
	Service	5	17
	Trade	3	10
	Agriculture	2	7
	Construction	3	10
	Food	1	3
Language region	German	15	50
	French	9	30
	Italian	6	20
	Romansh	-	0
Number of employees (full-time equivalents)	Less than 10	-	0
	11-50	11	36
	51-100	12	40
	101-200	2	7
	More than 200	5	17
Annual turnover in CHF Mio.	Less than 10	3	10
	10-20	3	10
	21-50	4	13
	51-100	13	43
	More than 100	2	7
	Missing	5	17

Arguably, 30 interviews are insufficient to provide a representative – or even comprehensive – depiction of SMEs concerned with CSR in Switzerland. However, the results are sufficiently robust within the dataset, and heuristic, to warrant the indicative discussion and their wider context below.

3.2 Interviews and qualitative content analysis

The interviews were based on pretested questions encouraging responses that were not guided by any judgements of expected behaviour in order to reveal

underlying feelings and attitudes, to avoid socially desirable responses, and to undertake estimates in regard to CSR motives, attributes, and distribution of responsibilities in the experts' own words. The face-to-face interviews allowed contextualised discussions and an open-ended, in-depth exploration of the SME-CSR nexus.

The interviews with an average duration of one hour were conducted and digitally recorded between February and October 2014. They were transcribed using the transcription software f4. Afterwards, the interview transcripts were qualitatively analysed by identifying relevant statements, which point to

motives, responsibilities, components, and dynamics of this Swiss CSR business model.

The qualitative analysis method used herein is oriented at Legewie's global analysis (1994) and Mayring's (1996; 2003) qualitative content analysis. This process allowed cross-case comparisons to identify patterns and construct typologies as suggested by Patton (2002). This helped to relate the identified patterns to other observations or research results, e.g. from document analysis.

Table 2 describes the individual working steps whereas Appendix A provides an overview over working steps 1-5. Appendix B outlines working step 6, whereas Section 3.3 covers working step 7.

Table 2. Working steps of qualitative analysis

Working steps	Orientated at
1) Orientation, i.e., scanning the transcribed interview texts for signalling words and statements (compare with Appendix A)	Legewie, 1994
2) Activation of context knowledge, i.e., remind interview situation, mood, gestures, and intonation (Appendix A)	Legewie, 1994
3) Working through the texts, i.e. careful reading and marking significant statements in regard to the business model's peculiarities, key drivers, and components (Appendix A)	Legewie, 1994
4) Structural content analysis, i.e., categorise themes and contents; thereafter sequence and arrange statements (Appendix A)	Mayring, 1996, 2003
5) Concentrating content analysis, i.e., paraphrasing, generalising (Appendix A)	Mayring, 1996, 2003
6) Summarise text and support by quotations (see Appendix B)	Legewie, 1994
7) Two-stage Delphi process (see Section 3.3)	Hasson et al., 2000

Arguably, the methodology is interpretative at several levels. The organisations themselves are interpreting their approach to CSR, all of which are projections of a self-image or assumption what might be socially desirable. This might be a drawback on the study's objectivity. So as to tackle these weaknesses and further heighten the quality of this study the results and conclusions gained from the interviews were challenged in a two-stage Delphi process together with twelve of the interviewed SMEs.

3.3 Delphi process

Consensus methods such as the Delphi technique are most suitable for theory development and answering research with a limited current knowledge base (Hasson et al., 2000). They offer procedural insights and a longitudinal perspective by analysing organisations at several points in time (Hatak et al., 2015).

This process permits the critical validation of the study's observations based on the rationale that when exact knowledge is not available the judgement of a group is better than an individual opinion (Kaynak and Macaulay, 1984). Delphi methods have specific rules (as proposed by e.g., Crisp et al., 1997; Hasson et al., 2000; Donohoe and Needham, 2009) that can be summarised as follows: the panel should consist of eight to sixteen participants. The process should start

with an initial questioning round, whereafter propositions are to be developed and presented after round one. Controlled (recorded or written) feedback is recommended separated between rounds, whereas the number of iterations is based on the consensus of the experts. The response rate should be above 70 percent.

Accordingly, 30 Swiss SMEs were interviewed in a first step. Secondly, twelve owner-managers volunteered in the validation of the model by sending them the first edition (compare with Figure 1) by email alongside a questionnaire (related to the model's components) and the instructions to reflect on it and give feedback via email or telephone. Lastly, the adapted model was discussed in the focus group discussion.

The email commenced with an open-ended questionnaire asking the owner-managers about their impression of the business model's six key drivers in general. Subsequently, they were asked about the suitability of sub-components of each driver. The results were woven into the model and the main results were presented as opening remark of a focus-group discussion in February 2015. All experts answered the email (i.e., response rate of 100%), eight attended the iteration meeting. The vivid exchanges in the face-to-face focus group discussion were recorded, transcribed, and qualitatively analysed (analogue to the interview analysis). This brought about interesting

adjustments and supplements especially in regard to exporting SMEs (see Sections 4.1 and 4.2) or the particularly parallel value world in SMEs. Further, as previously mentioned, by integrating the results from the interviews and from the two Delphi stages into the broad data set gained by examination of theory, websites, etc., this research enables a generalisation to a Swiss SME business model by putting the results on behalf of organisations into a broader SME as well as a regional and national context.

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

To conclude, the Delphi procedure established data reliability and internal validity, whereas the use of rival theories (in Section 2) and the discussion of differentiating results (in Section 5) fostered external validity. This research maintains high construct validity as well, due to data collection in chronological and easily traceable order, the hermeneutic integration of new data from multiple sources, the transcription and qualitative content analysis and due to the review of the business model together with interviewees.

4 Findings

As a synthesis of the 30 interviews (as described in Table 1) the next section states the most important features of CSR in Swiss SMEs. More details in regard to company specifics and implementation of CSR, related to the allocation of responsibility and their motives, as proposed by Hemingway and Maclagan (2004) and outlined in Section 2.1, can be found in Appendix B. Supporting statements made during the interviews are added in brackets (translated by the authors).

4.1 Idiosyncrasies of Swiss small business CSR

To start with some general observation: all companies under review are highly specialised niche actors benefiting from the competitive advantage of “Swissness” as one of the most valuable brands in the world. The latter was amongst others especially emphasised by exporting companies 15, 18, 19, 22, 29. The goal of these companies is to provide equal quality abroad as they do so in Switzerland. This vision and their trust-based values (e.g., handshake quality) drive their business, even if they are operating

in areas with lower responsibility standards (China, India, etc.).

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

All participants are sole owner-managers with a minority (i.e., companies 1, 8, 10, 17, 19, 22, 29) having shared ownership with the family or a few (silent) partners. The sample is skewed towards male interviewees, despite the attempt to find more female participants. However, this represents the predominantly male statistical gender distribution regarding leading positions in Switzerland (FSO, 2013). All interviewees had at least three years of experience, with the great majority having between 15 and 30 years of experience in their current position and their educational level ranges from a majority of 87% with a national certificate to Bachelor’s (10%) or Master’s and/or PhD degrees (3%). Above all, there is a strong basis for the emphasis on ownership, or to be precise, ownership-within-tradition (which means family and local culture), whereas size and capacities astonishingly do not seem to matter (see again Table 1).

Because of the strong overlap between the societal cultures in Switzerland (e.g., democracy, liberalism, subsidiarity, and federalism) and the ethical values held by SME lead actors, this study, indeed, point at an idiosyncratic Swiss model of CSR that is driven by personally ethical motives based on an individual “locus of responsibility”, under the influence of vision and inspiration with corporate self-restraints aimed at general welfare (for details compare with Appendix B).

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

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

[...] 2 of my 54 employees are handicapped [...]

The majority (i.e., 22 out of 30) has CSR on an individual level with personal motives. According to many owner-managers (e.g., of companies 2, 4, 9, 12, 14-16, 21-26), the role of their mothers and/or wives is crucial. Actually, in the eyes of the sons/husbands these women are the “hidden leaders”, caring for staff with deeply rooted ethical values and high expectations towards their husbands/sons on how to lead the company in a proper way.

For some companies (12, 14, 23, 24, 30) Christian values are the basis of their CSR, whereas for the others it is rather pragmatism (e.g., companies 16, 18, 20-22), philanthropy (26, 28), and their responsibility as “Unternehmer”. In any case are the highly sophisticated CSR agendas a result of evolution and not strategic at all. Company 1 was sold to a listed MNE, which is a family-owned business with over 150 year tradition. Astonishingly, the daughter company had neither to introduce any formal reports nor had it to change any business practices,

since the mother house sees a clear advantage in keeping informality and the daughter's traditional values. This is a clear contradiction to what is normally reported to happen after an acquisition by a MNE, as the owner-manager of company 1 stated. This supports the abovementioned arguments: 1) ownership and small business culture are deciding elements, which 2) in turn are independent from size, capacity, and national boundedness of the business.

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

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

[...] if customers ask for a standard we fulfil this wish without much motivation to do more than necessary to get the contract [...]

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

[...] the way we do our business deserves wider recognition [...]

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

As soon as ownership is shared with e.g. shareholders and the owner is no longer the sole leader, CSR could turn into an "external and superficial thing". This statement was made by the former patron of company 10. He sold his company to a MNE and is still very "sad" about the immediate and substantial changes this brought to his company's culture and inherent values. Same effects were reported from e.g., companies 17, 19, 29, making CSR, in a sort, a strategic attempt there. In other words, to separate capital and management leads to

formalised CSR (e.g., to reports) and the before intrinsic motivation to do even more CSR seems to get lost.

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

In some cases, higher educated leaders (e.g., by a Master of Business Administration, MBA) tried to introduce rationalised and explicit modes. But this only seems to happen when they have shared ownership and are mostly seen as "managers" (companies 8, 22), but if they are MBA trained and at the same time children of the family business (as in companies 4 and 25) they prefer to stick to what their parents built up without any formalisation. In fact, these were the most militant opponents of any formalisation or change in their traditions.

Many SMEs (i.e., 2, 4-6, 9, 11-13, 16, 21, 23-26) operate literally without an executive floor with their CEOs sitting among their employees, clearly pointing to owner-managers seeing themselves more as co-workers than as bosses and to informal, flat, lean, and, thus, agile, companies.

Figure 1 consolidates the abovementioned to a first edition of the Swiss business model for CSR.

This model was subsequently subject to the Delphi process (feedback via email and face-to-face discussion), which brought about a number of hints in regard to refinement, sophistication, and differentiation of the first edition (i.e., Figure 1).

4.2 Results from the Delphi process

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

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

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

Figure 1. First edition of the SME business model for CSR

With regard to the key driver “employees” it was strongly emphasised that in contrast to the commonly held opinion of owner-managers as “little dictators” the relationship to employees is based on democracy and subsidiarity following the model of political Switzerland. Thus, “democratic” a novel and, according to them, the most important adjective herein. Arguably, not in all companies absolute democracy is deployed however, the leaders have at least a participative approach respecting and taking the opinions of their employees (in some cases on an informal level) into account.

The high entry barriers of their specific markets, built upon their specialised niche products was a further hitherto unmentioned point. These entry barriers are a consequence of the ability of Swiss SMEs to customise their products from pure “hardware” to systems including services and solutions that make it nearly impossible for competitors to enter those markets. Currently, many of the very successful companies (1, 3, 5, 14, 17, 18, 22, 26, 29) have become suppliers of complete business solutions. These comprehensive packages are the result of constant innovation driven not by basic research but by customer desires. Thus, Swiss SMEs and especially their owner-managers are very close to their customers (see also statements below related to the “informality” of organisations).

“Agility” is the catchword that was brought to discussion to replace debased “flexibility”. Accordingly, this adjustment was performed since the former describes more precisely the mental mobility,

the ability, and skilfulness Swiss SMEs demonstrate to react to their environment. This covers “innovation” and “multi-functionality” as well, other key terms mentioned in the discussion that emphasise the duty to immediately react on customer demands while suffering from high fixed costs due to small-scale production of specialised niche products (as aforementioned).

The importance of “Swissness” as success factor was stressed and, therefore, added as key driver of “quality”. At the same time “Swissness” is seen as some sort of import protection. The significant efficiency of Swiss SMEs is, amongst others, a consequence of market pressure and high fixed costs leading to streamlined production processes and high-end solutions (systems and/or business development).

“Breeding” and educating their workforce is seen as a further crucial success factor. Thus, it was a profound desire of the participants to add the apprenticeship system as a distinct component, related arguments are stated below. “To give something back” (so as to get something back later) is driven by reciprocity and, thus, primarily a survival strategy of self-improvement and organisational evolution and less likely a purely altruistic motive.

These various statements subsequently allowed the elaboration of a Swiss business model for CSR that perfectly fits the generic definition of “a method of doing business by which the company can sustain itself” (Rappa, 2000). This model accounts for highly sophisticated CSR practices far beyond formalisation making Switzerland a hidden champion in CSR.

4.3 A Swiss business model for CSR

Considering the findings so far, this study concludes with a generalised SME business model determined by six main key drivers (with up to three sub-

components depending on factor): Leadership, Employees, Products, Organisation, Quality, and Education (abbreviated as L'EPOQuE).

Figure 2. L'EPOQuE – Swiss SME business model for CSR



The visualisation of the model, which perfectly summarises these aspects, was useful and heuristic. Notably, although the model discriminates six factors, it postulates that they are, on a basic level, seen as a continuum rather than distinctively separated motives or attributes. Thus, each factor in the whole set relates to each other in an integrating manner, whereas the closer the factors are the more similar their underlying forces. This understanding as continuum gave rise to the circular structure of the model (see Figure 2).

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

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

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

- Efficiency as key driver of the “quality aim” plays an important role in regard to the specialisation of niche products with high entry barriers and flat, lean organisational structures as well.

Further, some aspects are not seen to be equal but rather superior to others:

- “Swissness” is subordinated to efficiency.
- In the “education” factor, to have apprentices is a consequence of the aim “to give something back”, thus the latter is superior to the former.

Again, whenever useful, statements directly retrieved from the interviews or the Delphi rounds are

added in brackets (translated by the authors). At the same time this covers research working steps 6 and 7 (according to Table 2).

In sum, Swiss SMEs have:

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

[...] running this company is a lifestyle decision to chase innovation and visions rather than primarily a wealth-maximising strategy [...]

[...] you cannot imagine how much envy I daily experience for my libertarian lifestyle, even though I sacrifice security to pursue this vision and ideal [...]

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

[...] on a daily base I am in close contact with my employees, therefore the whole staffs celebrates the daily coffee break at 10 o'clock [...]

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

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

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

P) on niche Products (specialised, small scale production with high entry barriers),

[...] Since 30 years we are Swiss market leaders, but in the next year I have to put all my effort in finding new niches [...]

[...] We are world market leader and developed this production process [...]

[...] On a worldwide scale, we are the only one having this knowledge and thus we are the only supplier of such a concept [...]

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

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

[...] we jointly decided against entrance into global markets despite that this might have been economically smart, because we enjoy the freedom of being small and agile [...]

[...] in the summer we organise a huge barbecue for all our customers [...]

Qu) by efficient “Swissness” Quality.

[...] smaller companies have in the long run no other choice than to rely on high-quality products, thus, our survival is determined by our ability to be as

efficient as possible with the world's best products [...]

[...] this is about our wish to be as efficient as possible [...]

E) The owner-managers foster Education, e.g., the apprenticeship system, so as to “give something back” and establish their ethics during the process of work socialisation.

[...] one third of our employees are apprentices, only by this we safeguard that we are not running out of qualified employees. However, this is a continuous process of training [...]

[...] 45 out of 150 employees are apprentices. Hence, I try to establish my personal ethics at work during this process of work socialisation. I hope to induce responsible business practices from the start of their careers [...]

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

Arguably, this model represents a regional interpretation of a specific set of circumstances likely to show differences in emphasis. Other contexts may have a different set of overarching factors. Even within this research some heterogeneity related to sector, region, or size was observed. There was, for instance, a tendency towards more democracy but slacker relations to employees and less self-education in service companies. On the other hand, producing companies are often located in slightly populated regions, have tighter relations to the community and employees (evolving a “family feeling”), and are strictly hiring from this region. Their owner-managers are often very active in local associations and/or politics. This heterogeneity surely deserves further research. However, the model represents a valuable compromise of the numerous inputs gained by the 30 interviews and validated in the two-step Delphi process.

This model is an emerging template of CSR mirroring the core logic of small businesses in Switzerland and, indeed, “a method of doing business by which the company can sustain itself” (Rappa, 2000). Comparably, the L'EPOQuE model tries to cover all significant aspects that drive CSR in Switzerland. Its limitations, generalisability, and some anchors for further research are now discussed in Section 5, some implications are outlined in the subsequent Section 6.

5 Discussion

In general, qualitative research methods might be flawed by the selection of literature and interviewees, by the perspective of both, the interviewer and the interviewee, the author of written information, as well as by the researcher interpreting the information collected (Atteslander, 2010). Although the initial sample of SMEs was randomly selected, those companies' willingness to participate may have

created a self-selection bias (Atteslander, 2010). Comparably, the rest of the sample was selected by “snowballing” relying on contacts of already interviewed SMEs. The companies under review happen to be relatively sophisticated in organising CSR and the results might be biased towards best-in-class examples. Further, as the vast majority of interviewees were male, this might have created a systematic bias towards male leadership attributes. In light of this study’s purpose to primarily elicit key drivers, the distribution of responsibility, and motives of CSR in Swiss small businesses, sampling, as well as sample size and composition should be appropriate.

Arguably, the current model is generic and each Swiss business will have its own emphasis and interpretation. If so, future research can look at sectorial, local, and/or niche dependent variations.

Overall, this research showed that the proactive actions undertaken by SMEs to address social, environmental challenges as part of a business model should be considered and exploited in the context of new entrepreneurial opportunities. The small size of SMEs is an important factor for innovative business practices. Widely reported deficiencies of SME in regard to CSR, such as lacking financial resources, impediments due to the peculiar characteristics of their organisational structure, reluctant management style, limited level of technological access, and a low level of innovation (Tsalis et al., 2014) were not found in this study to be obstacles in the pursuit of CSR and/or profit. On the contrary, the six key drivers of the Swiss business model for CSR reflect high engagement of leaders, organisations led by visions, aspiration, and tight relations to employees, customers, communities. Competitiveness (Revell and Blackburn, 2007; Revell et al., 2009) or compliance with regulation (Lefebvre et al., 2003; Gadenne et al., 2009) as reasons for CSR were not replicated herein.

Although the SME approach perfectly meets the European Commission’s (2011) definition of CSR as “the responsibility of enterprises for their impacts on society” there are features amongst Swiss SMEs that make this approach very different to the one of MNEs. These features point to a different way CSR is seen and enacted in Swiss companies. It is possible to frame these specificities in the business model: e.g., opportunism as well as values and personal commitment are strong driving forces in the case of Swiss SMEs. Unlike managers of large companies, lead actors of Swiss SMEs build their companies in line with their personal values, beliefs, aspirations, and philosophies. They often have solely operational and strategic discretion over their business that is determined by their family culture and organisational values. Personal and business ethics are closely linked, thus, ethics and religious values are the most consistent reason for their CSR. Further, it can be concluded that Swiss SMEs better adopt socially responsible practices than “big business” does, a finding supported by many studies linking the pro-

active business conduct of SMEs to values of their leaders (Jenkins, 2006; Russo and Tencati, 2009; Fassin, 2008; Fassin et al., 2010; Cordano et al., 2010; Battisti and Perry, 2011; Williams and Schaefer, 2013) and/or boards (Gabrielsson and Huse, 2005). There may be further interpretations in other contexts.

Considering the above, the value of personal ethics in corporate CSR was shown to be significant. Therefore, the CSR model that is being applied is to some extent an expression of cultural, ethical, social, and entrepreneurial principles of lead actors in the organisation. As a result, it is useful and heuristic for future studies to explore the origin of these ethical traits. This would permit an exploration of virtue ethics in CSR and of the relative importance of different virtues as part of this. Comparably, first insights from this study identified religiosity and spirituality as important driving forces of CSR. Future research should address these motivators.

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

Considering that profit maximisation is not the driving imperative for many Swiss SMEs, it appears that Swiss SMEs do not necessarily change their attitude in response to market opportunities. Evidence from this study predicts that they rather sacrifice profit in favour of their traditional values. Other research (Enderle, 2004; Von Weltzien Hoivik and Melé, 2009; Gentile and Lorenz, 2012; Gentile, 2012; Looser and Wehrmeyer, 2014) supports this. In fact, Swiss SMEs are manifesting CSR as a small business set of values governing how a company should behave, which is congruent with the values of their owner-managers (Von Weltzien Hoivik and Shankar, 2011). However, these aspects are not yet clearly assessed and it would be worth investigating different types of SMEs in terms of their motivations for CSR. This research so far distinguished between intrinsic and strategic motives. Given the significance of owner-managers in CSR, it would be useful to explore their personal motivations and how these relate to

CSR and their company's business model. This might help to understand the role the profit motive has for CSR, which in turn may shed light on the distinction between intrinsic and strategic motives.

Finally, further research on Swiss SMEs could pay respect to more details related to owner-managers' characteristics, such as age, gender composition, educational qualifications, and business styles (partially discussed above). In regard to education, this research's findings of 87% having a national certificate (while only 10% have a Bachelor's and 3% a Master's degree) compare favourably with the business population as a whole, where few college or university graduates are involved in their own business (FSO, 2013). This fits other researchers' conclusion that younger (start-up business) entrepreneurs were more likely to have a higher educational level than the leaders of well-established SMEs as their older counterparts (Blackburn et al., 2013). Arguably, the owner-managers interviewed here rate themselves as innovative and risk taking reflecting their likelihood to act independently and opportunistically, to adopt new technologies and business opportunities easily and on the other hand to become bored without being challenged. Actually, those owner-managers, who regarded themselves as innovative, risk taking, as "Unternehmer", as agile, fostering flat and informal organisational structures, and democratic decisions have in general larger and older companies. Further, they have a strong will to be independent, are "stubborn" (an adjective used by six owner-managers to describe their own character), and reluctant to respond to outside pressure. Interestingly, such attributes were also found in the context of US (Day and Hudson, 2011) and British SMEs (Blackburn et al., 2013) or, from SMEs located in developing countries, such as Lebanon (Jamali et al., 2009), Africa (Visser et al., 2005; Nkiko, 2013; Elochukwu Okafor, 2014), or from China (Newman and Sheikh, 2012). This deserves further scrutiny, for instance by a comparative study.

The research field herein is considered to be relatively young and admittedly complex, however, the insights gained open a door for unique implications (as proposed in the next section) that can contribute to practitioners, public institutions, the scientific community, and to society as a whole.

6 Implications

Considering the significant role of SMEs in Switzerland's economic/political development and their collective "grandness", an in-depth understanding of small businesses' CSR practices is crucial. Such an understanding could create an effect on local society as well as on SMEs themselves (Morsing and Perrini, 2009). There are initial indications of the benefit of a collaborative fit between the government and SMEs by relative policies (Stewart and Gapp, 2014; Looser and

Wehrmeyer, 2015). Accordingly, the relationships between governmental departments and SMEs but also a cooperation of SMEs within the same geographical region or even over a wider territory are identified as crucial success factors in future.

In addition, this research has documented novel influencing drivers, e.g., the visions of owner-managers, their tight relations to staff, and networks to other small businesses all over the world. National governments are often unsure of how to treat or support SMEs, this research suggests that the appeal to "assist" SMEs should rather be shifted to "benefit from" and "cooperate with" SMEs given the social, economic, and environmental relevance SMEs indeed have in Switzerland. The current preference of governments to support CSR through formalisation may from this perspective not necessarily be the best way forward. Policy makers should also be careful with providing incentives to stimulate CSR since extrinsic stimuli usually crowd out intrinsic motives (Deci et al., 1997). Overall, his study offers insights into peculiar SME drivers and addresses critical moments at which the nexus between small businesses, Swiss society, and the state might be adjusted.

By more research targeting at small business CSR learning processes more verification, refinement, and augmentation of the L'EPOQuE model will be accomplished. Demand for advice (or assistance) during such processes was expressed in the interviews by companies 4, 8, 10, 11, 12, 17, 19, 26 that were not that familiar with the technical term "CSR" and, in other words, more interested in a practical transfer of knowledge. Some small companies have to rethink their management style, especially in the case of a "lonely fighter management style" found in some companies (14, 18, 25). Related to that, new concepts for communication might be a benefit. Many of the interviewees are not used to proactively communicating their responsible business activities. Although the decency of Swiss small business owners should be respected, they should also share their knowledge and experience. Furthermore, SME owner-managers are often uncomfortable with taking up advice from an external party. Nevertheless, in some cases a neutral eye on business operations might provide deeper insights and could point at business opportunities, e.g., by talking about aim, history, and habitual characteristics of their company. In sum, this study recommends fostering tradition, history, and deeply embedded virtues and warns that responsible business practice in the context of SMEs should not primarily rely on the use of explicit CSR formed by "unmediated US approaches" and the respective "management terminology" (Fassin et al., 2014).

Currently, many "social enterprises" are emerging in Switzerland and a significant number of consultants and certifiers jumped on this bandwagon, with "social business planning" becoming a new business opportunity. However, this research revealed

that “social entrepreneurs” do not only exist in the form of “social enterprises”, philanthropy, and “Gemeinwohlorientierung” but social entrepreneurs are prevalent among small business owner-managers. In light of the Swiss CSR business model and its resulting features the practice and relevance of “social business planning” needs to be questioned, certainly as a novel idea in Switzerland. In spite of differences between owner-managers and “entrepreneurs” there are nevertheless some overlapping traits, especially regarding their values, visions, and strategy setting. Both are deeply embedded in their wider environments, use simplifying perceptual processes and exercise their expertise in decision making, which differs significantly from non-entrepreneurs. Consequently, this research suggests Swiss SMEs turned out to be genuine “social enterprises”, or, well, “Sozialunternehmer” which may deserve wider attention and discussion. This raises two arguments in CSR: one is that companies evidently can be competitive in CSR (and economically) with a flexible, ethics-based approach, which contradicts the exclusivity and dominance of the business approach to manage CSR through a formalised management system. This suggests that CSR can be intrinsic to the business or extrinsic, so that, secondly, the question arises under what circumstances one is to be preferred over the other, and what the cost of a mismatch would be.

In conclusion, this project has shown that academics, policy makers, consultants, and professional bodies, etc., seeking to promote CSR should be more sensitive to small business contexts and respect the deeply ethical approach they have. In a world of CSR determined by MNEs and the adoption of formal management systems and extrinsically motivated and communicated CSR activities, a SME approach that is based on visions, informality, and trust is surprisingly “innovative”. Instead of a search for new management approaches, this study’s results point to a very different path CSR may take in near future determined by “old”, traditional business models in the place of newly “invented”, formal steering instruments. Overall, this study challenges the primacy of formal management systems to support CSR in companies, especially SMEs.

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Appendix A. Qualitative content analysis (research working steps 1-5)

<i>Original observations</i>	<i>Items describing the owner-manager</i>	<i>Items describing external strategy</i>	<i>Items describing business model</i>	<i>Items describing CSR</i>
driven by idealistic motives	driven by idealistic motives			
role of women	role of women			
emphasis on ownership			emphasis on ownership	
size and capacity matters less		size and capacity matters less		
"Managers" (as opposed to owners) drive explicit CSR				"Managers" (as opposed to owners) drive explicit CSR
MBA managers drive rational models, MBA owners resist formalisation	MBA managers drive rational models, MBA owners resist formalisation			
breakdown of hierarchical barriers			breakdown of hierarchical barriers	
CSR has many ethical origins				CSR has many ethical origins
CSR is an evolution, not a strategy				CSR is an evolution, not a strategy
M&A activities are a challenge		M&A activities are a challenge		
formalisation is not a problem, but is not favoured			formalisation is not a problem, but is not favoured	
Forced formalisation is opportunistic			Forced formalisation is opportunistic	
communication on CSR is growing, not for reporting but educational reasons				communication on CSR is growing, not for reporting but educational reasons
Many CSR reports are aimed at schools				Many CSR reports are aimed at schools
Links to SME school network				Links to SME school network
children of owners are exposed to cultural diversity as a way to prepare for leadership	children of owners are exposed to cultural diversity as a way to prepare for leadership			
all companies are diversified		all companies are diversified		
all companies actively pursue business		all companies actively pursue business		
niche actors		niche actors		
exploit swiss brand		exploit swiss brand		
quality product for export and domestic market alike		quality product for export and domestic market alike		
trust and clear value-driven business style, in all countries			trust and clear value-driven business style, in all countries	
prefer to deal with businesses that share their culture even if economically detrimental			prefer to deal with businesses that share their culture even if economically detrimental	
active employment & integration of disabled people				active employment & integration of disabled people
supporter of the Swiss apprenticeship system			supporter of the Swiss apprenticeship system	
Running an SME is a lifestyle choice, often to drive innovation, culture and altruism (succession problem)	Running an SME is a lifestyle choice, often to drive innovation, culture and altruism (succession problem)			
SME owner-managers are envied for their independence (even if giving up security)	SME owner-managers are envied for their independence (even if giving up security)			
see their business as detached from managers' who are 'agents of absent shareholders'	see their business as detached from managers' who are 'agents of absent shareholders'			
CSR is implicit and enacted but often not linked to "bottom line"				CSR is implicit and enacted but often not linked to "bottom line"
support from local communities (philanthropy, pillars of local community)				support from local communities (philanthropy, pillars of local community)
very low staff turnover rates			very low staff turnover rates	
very high social capital			very high social capital	
this model is independent of Swiss regions			this model is independent of Swiss regions	

Appendix B. Summary (research working step 6)

<i>Company: motives / locus of responsibility</i>	Peculiarities
Company 1: idealistic / corporate	Strong customer orientation and a business model based on quick responses to customer demands. Security for their employees on the construction sites is a key factor.
Company 2: idealistic / individual	Handshake quality and trust based contracts within the worldwide family business network
Company 3: idealistic / corporate	Driven by post-growth theory, visionary within the financial sector with orientation towards general welfare, especially showing corporate self-restraints by paying nearly no dividends.
Company 4: idealistic / individual	Human centric design, vision driven with a strong focus on general welfare, corporate altruism as business rationale. Led by a visionary do-gooder. Social enterprise, with a social aim.
Company 5: idealistic / individual	Absolute democracy and transparency, employee buyout and therefore employee ownership, improvement and innovation as key drivers, general welfare is focused.
Company 6: idealistic / individual	Health and security orientation, integration of employees from abroad, steady education of employees, focus on economic responsibility due to a history of losses.
Company 7: idealistic / corporate	Strong quality and Swiss market orientation, family tradition of high-end products for Swiss costumers, commitment to Switzerland as only place of production
Company 8: idealistic / corporate	Quality, fairness, working conditions is the same in China, Czech republic and Switzerland. The owner-manager is personally very engaged in the fostering of the apprenticeship system.
Company 9: idealistic / individual	Cooperatively organized but well performing in a highly competitive industry with daily changing market process. Strongly social and environmental responsibility showed by the employment of two (out of 54 employees) handicapped employees.
Company 10: strategic / corporate	Sustainability is a part of their business as disposer. The aim of the company is the material cycle, so that also certifications are obtained out of strategic reasons to have a competitive advantage in this price driven business of waste and recycling.
Company 11: idealistic / individual	Driven by quality and state-of-the art products, sacrificed market-leadership for more environmental friendly product. Strong reliance on handshake contracts with timepiece industry and worldwide customers as well. Opportunistic deployment of certificates and standards. Vision-led.
Company 12: idealistic / individual	Responsible behaviour is based on Christian tradition, on the belief in god as almighty power and on the Last Judgment. Strong family tradition of helping and integrating of handicapped, disadvantaged and underprivileged people. Integration is meant as "real" integration into the family, with place to sleep and at the family table.
Company 13: idealistic / individual	Responsible behaviour is rooted in family tradition and concentrated on the education of apprentices. 47 of the 150 employees are apprentices in four different professions.
Company 14: idealistic / individual	Re-invested since 10 years every profit into the company to streamline it. Employs handicapped and disadvantaged people, although seeing this actions as unreasonable from a profit-seeking point of view. The owner-manager is a lone fighter.
Company 15: idealistic / individual	Business model is based in steady innovation and the search for new market niches in the food industry. The owner-manager is a visionary leader travelling round the world to find new products and suppliers. He personally takes care of transport of his products but also for working and production conditions at his suppliers' production sites in Sri Lanka, etc.
Company 16: idealistic / individual	The owner-manager leads this company in the fourth generation and sustainability is a normal process because the business should be passed down to the next generation.
Company 17: strategic / corporate	The aim of the company is energy harvesting with thermoelectric generators, sensors, which is a sustainable aim and highly strategic. CSR is on a corporate level, because the company was established with the goal of producing renewable energy.
Company 18: idealistic / individual	The owner-manager is a visionary leader searching for new trends in the furniture industry, with strong focus on quality and closeness to customers. The owner-manager takes high risks by establishing his company as furniture broker.
Company 19: strategic / corporate	Certifications and GRI reporting are seen as success factor; hence the whole company is dedicated to re-certification and streamlined to be appropriate.
Company 20: idealistic / individual	Long-term, quality, trust, and fairness aims with strong wish to pass the business to the fifth generation and model the values as example for the next leader, which is supposed to be his son, although this is not absolutely sure yet. Although, the owner-manager is operating in a highly competitive market he has high quality aims, so that he rather sacrifices an order if he cannot meet his own aspirations.
Company 21: idealistic / individual	Organic wines, which come from selected vineyard, are the key business. Interestingly there are no contracts with the vineyards and trust in these partnerships is the key success factor. Vision, innovation, integration and strong personal interests in organic movements are driving CSR in this company. It is a moral activity and just "usual", or "the way we do business here".
Company 22: idealistic / individual	Today, total revenue is made abroad, no business activity in Switzerland. Nevertheless, quality aims are the success factors. This company is a hidden champion, because it is world market leader as highly specialized niche player. CSR is important as it operates in a delicate business, as it constructs chemical plants in China and India. Their goal is to provide the same quality as they would provide in Switzerland. This vision drives the business although they are operating in areas with lower responsibility standards. Innovation is a key success factor and CSR lies on the individual owner level.
Company 23: idealistic / individual	Christian values are the basis of this company's CSR. Although operating in a highly competitive market, the integration of handicapped juveniles and the education are important factors for the owner family. It established an own education on national level, which is totally financed by them without governmental support.
Company 24: idealistic / individual	CSR is the core success factor of this company's business, inherent with the industrial sector of recycling. Social responsibility is as important as environmental responsibility and the vision "to contribute" or "give something back" are stronger business drivers as economic profit. Philanthropic values as "Unternehmer-Familie" are further values.
Company 25: idealistic / individual	Although in a highly competitive market, this company's success factor is stay local, be innovative, resists the pressure of growth and fills the Swiss market as high-end supplier. Quality aims are the drivers of this niche player.
Company 26: idealistic / individual	Long-term oriented general constructor and architect. Further, liberalism is important and the locus of responsibility is definitively on the individual level with idealistic motives.
Company 27: strategic / individual	Quality and niche oriented with focus on improvement and the integration of legal aspects into every business procedure, strong focus on laws and therefore strategic orientation towards ethics and general welfare.
Company 28: strategic / individual	The CEO tries to establish energy as a common good under the members as a new form of sharing energy gained from solar panels. The "company" is driven by the values of its founder, however the sustainable aim is clearly strategic and the founding reason.
Company 29: strategic / corporate	Opportunistic and liberal business conduct with focus on quality and high-end solutions, vision and innovation lead, employees are strongly individualistic, no attempts or measures towards the artificial establishment of a corporate culture (most employees just work for the company and have no other relationships within the company).
Company 30: strategic / individual	Family tradition defines the business, which is quality oriented, while organic products always played an important role. However, this is not seen as a competitive advantage and something new, rather it is seen as the origin of plant growing ("because everything is organics"). The CEO is highly rational and CSR is seen to have positive feedback on profit.