

## Varieties of Capitalism and Small Business CSR: A Comparative Overview

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**Abstract :** Given the limited research on Small and Mediumsized Enterprises' (SMEs) contribution to Corporate Social Responsibility (CSR) and even scarcer research on Swiss SMEs, this paper helps to fill these gaps by enabling the identification of supranational SME parameters and to make a contribution to the evolving field of these topics. Thus, the paper investigates the current state of SME practices in Switzerland and across 15 other countries. Combining the degree to which SMEs demonstrate an explicit (or business case) approach or see CSR as an implicit moral activity with the assessment of their attributes for "variety of capitalism" defines the framework of this comparative analysis. According to previous studies, liberal market economies, e.g. in the United States (US) or United Kingdom (UK), are aligned with extrinsic CSR, while coordinated market systems (in Central European or Asian countries) evolve implicit CSR agendas. To outline Swiss small business CSR patterns in particular, 40 SME owner-managers were interviewed. The transcribed interviews were coded utilising MAXQDA for qualitative content analysis. A secondary data analysis of results from different countries (i.e., Australia, Austria, Chile, Cameroon, Catalonia (notably a part of Spain that seeks autonomy), China, Finland, Germany, Hong Kong (a special administrative region of China), Italy, Netherlands, Singapore, Spain, Taiwan, UK, US) lays groundwork for this comparative study on small business CSR. Applying the same coding categories (in MAXQDA) for the interview analysis as well as for the secondary data research while following grounded theory rules to refine and keep track of ideas generated testable hypotheses and comparative power on implicit (and the lower likelihood of explicit) CSR in SMEs retrospectively. The paper identifies Swiss small business CSR as deep, profound, "soul", and an implicit part of the day-to-day business. Similar to most Central European, Mediterranean, Nordic, and Asian countries, explicit CSR is still very rare in Swiss SMEs. Astonishingly, also UK and US SMEs follow this pattern in spite of their strong and distinct liberal market economies. Though other findings show that nationality matters this research concludes that SME culture and its informal CSR agenda are strongly formative and superseding even forces of market economies, nationally cultural patterns, and language. In a world of "big business", explicit "business case" CSR, and the mantra that "CSR must pay", this study points to a distinctly implicit small business CSR model built on trust, physical closeness, and virtues that is largely detached from the bottom line. This pattern holds for different cultural contexts and it is concluded that SME culture is stronger than nationality leading to a supra-national, monolithic SME CSR approach. Hence, classifications of countries by their market system or capitalism, as found in the comparative capitalism literature, do not match the CSR practices in SMEs as they do not mirror the peculiarities of their business. This raises questions on the universality and generalisability of management concepts.

**Keywords :** CSR, comparative study, cultures of capitalism, small, medium-sized enterprises

**Conference Title :** ICCSSR 2015 : International Conference on Corporate Strategy and Social Responsibility

**Conference Location :** Zurich, Switzerland

**Conference Dates :** July 29-30, 2015