# The legitimacy of social accounting:

## A case study of SME managers' attitudes and actions

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# ABSTRACT

Different stakeholders are now showing a higher interest in organisations' social responsibility than ever before, creating an increased pressure on organisations sustainability performance. Various researchers (e.g. Emerson, 2003; Lingane & Olsen, 2004) stress that in order to meet this pressure and to achieve a true sustainable development, organisations need to fully incorporate social values through social accounting. Although numerous organisations report on their social impacts (Hahn & Kühnen, 2013), it is often said that small to medium sized enterprises (SMEs) are lagging behind in terms of sustainability performance (Cassells & Lewis, 2011). A few studies have addressed this by investigating difficulties for social enterprises to conduct social accounting but a research gap is evident regarding practical implications for SMEs in the for-profit sector.

Through an embedded case study design of a sustainability network of for-profit SMEs on Gotland, we sought to explain SME managers perception of difficulties and benefits associated with social accounting, and how such attitudes relate to their sustainability practices. Through a triangulation design, surveys and qualitative interviews were applied to determine the relationship between attitudes and actions. A theoretical framework by Thomas and Lamm (2012), based on Ajzen's (2005) theory of planned behaviour and Suchman's (1995) typology of legitimacies was used for analysis.

The SME managers were found to have a neutral attitude towards social accounting and they all engaged in practical actions rather than social impact measurement or social reporting. Thus, the results reflect consistency between attitudes towards social accounting and actions, i.e. the intention to perform social accounting. The SME managers perceived the difficulties of social accounting to outweigh the benefits of it, and were insecure about their abilities to perform social accounting. The findings of this study could confirm previously found implications of social accounting and further found that the SME managers expected additional difficulties for companies in the service sector and for those without employees.

Key words: Social accounting, Small to medium sized enterprises, Corporate Social Responsibility, Managerial attitudes, Sustainability practices

# CONTENTS

# 1. INTRODUCTION

How trustworthy would you find a company that is lacking adequate financial reports? It is hard to imagine a time when companies did not have to comply with regulations regarding financial reporting. Although not by hard regulations, many companies are today also expected to report on their sustainability performance (Barraket & Yousefpour, 2013). Elkington (2006) stresses the importance of the Triple bottom line concept which regards three aspects to reach sustainable business; namely people, profit and planet. While today's accounting regulations only consider one of the three aspects, profit, many researchers emphasise the need for a social reporting system that regards people and planet for achieving a sustainable business world.

Even though ideas of social reporting have been around since the 1960s (Dierkes and Antal, 1986), different stakeholders are now showing a higher interest and involvement in organizations' social responsibility than before (Barraket & Yousefpour, 2013). This external demand pushes organizations to take a greater social responsibility and also disclose on it, a fact that has, according to Hahn and Kühnen (2013), led to more frequent reporting on corporate social responsibility. In these reports organizations promote their social and environmental actions to for instance increase transparency, enhance brand value, reputation and legitimacy, enable benchmarking against competitors, signal competitiveness and motivate employees (Hahn & Kühnen, 2013). Ramus and Montiel (2005) state that in many cases the main purpose of a corporate social responsibility report is marketing rather than to evaluate, improve and incorporate social issues in the core of the business. Related to that, Emerson (2003) writes that this separation of social and financial values is logical and funded upon traditional views; he also states that it is fundamentally wrong. To address the issue numerous authors, for instance Emerson (2003), Dierkes and Antal (1986) and Lingane and Olsen (2004) emphasise that to reach a sustainable business, social values have to be fully incorporated and centralized in the business process and should not be considered a peripheral process.

Peter Bakker (WBCSD, 2013), president of World Business Council for Sustainable Development, states that it is difficult for organizations to fully understand the concept of sustainability and its importance. Bakker (WBCSD, 2013) therefore suggests that sustainability must be communicated in the language of business. One way of doing this is to

transform impacts to metrics. This would, according to Bakker (WBCSD, 2013), enable comparison of sustainability performance over time and between companies, which in turn would create a drive for improvement of sustainability performance. Bakker's arguments are in accordance with researchers such as Lingane and Olsen (2004) who write that social and environmental aspects should be determined along with financial performance.

By addressing both financial and social issues it is possible for organizations to achieve shared value (Porter & Kramer, 2011). Shared value can, according to Porter and Kramer (2011), be reached when an organization manages to refine the whole value chain. By doing this, new financial possibilities can be discovered. However, various authors stress that inconsistency in the definition of Corporate Social Responsibility (CSR), sustainability and social impacts hampers both the academic debate in this area and the use of social impact measurement methods (Maas & Liket, 2011; Hahn & Kühnen, 2013). In line with this, Hahn and Kühnen (2013) state that organizations' normative perception of sustainability will determine how internal measurements of impacts are undertaken, which in turn will set the base for how sustainability is reported on.

When browsing through various sustainability reports, one might get the impression that environmental aspects are represented to a higher extent than social issues. This impression is supported by the literature review made by Hahn and Kühnen (2013), which concludes that environmental performance has been paid more attention to than social performance during the last decade, which is believed to be due to the difficulties in measuring social aspects.

The idea that social aspects in particular are difficult to measure is concluded in multiple studies. Lingane and Olsen (2004) as well as Gibbon and Dey (2011) emphasise the subjectivity in evaluation when it comes to social return on investment; jeopardising the trustworthiness of the results. Maas and Liket's (2011) classification of thirty different social impact measurement methods found that only eight of the methods actually measured social impacts at a macro perspective, whilst the others only focused internally within the organisation. This might be due to the complexity of evaluation and impact measurement concerning "immeasurable" outcomes (Barraket & Yousefpour, 2013). However, Foran et al. (2005) claim that instruments for measurement of social issues are a necessity for managing, maintaining and improving sustainability performance. "If you can't measure, you can't manage" (Foran et al., 2005: 144). In line with this, Drucker (1999) coined the expression "What gets measured gets managed" in 1954.

The measurement of social impacts seems to be particularly difficult for small to medium sized enterprises (SMEs). Barraket and Yousefpour's (2013) study of Australian SMEs' practices of social impact measurement revealed practical barriers and challenges. The SMEs were found to perceive time constraint, limited staff time committed to the activity, limited staff skills and limited experience in evaluation as the main barriers to social impact evaluation. Pedersen et al. (2013) add lack of awareness, challenging documentation, regulations and competing priorities to the list of barriers for SMEs' ability to report on sustainability matters. Cassells and Lewis (2011) write that SMEs are lagging behind in terms of sustainability performance due to lack of resources and management capabilities, which turns into either unwillingness or inability to act. Thomas and Lamm (2012) raise the question whether managers regard sustainability practices as legitimate or not, since the perceived legitimacy can determine what practices are incorporated. Another reason for the low sustainability performance of SMEs could be their view on their environmental impact. According to Cassells and Lewis (2011) SME managers see their impact as minimal due to their small size, while in fact, they collectively contribute with 70 % of the total negative environmental impact of businesses due to the large number of SMEs. Therefore, SMEs have the potential to substantially reduce the overall impact if they were to improve their performance. Cassells and Lewis (2011) further state that even if SME managers have strong social and environmental values as individuals, they might not bring these into the business unless required by regulatory bodies; reflecting a gap between attitudes and actions.

As in the study by Barraket and Yousefpour (2013), much of the research undertaken concerning social impact measurement is focused on social enterprises; companies that aim to do good for society. However, it should be considered as important to investigate practical implications of social accounting in for-profit organizations, which have substantial potential to improve their sustainability performance. Sloan et al. (2013) state that research regarding successful sustainability practices is mostly based on large enterprises, which is why there is a need for further research aiming to understand how sustainability works in SMEs.

Consequently, there seems to be a research gap concerning the perceived practical implications and opportunities of conducting social impact measurement and social reporting, in for-profit SMEs in particular. Based on the assumption that the normative perception of sustainability provides the base for how it is put into practice, we ask the following question:

- How does SME managers' perception of social responsibility relate to whether or not they put this concept into practice through social accounting?

To address this issue we build upon the findings of Barraket and Yousefpour (2013) and Pedersen et al. (2013), by explaining how social accounting is perceived by SME managers in the for-profit sector. The following objectives serve to operationalize the research question:

1. To understand how social responsibility is perceived by SME managers and to identify how it has been operationalized.
2. To determine SME managers' attitudes towards social accounting.
3. To relate the normative perceptions and attitudes of SME managers to their actions.

Through an embedded case study design of a sustainability network of SMEs on Gotland, we seek to explain SME managers' attitudes towards social accounting and how their attitudes and perceptions relate to their sustainability practices. Our aim is to provide an understanding of why social accounting is seldom performed in SMEs and thus, contribute to a future development of a seemingly needed framework for social accounting in SMEs. The findings of this study contribute to the field of social accounting in the SME for-profit sector.

# 2. THEORETICAL FRAMEWORK

This chapter provides a theoretical explanation of the concepts on which the study is built upon. Firstly, social responsibility and social accounting are defined and thereafter connected to the SME sector. Lastly, a framework for investigating the relation between attitudes and actions is presented and related to social accounting.

## 2.1 Social Responsibility

Various authors, such as Maas and Liket (2011) and Hahn and Kühnen (2013), state that there is great inconsistency in definitions of Corporate Social Responsibility (CSR) and sustainability. To address this discrepancy, Dahlsrud (2006) has conducted a content analysis of existing CSR definitions in scholarly work. The results provide five different dimensions of CSR: the environmental dimension which refers to the natural environment, the social dimension which regards the relationship between business and society, the economic dimensions which concerns financial aspects, the stakeholder dimension which involves stakeholder groups and the voluntariness dimension treats actions not prescribed by law (Dahlsrud, 2006), see table 2.1.

| Dimensions | Coded to the dimension if it refers to | Example phrases |
|---|---|---|
| **The environmental dimension** | The natural environment | • 'A cleaner environment'<br>• 'Environmental concerns in business operations' |
| **The social dimension** | The relationship between business and society | • 'Contribute to a better society'<br>• 'Integrate social in their business operations'<br>• 'Consider the full scope of their impacts on communities' |
| **The economic dimension** | Socio-economic or financial aspects, including describing CSR in terms of a business operation | • 'Contribute to economic development'<br>• 'Preserving the profitability'<br>• 'Business operations' |
| **The stakeholder dimension** | Stakeholders or stakeholder groups | • 'Interactions with their stakeholders'<br>• 'How organizations interact with their employees, suppliers, customers and communities' |
| **The voluntariness dimension** | Actions not prescribed by law | • 'Based on ethical values'<br>• 'Beyond legal obligations'<br>• 'Voluntary' |

Table 2.1. Five dimensions of CSR (based on Dahlsrud, 2006:4)

In this paper, social responsibility is perceived to be in agreement with Dahlsrud's (2006) social dimension as well as the definition provided by Koli and Rawat (2012: 33) "social responsibility is [...] an obligation of decision makers to take actions which protect and improve the welfare of society as a whole with their own interests".

Several authors (Maas & Liket, 2011; Hahn & Kühnen, 2013) see the contradictory definitions as hampering for both the academic debate in the field of social responsibility and for the corporate world to put it into practice. For instance, Hahn & Kühnen (2013), state that the normative perception of social responsibility will set the terms for how social accounting is undertaken, which in turn serves as the foundation for sustainability reporting. Since "what gets measured gets managed" (Peter Bakker in WBCSD, 2013; Drucker, 1999), this would mean that the perception of social responsibility in the end will determine how it is put into practice.

While Dahlsrud (2006) agrees that there is confusion in both the corporate and academic world in how to define CSR, the author states that the problem lies not in the lack of a general definition but is instead connected to how CSR is socially constructed in a specific context. According to Dahlsrud (2006), sustainability practices are context specific, and one definition of social responsibility would not be applicable to a variety of contexts. Thus, in order to understand how social responsibility is perceived and put into practice, one would need to examine its social construction in a specific context rather than to turn to general definitions.

## 2.2 Social Accounting

The foundation of any considerations of sustainability lies in the normative perception of sustainability and CSR (Hahn & Kühnen, 2013). Based on this, the specific corporate performance in the area of sustainability and CSR can be measured by means of sustainability accounting. The accounting then serves to support decision making concerning corporate sustainability initiatives (Hahn & Kühnen, 2013).

The idea of measuring and reporting on social performance was developed in the 1960s and 70s when social accounting became an established concept. This occurred in line with the increasing attention to corporate impacts on society and the responsibility attached to it (Dierkes & Antal, 1986). The meaning of social accounting is, according to Koli and Rawat (2012), to consider all stakeholders instead of only the shareholders, and for companies to document social impacts along with the financial reporting. The impacts regarded in social accounting represent the effects companies have on society and the environment. Social

accounting refers to internal data collection, or in other words, social impact measurement. This means that external reporting of social impacts is not a necessity in social accounting, although social accounting can serve as a basis for sustainability reporting (Hahn & Kühnen, 2013).

Social accounting considers internal as well as external impacts and can be measured both in a monetary and non-monetary way (Koli & Rawat, 2012). However, many, among others Emerson (2003) and Lingane and Olsen (2004), suggest that monetising of impacts is a suitable way of working with social accounting. Emerson (2004) states that the separation of social and financial values is both common and logical, but nonetheless wrong. Instead he proposes a blended value approach, which is an integrated view of the different business performances.

Seidler and Seidler (1975, cited in Koli & Rawat 2012:31) define social accounting as a "modification and application of conventional accounting to the analysis and solution of problems of a social nature". Pearce (2001: 9, cited in Gibbon & Dey, 2011) explains the term as: "a framework which allows an organization to build on existing documentation and reporting and develop a process whereby it can account for its social performance, report on that performance and draw up an action plan to improve on that performance, and through which it can understand its impact on the community and be accountable to its key stakeholders".

The fact that measurement is an important prerequisite to sustainability management is stated by both Emerson (2003) and WBCSD president Peter Bakker (WBCSD, 2013). This is based on the assumption that measuring impacts develops a new understanding and meaning to business leaders, and Lingane and Olsen (2004) further stress that it will move sustainability issues from the periphery to being fully incorporated in the business strategy. Lingane and Olsen (2004), who promote the monetisation of social performance, believe that social accounting can serve to enlarge both social and financial value creation when utilized in decision making. In the business arena, issues have to be communicated in the language of business, which generally means that they are translated in to measurable metrics.

Dierkes and Antal (1986) state that enough earlier studies has showed that social reporting is a useful tool when integrating social considerations in the decision making process, and concluded already in 1986 that there are enough knowledge to develop a framework for working with social accounting. On the other hand, Maas and Liket (2011) argue that social

impacts are often difficult to measure and quantify, since it is hard to attach objective value to the impact and problematic to link activities to impacts. They also emphasize the lack of consensus on the definition of social impact. Maas and Liket (2011: 175) use the following definition: "by impact we mean the portion of the total outcome that happened as a result of the activity of an organization, above and beyond what would have happened anyway."

Various models have however been developed to measure social performance, Dierkes and Antal (1986) mentions the inventory reporting model, the goal accounting and reporting model and the social indicator model, Lingane and Olsen (2004) presents 10 guidelines to measure Social return on investment, McLoughlin et al. (2009) offers a five step approach and WBCSD (2013) has developed frameworks and guidelines to measure social impacts. Although there seems to be an abundance of methods, Maas and Liket's (2011) review of 30 contemporary social impact measurement methods showed that only eight of them actually measured social impacts.

To be able to choose which model is appropriate for one specific company Maas and Liket (2011) have categorized six dimensions to differentiate between the models; purpose, time frame, orientation, length of time frame, perspective and approach. The characteristics divide the methods in different types, which make it easy to separate between them in order to find the model most suitable for the specific company, see table 2.2. For example the dimension "Time frame" distinguishes between the types prospective, ongoing and retrospective, in other words, if the impacts are to be measured in advance, during the project or afterwards.

| Characteristics | Types |
|---|---|
| **Purpose** | • Screening<br>• Monitoring<br>• Reporting<br>• Evaluation |
| **Time frame** | • Prospective<br>• On-going<br>• Retrospective |
| **Orientation** | • Input<br>• Output |
| **Length of time frame** | • Short term<br>• Long term |
| **Perspective** | • Micro (Individual)<br>• Meso (Corporation)<br>• Macro (Society) |
| **Approach** | • Process methods<br>• Impact methods<br>• Monetarisation |

Table 2.2. Characteristics of social impact measurement methods (Maas & Liket, 2011:180)

According to Thomas and Lamm (2012), the practices of measuring, managing and reporting on corporate social responsibility are on their way of becoming standardised procedures among the largest companies in the world. For instance, 64 % of the 250 largest companies worldwide had employed responsibility management and measurement systems by 2008, and 79 % of them had issued sustainability reports (KPMG, 2008 cited in Thomas & Lamm, 2012). With the continuing sustainability trend and the increasing external pressure on companies to improve their sustainability performance (Barraket & Yousefpour, 2013), it is likely that these numbers are higher today. However, the case seems to be different in the small to medium sized enterprise sector.

## 2.3 SMEs and Sustainability

According to the European Commission (2014), small to medium sized enterprises (SMEs) refer to organisations with less than 250 employees and a maximum turnover of € 50 million. An extended definition of SMEs is provided in Appendix 6. Sustainability practices in the SME sector are often said to be lagging behind due to lacking resources and management capability (Cassells & Lewis, 2011). Because of this resource poverty, SMEs become either unwilling or unable to act and therefore, the focus will be on survival rather than sustainability (Cassells & Lewis, 2011). However, Pedersen et al. (2013) claim that many SMEs may have incorporated sustainability in their operations without demonstrating this externally through internal measurement and reporting.

9

To understand why SMEs do not perform such social accounting, one can turn to the study by Barraket and Yousefpour (2013), which investigates the perceived challenges and benefits of social impact measurement in SMEs. The study found the most dominant challenges to be time constraints and competing work commitments as well as limited staff time committed to the activity. Further barriers were perceived to be limited staff skills and experience in evaluation as well as high staff turnover that led to decreased organizational knowledge. Barraket and Yousefpour (2013) also highlight the complexity of impact measurement; measuring "immeasurable" outcomes and measuring outcomes in the short time span that were long term in nature. Lastly, organizational culture along with lack of managerial support were considered prohibitive to social impact measurement (Barraket & Yousefpour, 2013).

Regarding the perceived benefits of performing social impact measurement, Barraket and Yousefpour (2013) underline advanced organizational learning and performance, but also proclaim that the dominant driver for performing the measurement in practice was to demonstrate legitimacy to external stakeholders. The authors conclude that resource allocation can be a hampering factor for SMEs when undertaking social impact measurement and that the attitudes of the board and managers can have considerable effects on the success of the activities (Barraket & Yousefpour, 2013).

Another study that explains difficulties for SMEs to conduct social accounting is the one conducted by Pedersen et al. (2013). This study focus on social reporting rather than social impact measurement, but similar barriers can be found. For instance, Pedersen et al. (2013) mention the resources needed for reporting and competing priorities as challenges in conducting social reporting. Further, timing is mentioned as a barrier as it takes time before a result is achieved and can be reported on. Pedersen et al. (2013) also mentions lack of awareness of reporting guidelines as well as challenging documentation as it can be hard to measure certain results.

Another explanation for the lack of social accounting in SMEs could be their view on their environmental and social impact. According to Cassells and Lewis (2011) SME managers see their impact as minimal due to their small size, not knowing that they collectively contribute with 70 % of the total negative environmental impact of businesses and that they have substantial potential to reduce the overall impact. Cassells and Lewis (2011) also state that the personal attitudes of SME managers may not be consistent with their actions. This means that even though SME managers may agree that regulation alone is not sufficient to address

business-environment issues and that voluntary business actions are needed, they might not put such voluntary actions into practice or even be aware of being able to do so (Cassells & Lewis, 2011). Further, the study by Cassel and Lewis (2011) found that among companies in the SME sector, micro enterprises were the least likely to improve in environmental terms without regulatory intervention. Even if the aforementioned study focus on environmental aspects as opposed to the social dimension that is treated in this study, it is fair to assume that the same gap between attitude and action may be present concerning SME managers perception of social responsibility and social accounting and their actual operations.

## 2.4 Attitudes and Actions

According to Ajzen (2005), most social psychologists agree that an attitude is evaluative in nature. This means that "an attitude is a disposition to respond favourably or unfavourably to an object, person, institution, or event" (Ajzen, 2005: 3). Since attitudes cannot be seen by observation, Ajzen (2005) stress that they must be determined by measurable responses that reflect positive or negative evaluations of the attitude object. Ajzen (2005) also state that these responses can be of cognitive nature, reflecting perceptions of the object and beliefs about its characteristics; affective nature, which reflects feelings and evaluations; and conative nature, referring to intentions and actions with respect to the object.

Thomas and Lamm (2012) raise the question whether managers regard sustainability practices as legitimate since "understanding how sustainability strategies and initiatives come to be perceived as legitimate by managers and executives is a fundamental step toward facilitating their adoption and effective implementation since attitudes such as perceived legitimacy can influence an individual's intention to act, and intentions are important antecedents to behaviour" (Thomas & Lamm, 2012: 191-192).

The authors propose a framework for understanding the attitudes of managers and how this attitude can affect managers' intentions to incorporate sustainability into the operations. The framework is based on Ajzen's Theory of planned behaviour (TPB) that highlights three independent factors that influence the intention to perform a behaviour: attitudes, subjective norms and perceived behavioural control. Instead of categorizing attitudes based on Ajzen's (2005) cognitive, affective and conative nature, the TPB is complemented with Suchman's (1995) three types of legitimacies: pragmatic, moral and cognitive. Thus, the framework constitutes six elemental attitudes of the legitimacy of sustainability, as seen in figure 2.1:

internal moral, internal pragmatic, internal cognitive, external moral, external pragmatic, and external cognitive as well as the perceived behavioural control.
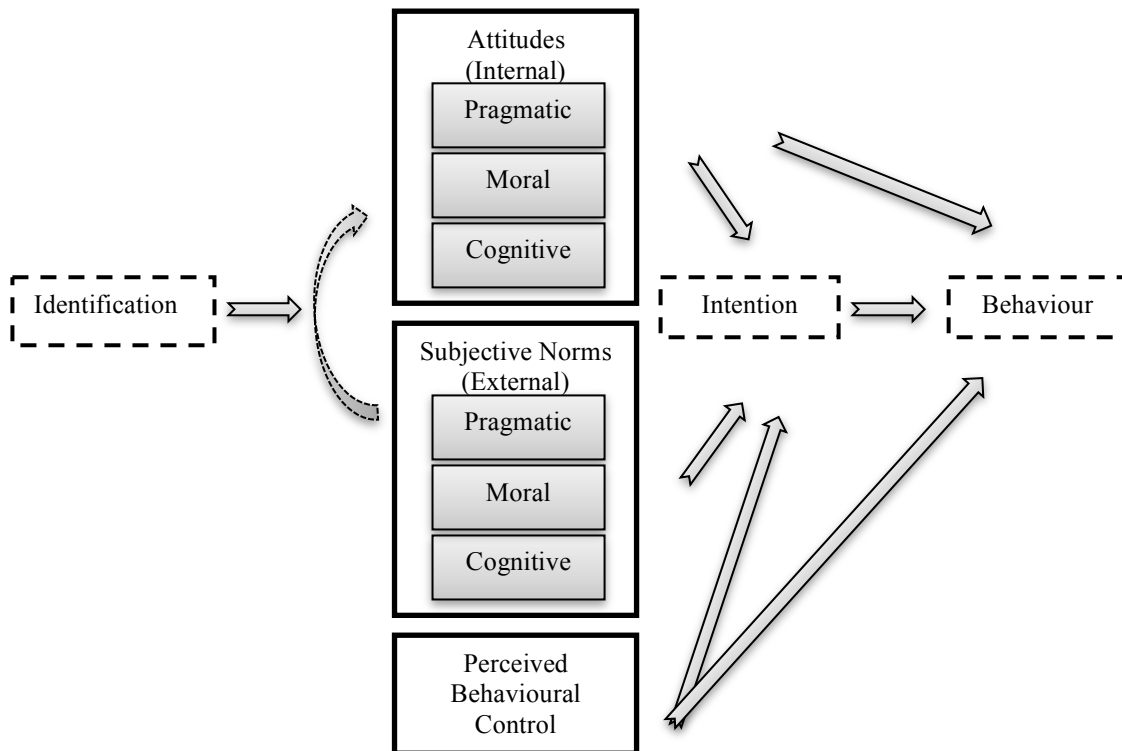


Figure 2.1. Legitimacy in the Theory of Planned Behaviour (Thomas & Lamm, 2012:198)

As seen in figure 2.1, managers' internal attitudes as well as their perception of the social norm and their perceived behavioural control affects their intention to act and thus, the probability that they will perform a certain behaviour. Expressed differently, Ajzen (2005: 118) declares that "Generally speaking, people intend to perform a behaviour when they evaluate it positively, when they experience social pressure to perform it, and when they believe that they have the means and opportunities to do so."

Rather than utilising Ajzen's (2005) aforementioned categories of attitudes, Thomas and Lamm (2012) integrated Suchman's (1995) three types of legitimacy in the TPB to form their framework. Suchman (1995: 574) defines legitimacy as "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions". The forms of legitimacy identified by Suchman (1995) are: pragmatic, based on the self-interested calculations of an organisation's audience; moral, based on a normative evaluation of the organization and its activities; and cognitive, based on comprehensibility and taken-for-

grantedness. These forms of legitimacy do not differ significantly from Ajzen's (2005) attitudes. For example, the cognitive nature described by Ajzen (2005) appears to be similar to the cognitive legitimacy presented by Suchman (1995). Further, the affective nature that regards feelings and evaluation can be related to the moral legitimacy. However, when comparing the remaining categories; the pragmatic legitimacy and the conative nature, Ajzen's (2005) and Suchman's (1995) typologies become very distinct from one another. Whereas the pragmatic legitimacy regards the evaluator's self-interests and perceived benefits, the conative nature regards behavioural intentions towards an attitudinal object. Nevertheless, it appears that ideas of legitimacy and ideas of attitudes in scholarly literature are closely interlinked.

Whereas Suchman (1995) explains the forms of legitimacy from the viewpoint of an audience evaluating an organisation, Thomas and Lamm (2012) elaborate the legitimacies further from the perspective of an actor deciding whether or not to perform a behaviour. The pragmatic legitimacy is described as the perceived benefits of an action, such as reduced costs or improved brand image. When applied to the concept of social impact measurement, the pragmatic legitimacy could be advanced organizational learning and performance as well as ability to demonstrate legitimacy to external stakeholders, as found in the study by Barraket and Yousefpour (2013). The moral legitimacy of sustainability regards the "rightness" of an action and is associated with prevailing social norms and affective values (Thomas & Lamm, 2012); is taking responsibility for the business impact on society the right thing to do, and is measuring and reporting on social impacts the right method to implement? The final attitude regards the cognitive legitimacy, which refers to the extent to which an action match established narratives or conceptual maps that individuals use to organize information and make sense of their environment (Thomas & Lamm, 2012). Adopting a new sustainability practice such as social accounting might be seen to affect the complexity of decision-making by disrupting standard operating procedures; it could make the job more difficult. The barriers to perform social accounting in the studies by Pedersen et al. (2013) and Barraket and Yousefpour (2013), such as lack of resources and capabilities, can be placed in the cognitive legitimacy dimension. The perceived behavioural control regards confidence in the ability to perform the behaviour (Thomas & Lamm, 2012).

The different attitudes can be used to explain how managers perceive social accounting as legitimate and are, according to Thomas and Lamm (2012), to be separated between those held internally by the manager and those perceived to be held by external reference groups.

The idea that the perceived attitude of relevant others affect one's own intention to perform a behaviour brings to mind the concept of institutional isomorphism. Hawley (1968 cited in DiMaggio & Powell, 1983) defines isomorphism as a process that forces one unit in a population to mirror other units under the same circumstances. According to DiMaggio and Powell (1983), once a set of organisations emerges as a field, they will become increasingly similar through three isomorphic processes: coercive, mimetic and normative. The authors define an organisational field as the totality of relevant actors, such as key suppliers, consumers, regulatory agencies and other surrounding organisations. Coercive isomorphism regards both formal and informal pressure on organizations by other organizations as well as cultural expectations (DiMaggio & Powell, 1983). Mimetic processes, on the other hand, take place when organisations model themselves on other organisations due to uncertainty while normative pressures derive mainly from professionalization (DiMaggio & Powell, 1983). Based on these expressed ideas on institutionalism, it becomes particularly interesting to investigate how SME managers' attitudes are affected by other organisational actors in the organisational field, and whether the attitudes in the organisational field have become homogenised.

According to the TPB, the internal attitude held by SME managers regarding social accounting, and their perception of the external social norm and their perceived behavioural control, will determine SME managers' intentions to conduct social accounting such as social impact measurement and social reporting. However, following the reasoning by Cassells and Lewis (2011), attitudes might not always reflect actions. Regarding this, Ajzen (2005) also stress that people do not always display consistency, as empirical research has shown inconsistency of behaviour across situations and between measured attitudes and the actual behaviour. Therefore, Ajzen (2005) states that it is not meaningful to ask whether or not attitudes predict behaviour, as they clearly do, a more suitable question is whether verbal responses predict nonverbal behaviour. Utilising the framework by Thomas and Lamm (2012) can thus aid in understanding what attitudinal dimensions seemingly have the greatest effect on SME managers' intentions to incorporate social aspects in their operations. Regarding this, Thomas and Lamm (2012) stress that in order to achieve progress towards true sustainability, organisational actors need a shift in the internal and external moral attitudes. Consequently, the rightness of one action may be outweighed by the pragmatic legitimacy, such as reduced costs, of another.

# 3. METHODOLOGY

This chapter concerns the methodological choices upon which the study is based. Research philosophy and approach are first explained, followed by a presentation of the research design, which is an embedded case study of a sustainability network of SMEs on Gotland, Sweden. Lastly, a clarification of data collection and analysis is provided.

## 3.1 Research philosophy and approach

In agreement with the interpretivist philosophy (Saunders et al., 2012), we believe that it is important to understand the subjective reality of individuals in order to understand their actions. Therefore, this study investigates the attitudes of SME managers towards social accounting and how this attitude affects their intention to perform it. We believe that such attitudes are socially constructed, i.e. that individuals may perceive different circumstances in different ways and they may also have varying perceptions of the attitudes of others (Saunders et al., 2013). Through an abductive approach we looked for patterns between earlier research on barriers to social accounting and the attitudes of SME managers on Gotland, to build upon the already existing theories on social accounting in small and medium sized companies.

The interpretivist view is often associated with a qualitative approach (Saunders et al., 2012). This study is dominated by qualitative methods but also supported by quantitative research, i.e. it consists of both qualitative interviews and surveys that translate attitudes into numbers. Saunders et al. (2012) write that when quantitative data is based on opinions, leading to "qualitative numbers", survey research can fit within an interpretivist philosophy. Combining quantitative and qualitative research can be referred to as a mixed methods research (Saunders et al., 2012). This study undertook a concurrent triangulation design, described by Saunders et al. (2012) as the manner of combining qualitative and quantitative methods in a single phase of data collection and analysis; allowing results to be interpreted together to provide a broader and more fruitful result. The study is of explanatory nature as it sought to explain the attitudes of SME managers and how attitudes relate to intended behaviour. It can further be defined as what Saunders et al. (2012) refers to as a cross-sectional study, as attitudes were determined at a given point in time.

### 3.2 Research design

The research was conducted through a case study design, as it according to Saunders et al. (2012) is compatible with the triangulation method and further appropriate when one is interested in understanding the context of the research. This case study takes an embedded approach, explained by Saunders et al. (2012) as one case that is studied through an investigation of sub-units within the case as a whole. The investigated case is a sustainability network on the Swedish island Gotland. The network consists of 31 SMEs representing the total number of sub-units in the case. Out of the existent 31 sub-units, 29 were asked to participate in the study and 12 of them agreed to partake. The remaining two sub-units were discarded as they were not reachable.

The choice of case was based on the wish to include SMEs with an expressed interest for sustainability, as their likeliness to perform social accounting otherwise was thought to be minimal. A membership in a sustainability network is here assumed to depict such an interest. The sampling was based on our judgment of what case would best answer the research question, a sampling method Saunders et al. (2012) call purposive sampling. The sample can be seen as both homogenous and heterogeneous as the sub-units are similar in terms of location and interconnected through the network, but in contrast, they are different in terms of size and sector. The sample is considered apt since this study does not aim to provide a generalisation of SME manager's attitudes towards social accounting but to offer an in-depth explanation of the situation in the selected case.

### 3.3 Data collection

The study consists exclusively of primary data. Through a triangulation method qualitative and quantitative data were collected in a single phase by means of interviews and a survey.

### 3.3.1 Interviews

The collection of data was undertaken through personal encounters with each of the partaking sub-units during the period of April 8-25, 2014. The interviews were semi-structured; a set of predetermined questions were at hand, but follow-up questions and additional comments from participants were allowed. Saunders et al. (2012) stress that semi-structured interviews are appropriate for an interpretivist perspective, since they allow participants to explain and build upon their answers. This method also made it possible to adjust questions to the contextual atmosphere. The aim of the qualitative interviews was to understand each participant's recognition of their social responsibility, how they have internalized social aspects in their

operations and how they look upon social impact measurement and social reporting. The questions asked were probing, open with a specific focus. The full list of interview questions can be found in Appendix 1.

Saunders et al. (2012) stress the importance of providing the interviewees with a location in which they feel comfortable, wherefore the interviewees decided the interview settings. Three individuals were present during the interviews; the respondent and two interviewers, with the exception of one interview where two managers represented the sub-unit. One interviewer asked questions and the other took notes. All interviews were audio-recorded with permission from the interviewee, to enable focus on questioning and listening and to allow subsequent transcription. Each interview lasted for approximately 30-60 minutes. The interviews were conducted in Swedish, the mother tongue of the respondents, to ensure that language limitations would not inhibit the interviewees. The interview questions in Swedish can be found in Appendix 2. All 12 interviews were conducted prior to initiating the data analysis. However, following the recommendations by Saunders et al. (2012), quick analyses and comparisons between the interviews were continuously performed.

### 3.3.2 Survey

After the interviews, the respondents were asked to fill out a survey in our presence. The qualitative interviews were complemented with a survey to attain a more tangible understanding of the respondents' attitudes towards social accounting, as well as their perception of relevant others' attitudes. Hence, the reason for including the survey was the wish to attain qualitative numbers that could simplify the presentation of attitudes and enable a clear comparison of attitudes and behaviour, not to create a generalized illustration of attitudes in all SMEs.

The survey was based on the framework by Thomas and Lamm (2012), described in chapter 2.4. This quantitative investigation enabled an understanding of the sub-units evaluative attitude towards social accounting and their perceptions of relevant others' attitudes, along with their perceived abilities to perform social accounting. Together, these three dimensions formed an understanding of the sub-units intentions to perform social accounting.

The internal and external attitude are based on pragmatic, moral and cognitive legitimacy (Thomas & Lamm, 2012), also referred to as attitudinal dimensions. The survey questions were based upon these dimensions along with previous findings of difficulties and opportunities for SMEs to conduct social impact measurement and social reporting, such as

those by Barraket and Yousefpour (2013) and Pedersen et al. (2013). A number of questions were also developed to measure the perceived behavioural control.

However, the order of the questions in the actual survey did not follow the theoretical dimensions, but were mixed. The survey opened with a few easy formality questions that helped distinguish between the sub-units. This type of introduction is further suggested by Bryman and Bell (2005) to make the respondent comfortable with the survey. The questions measuring internal attitude and the subjective norm were similar in nature, as they were meant to measure the same attitudinal dimensions. For the subjective norm, the questions were divided between two groups of relevant others; "peers and authority" and "other members of Produkt Gotland". The latter was chosen in order to see if the membership in the sustainability network affects internal attitudes of the sub-units. Many questions measuring the same attitudinal dimension were similar to each other, following the argument of Bryman and Bell (2005) that several indicators measuring the same attitudes increase the reliability of the results. The survey consisted of 32 questions, found in Appendix 3. In accordance with the interview, the language of the survey was Swedish, shown in Appendix 4.

For each question, the respondents were asked to assess their agreement on a five-point likert scale from "Fully agree" to "Fully disagree", which according to Ajzen and Fishbein (1980) is an appropriate way to measure attitudes. From an ethical point of view, a five-point scale is favourable to a four-point scale since the odd number scale enables the respondent to choose the neutral middle number. If instead offering a four-point scale the respondent is forced to take a stand, which often gives a clearer, but not necessarily a more accurate, result (Bryman & Bell, 2005).

### 3.4 Data analysis

The main analysis was conducted through interpretation of the collective results, i.e. both the qualitative and the quantitative results. Preceding this, the interviews and the survey were analysed separately.

### 3.4.1. Interviews

Prior to the analysis of the qualitative interviews, the recorded interviews were transcribed, followed by a transcript summary entailing key themes from each interview. In this process, the interviews were also translated into English. In accordance with the generic approach to analysis presented by Saunders et al. (2012), the next step involved arranging data into analytical categories. These categories were perception of social responsibility,

operationalization of social responsibility, attitude towards social accounting, external pressure and the network. Thus, the grouping is based on concept driven categories since it derives from existing theory (Saunders et al., 2012). However, in cases where clear connections between interviews that could not be defined by existing theory were found, categories were driven from the data collected. Such categories were e.g. sector and size. The textual data from the transcript summaries were then unitized to the appropriate category. The organisation of data allowed for recognition of themes and patterns between the categories, such as expressed opinions and actual practice. The analysis was first undertaken for each sub-unit, after which testable propositions were developed in order to conclude if there is an actual relationship between categories. According to Saunders et al. (2012) all relationships need to be tested with alternative explanations looking for negative cases, to justify the conclusions. The next step involved scaling down the textual data and compiling the analyses for each respondent to enable presentation of results and analysis for the case as a whole.

### 3.4.2. Survey

The survey provided qualitative numbers, displaying the participants' attitudes on each legitimacy, i.e. a pragmatic value, a moral value and a cognitive value, as well as the perceived behavioural control. These values reflect the participants' attitudes categorized by the legitimacies, and collectively reflect the intention to act, i.e. the intention to perform social impact measurement and social reporting.

#### *3.4.2.1 Coding*

The answers of the survey questions were coded from (-2) – (2) while imported to Excel, see table 3.1. When assigning attitudes, a broader scale was desired; hence two decimals were used while calculating the results.

| Answer | Code |
|---|---|
| Completely disagree | -2,00 |
| Partly disagree | -1,00 |
| Neutral | 0,00 |
| Partly agree | 1,00 |
| Completely agree | 2,00 |

Table 3.1. Coding of survey answers

Before deciding on this method, different codes were tested, one ranged from 1-5 and one from 0-4. These were calculated and presented in both percentage and mean values before rejected in favour of the (-2) – (2) coding, for the increased comprehensibility in presenting negative values as negative attitudes and positive values as positive attitudes. However, since two decimals were allowed in the calculation, a slightly different scale was used when assigning attitudes to the sub-units. Table 3.2 illustrates how the mean scores were transformed to attitudes.

| Mean value | Attitude |
|---|---|
| ≥ (1,50) | Positive |
| (0,50) – (1,49) | Partly positive |
| (-0,50) – (0,49) | Neutral |
| (-1,50) - (-0,49) | Partly negative |
| ≤ (- 1,49) | Negative |

Table 3.2. Ascribed attitudes per range of mean score.

### 3.4.2.2 Calculations

One sub-unit was represented by two respondents and therefore entailed two surveys. To avoid an inaccurate result through overrepresentation of one sub-unit, these two surveys were merged together by calculating the two respondents' mean value on each question. Thus, the total result was calculated based on 12 surveys, as in the total number of partaking sub-units.

The survey questions were first categorised in their initial order, i.e. by the attitudinal dimensions. Since there were different amounts of questions connected to each category, mean values were first calculated on each dimension for every respondent. Second, the mean value for each respondent's total attitude was drawn from the mean scores of the four dimensions. This final mean value represents the full attitude of the respondent.

When the attitude of each respondent had been established, the mean value of these scores was calculated in order to present the collective mean attitude of the sub-units. This was done in the same way as for the individual attitudes, i.e. one mean value was calculated of all respondents' mean scores per dimension, resulting in one collective mean value on each dimension. The mean score of these four values was then calculated to produce the collective mean attitude. This calculation also made it possible to analyse each dimension alone. Furthermore, the procedure enabled presentation of the individual respondent with the most

positive attitude as well as the individual respondent with the most negative attitude; the spread of attitudes.

### 3.4.2.3 Presentation of results

The results of the survey were presented as total attitude, attitude per attitudinal dimension, and internal and external attitude. Further, the external attitude consisted of two subgroups, "other members of Produkt Gotland" and "peers and authority". Additional distinctions were made between sectors and company size, due to the fact that several respondents mentioned that there might be attitudinal differences depending on sector and number of employees. As the survey contained questions about sector as well as number of employees, these groups could be separated between primary and tertiary sector as well as one-man business and micro/small enterprise. Amongst the 12 sub-units, seven had one or more employees, referred to as micro/small enterprises. Five sub-units had no employees, referred to as one-man businesses even though some of them have more than one manager. Only one sub-unit belonged to the category of small enterprises (since it had more than 10 employees), why it was decided to merge this sub-unit with the micro enterprises, and hence only separate between companies with employees and those without. Similarly, the sub-units were separated by sector. Eight sub-units represented the tertiary sector, and two represented the primary sector. Two sub-units had activities in multiple sectors but were in this study included in the primary sector since the majority of their business operations were of primary character. Table 3.3 reflects the separation of sub-units into sector and company size.

| Participating sub-units | 12 |
|---|---|
| Micro/Small | 7 |
| One man business | 5 |
| Primary sector | 4 |
| Tertiary sector | 8 |

Table 3.3. Overview of the partaking sub-units.

### 3.4.3 Collective analysis

To provide a more fruitful result, the outcomes of the qualitative and the quantitative investigation were interpreted together, enabling a broad view of the held attitudes and how these could affect the intention to act. When looking at the determined attitudinal values in relation to the performed sustainability practices, one can find patterns between certain attitudes and performed (or nor performed) actions. The perception of social responsibility and the attitude towards social accounting was compared to the sub-units' operationalization

of social aspects. The attitude obtained through the survey was related to the verbally expressed attitude for both the internally held attitude and the perceived subjective norm, on each attitudinal dimension. The findings were then connected to previous research and new contributions were introduced. From this, it was possible to depict barriers and possibilities for SME managers to measure social impacts and perform social reporting.

## 3.5 Ethical considerations

All sub-units were fully informed about the purpose of the research before voluntarily agreeing to partake. The respondents were from the beginning aware that the sustainability network, Produkt Gotland, would be mentioned by name. However, they were all guaranteed anonymity, which is why they have solely been referred to as respondent A to L. No information that might have enabled differentiation between the respondents has been included, why the results and analysis are presented for the case as a whole and not for each sub-unit.

## 3.6 Research quality

The quality of research findings is often discussed in terms of reliability and validity. Although these concepts are mainly compatible with positivistic research and researchers of the interpretivist stance often choose other terms, Saunders et al. (2012) stress that when using a multiple methods research design, concepts of reliability and validity is nonetheless applicable. Therefore, the quality of research is discussed in these terms for both parts of the investigation.

According to Saunders et al. (2012) the reliability and validity of the study can be affected by interviewer bias, which means that the interviewee's responses are influenced by the interviewer. It is possible that the respondents in this study sensed our personal attitude towards social accounting, and that this may have encouraged them to answer questions more positively. Saunders et al. (2012) further explain that such bias may lead interviewees to respond in a way they believe to be socially desirable. It is also important to note that a few of the respondents had no knowledge of social accounting before the interviews, why interviews had to be initiated by explaining the concept. This means that these respondents' answers both in the interview and in the survey were based upon our explanation of social accounting and not on their own previous knowledge and experience. To reduce biased answers we attempted to reflect openness and understanding towards the answers, and to provide objective explanations of social accounting.

As for the validity of the survey results, it is of most importance to discuss if the questions really measure what they intend to measure, i.e. attitudes towards social accounting. To ensure such validity, the survey was based upon the theoretical framework by Thomas and Lamm (2012), which in turn is based upon acknowledged theories of measuring attitudes (Ajzen, 2005) and determining legitimacies (Suchman, 1995). As the survey was developed from the suggestions by Thomas and Lamm (2012) regarding how to formulate questions for each attitudinal dimension, the survey result is assured to be as valid as possible. To further ensure validity, numerous questions that were similar in nature were asked to measure each attitude. To avoid the respondents taking a stand for something of which they in reality had no opinion on, they were given the choice to select a neutral answer. Moreover, the choice to hold interviews prior to distributing the survey was made to ensure that the respondents had a clear understanding of the concept of social accounting before they had to evaluate it.

The reliability of research is described by Saunders et al. (2012) as whether an investigation will produce the same results when replicated under different conditions. In this context, reliability regards a possible misinterpretation of survey questions. Attempts to avoid this were made through being present while the respondents answered the survey and thereby allowing them to ask questions while filling it in.

What additionally increases the trustworthiness of the results is the fact that both quantitative and qualitative methods have been used. This has enabled scrutiny of results from different angles through comparison of verbally expressed attitudes and those attitudes measured through the survey.

**3.7 Limitations**

As explained before, the results of this study are not meant to provide a generalisation of SME managers' attitudes towards social accounting in a broader context. As Saunders et al. (2012) state, generalisability of findings from qualitative research is often limited due to small and unrepresentative number of cases. However, the findings of this study may have a broader theoretical significance in providing an in-depth explanation of how SME managers' attitudes in the specific context of Produkt Gotland may affect their intentions to perform social accounting. With that said, some limitations of the selected sample are important to note. The case consists of SME managers of one-man or micro businesses, which mainly lack experience of social accounting. It is possible that the results would have turned out differently if the study instead was based upon action research, since the respondents then

could have been allowed to test social accounting, and perhaps provide their evaluation both before and after this test. Similarly, the results could be different if choosing a different sample of SMEs with self-gained experience of social accounting.

# 4. EMPIRICAL RESULTS

In this section, the empirical findings from the survey and the interviews are presented. Initially, the respondents' perceptions of their social responsibility are described, followed by their attitude towards social accounting. The last part of this chapter clarifies how social responsibility has been put into practice by the respondents.

## 4.1 Perception of social responsibility

The respondents were asked to describe their social responsibility as well as the social impacts of their business, regarding both negative and positive aspects. The majority of the respondents found it difficult to explain how they perceived their social responsibility. Four of the respondents perceived the company's social responsibility as equal to their responsibilities as individuals. One respondent expressed it as:

*"I cannot separate myself from the company because it is a one man company. The issues that are important to me and that I value greatly, those I also bring into the company."* (Respondent A, Interview)

Another respondent explained that as a small family company, it is possible to run the company based on personal values and claimed that s/he acts in the same way in the company as at home. Three respondents emphasized that they regard their social responsibility as huge and one respondent declared that social responsibility is the core of the business.

Seven respondents described their social responsibility in environmental terms. One respondent stated that it is easier to consider the ecological aspects, since it allows more concrete actions compared to the social and economic aspects of sustainability. Other respondents explained that reducing environmental impacts, through for example organic food production or energy saving solutions, is part of their social responsibility.

One respondent defined social responsibility as considering the equal value of all people as well as doing the right things as organisations, as opposed to doing things in the right way. Another respondent explained that social responsibility is about ethical values and recognition of the individual. Two of the respondents perceived their social responsibility to be focused on specific groups in society, such as customers, suppliers and staff. Some of the respondents also mentioned that contributing to a sustainable work life, creating jobs and providing placement for work training are parts of the social responsibility. One respondent explained

that s/he had chosen to operate in a rural area in order to contribute to a flourishing countryside. Other respondents emphasized the importance of long term thinking or engagement in voluntary actions as being part of the social responsibility:

*"To share what you have, so to speak, that is something that lies in our core values."* (Respondent F, Interview)

Regarding the social impacts of the business, none of the respondents seemed to have considered the full positive and negative impacts deriving from their business. The respondents had particular difficulties in describing the negative impacts of the business. Six of the respondent stated that their companies do not have any negative social impacts:

*"I find it difficult to see any impact that would be negative for anyone else."* (Respondent F, Interview)

Three of the respondents referred to environmental harm and the remaining three respondents simply stated that they do not know. As expressed by one respondent:

*"As I see it, it is nice if I affect people positively, but I am not producing anything or doing any environmental harm as I see it. I try to buy organic fruit [...] and sort of think like that."* (Respondent K, Interview)

The majority of the respondents also expressed uncertainty about their positive impacts. One respondent described the positive impacts of the business as giving the rural society self-esteem; the fact that the business is located on the countryside makes the people living there feel that they matter. Further, one respondent explained that spreading ideas of social, economic and ecological sustainability could be a positive impact:

*"You can image that these activities, such as developing organisations, can have a certain impact, that it is my services that has an impact in making people feel better, you reduce frequency of sick leave and so on."* (Respondent D, Interview)

## 4.2 Operationalization of social responsibility

The respondents were asked how they work with social responsibility and whether or not they measure and/or report on the company's social impacts. None of the respondents stated to perform any type of social accounting, instead they all seemed to apply more practical ways of operationalizing their social responsibility. Two of the respondents that operate in the

tertiary sector explained that working with social responsibility involve the decision of which tasks they choose to take on as consultants, such as social projects:

*"What I can do is think about buying coffee from a social enterprise diner or something but I have, I mean my business is that I sell my time to create commitment somewhere else."* (Respondent D, Interview)

Another respondent, also active in the tertiary sector, had initiated price scales for the services offered, enabling customers to pay as much as they can afford with the aim to include people of all income levels. Further, one respondent in the tertiary sector described their social work as striving for equality in the employee recruiting process. Another respondent said that the social work consists of taking care of the employees. Two of the respondents mentioned that accepting interns for work training is part of their social work. Three respondents involved in husbandry described contribution to animal welfare as their main social work.

Six of the respondents described their social work in environmental terms, such as environmental certifications and energy saving solutions. Two respondents stated to engage in voluntary actions, such as associations regarding youths and sports, and projects aiming towards healthier food in schools. One respondent claimed to have plans to get involved in a non-profit organisation with a social focus but had not yet decided on which issue to take a stand for. A few respondents stated to sponsor such organisations financially and some said to feel the need to become deeper involved. One of the respondents explained that for the members of Produkt Gotland, social work is not something you do additionally to the primary operations; sustainability is rather integrated in the business and the idea is that you should be able to make a living out of working with sustainability.

When asked if the company's social performance could be enhanced, 11 respondents stated that it would be possible to improve their social work. Only one of the respondents expressed the need to quantify the social impacts of the company and increase sustainability-related documentation. Others mainly suggested improvements to reduce environmental harm. One of the respondents felt no need to improve the social performance. Another respondent expressed uncertainty of how to improve and explained that external help would be required to improve further. Other obstacles were perceived to be time and governmental regulation. Two respondents referred to competing priorities as obstacles, as improving the company's social performance had not been perceived as important:

*"We have not done all we can because we have not had this as a top priority constantly, there are other interests as well."* (Respondent E, Interview)

## 4.3 Attitude towards social accounting

The result of the survey consists of qualitative numbers that enabled measurement of the respondents' attitudes towards social accounting. These findings are presented in this chapter along with attitudes expressed verbally during the interviews. The respondents were asked questions regarding their opinions on social impact measurement and social reporting. For each question, the respondents answered on a five-point scale from completely disagree (-2) to completely agree (2). The average score for each of the respondents can be found in Appendix 5.

### 4.3.1 Total attitude

During the interviews five of the 12 respondents stated to not be familiar with the concept of social accounting. For these respondents, the concept was thoroughly explained before asking further questions. Based on this, two of the respondents developed an interest to document the social impacts of the business. Four of the respondents claimed to have experience working with social accounting. They had however not performed social accounting for the own business, but for social projects they had taken on as consultants. The reason for not performing internal social accounting was by one respondent said to be that the company did not have a sustainability profile. Another respondent stated to simply never having thought about it. Two of the respondents expressed very negative attitudes towards social accounting, one of them explained that it becomes too "square". Conversely, one of the respondents expressed a clearly positive attitude towards social accounting, stating that as soon as the company has decided in which direction to go next, social impact measurement will become a natural step:

*"Suppose that we in some way do something, then we have to quantify it, or we have to evaluate if it is the right thing to get ourselves involved in, and not just throw some money around us and think that we have done our part."* (Respondent B, Interview)

Two respondents expressed the opinion that measurement of social impacts can be seen as quite political, as one would have to decide on what is good for society and what is not; a fact that according to the respondents could make impacts difficult to quantify. Several respondents also stated that it might be easier to quantify environmental impacts. One expressed it as:

*"When it comes to social sustainability, it does not quite exist yet. I do not know of these things you talk about. There is fair trade.. That is the only thing that comes to mind. And that I try to show, we have fair trade coffee and so on."* (Respondent E, Interview)

One of the respondents said that social accounting is not necessary since environmental and social aspects are already the core of the business strategy whilst the financial aspects are secondary. Five of the respondents explained that they found it more important to focus on practical actions than documentation:

*"If you want to be helpful for others, I think you distance yourself with reports, and written products, we misunderstand each other when simplifying. We want to present everything as a fairy-tale so we leave out a bunch of stuff."* (Respondent G, Interview)

*"To write down on a paper what you do daily, it is kind of like writing down common sense."* (Respondent L, Interview)

One respondent explained that for SMEs in particular, actions should be preferred rather than documentation, whilst another respondent thought that it is especially important for companies in the service sector to focus on practical actions:

*"Reports are good enough but it is the long term actions along with the daily actions that are important. It should not become a thing you have just because you are supposed to have it [...] It is not the reports that matter."* (Respondent A, Interview)

Three of the respondents stated that the benefits of social reporting could just as easily be achieved through sharing information via the company website:

*"[...] if there were good indicators or something that frames what I do to reduce my impact on different things or increase the sustainability, then that is something you can put on the website."* (Respondent A, Interview)

Figure 4.1 shows the respondents' mean, min and max scores on total attitude and the attitudinal dimensions. The respondents' total attitude towards social accounting is here meant as the collective scores on internal attitude and the subjective norm (external attitude) on the pragmatic, moral and cognitive dimension as well as the perceived behavioural control. The overview reveals that the average total attitude for all respondents is neutral. The dimension reflecting the strongest positive attitude is the moral, followed by the pragmatic dimension. The mean attitude on the perceived behavioural control is neutral while the cognitive

dimension reflects a more negative attitude. The min and max values show that the dimension with the greatest range of attitudinal scores is the cognitive.
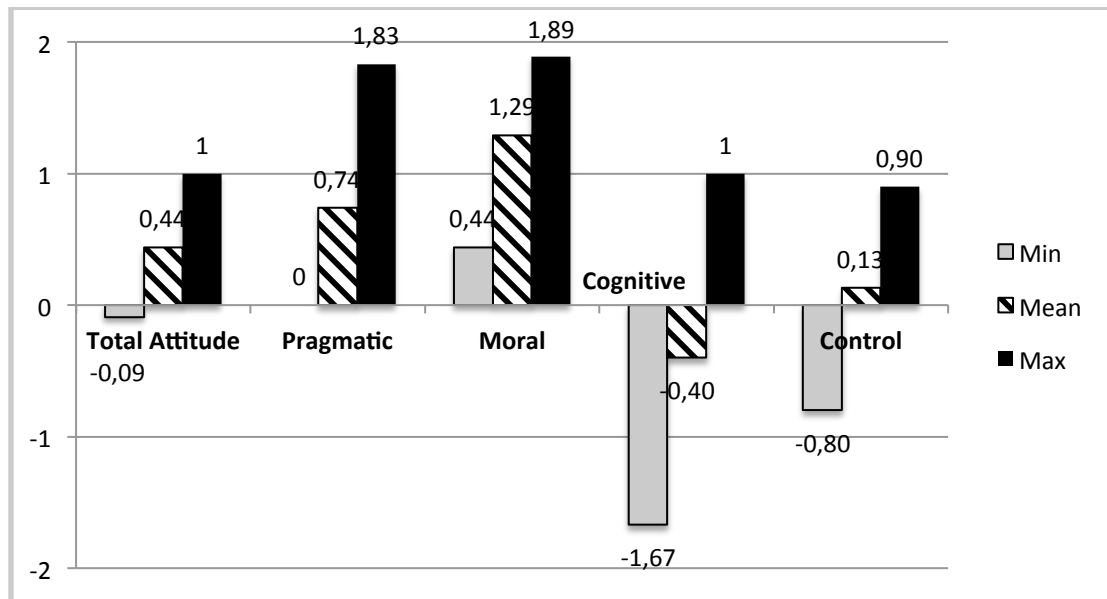


Figure 4.1. An overview of the respondents' scores on total attitude, the attitudinal dimensions and the perceived behavioural control. Mean illustrates the collective mean score of all respondents. Min reflects the score of the respondent with the lowest mean and max reflects the score of the respondent with the highest mean.

During the interviews many respondents mentioned that social accounting would be easier to conduct within certain sectors. Four respondents stated that it would be particularly difficult for companies in the service sector to measure their impacts. One respondent explained that for a company in the service sector, the business involves many different services to a wide range of clients, and it is hard for a consultant to estimate the value created in an external company. Should both the client and the consultant perform social accounting, it could mean that both actors were to calculate the same impacts. Therefore, the respondent stated that it would be more suitable for companies in the manufacturing sector to perform social accounting.

In figure 4.2 the average score on the total attitude towards social accounting is divided by sector. As seen in the figure, the respondents in the primary sector have a more positive attitude than the respondents in the tertiary sector.
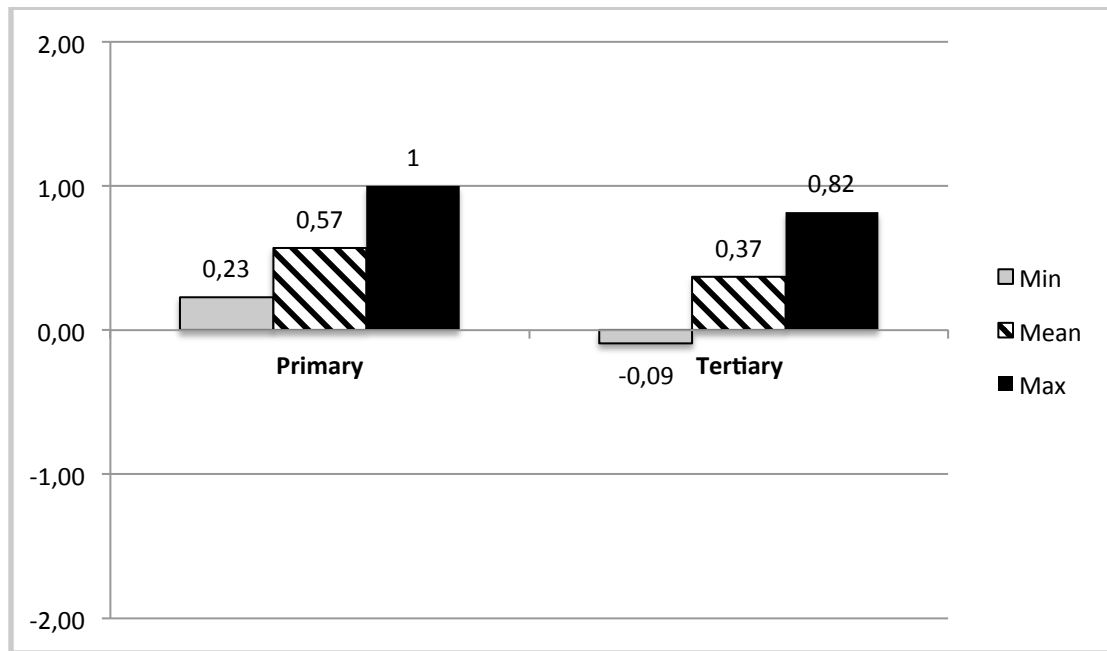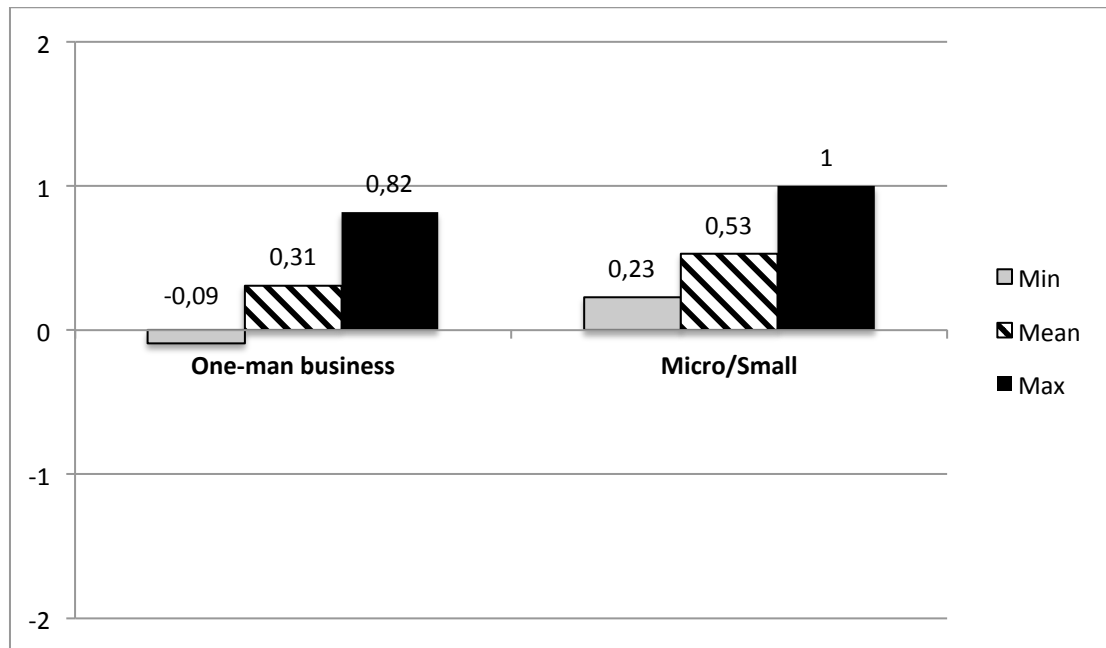
Figure 4.2. An overview of the respondents' scores on total attitude, divided by sector. Mean illustrates the collective mean score. Min reflects the score of the respondent with the lowest mean and max reflects the score of the respondent with the highest mean.

Six of the respondents stated that their companies and their impacts are too small to measure and report on. The respondents felt that it would be more suitable for larger enterprises with a greater number of employees to conduct social accounting:

*"For us that are small, [...] we are our companies. It is kind of hard to separate what is what. Those that are big are different, they can create a profile."* (Respondent A, Interview)

One respondent expressed willingness to conduct social accounting for larger companies or projects, as a consultant, but would not consider documenting the impacts of the own company. Another respondent stated that social accounting is mainly a way to get larger companies to take social responsibility. The respondent explained that smaller companies do not need to be forced into actions, as they would act responsibly either way:

*"It is the owner structure that is the important thing. What the owners require and how they think and that is a big difference if it is one person who has control or if it is a fund."* (Respondent E, Interview)

Figure 4.3 illustrates the average score on total attitude, categorised by number of employees. This overview reveals that the respondents with employees have a more positive attitude towards social accounting than the respondents without employees.
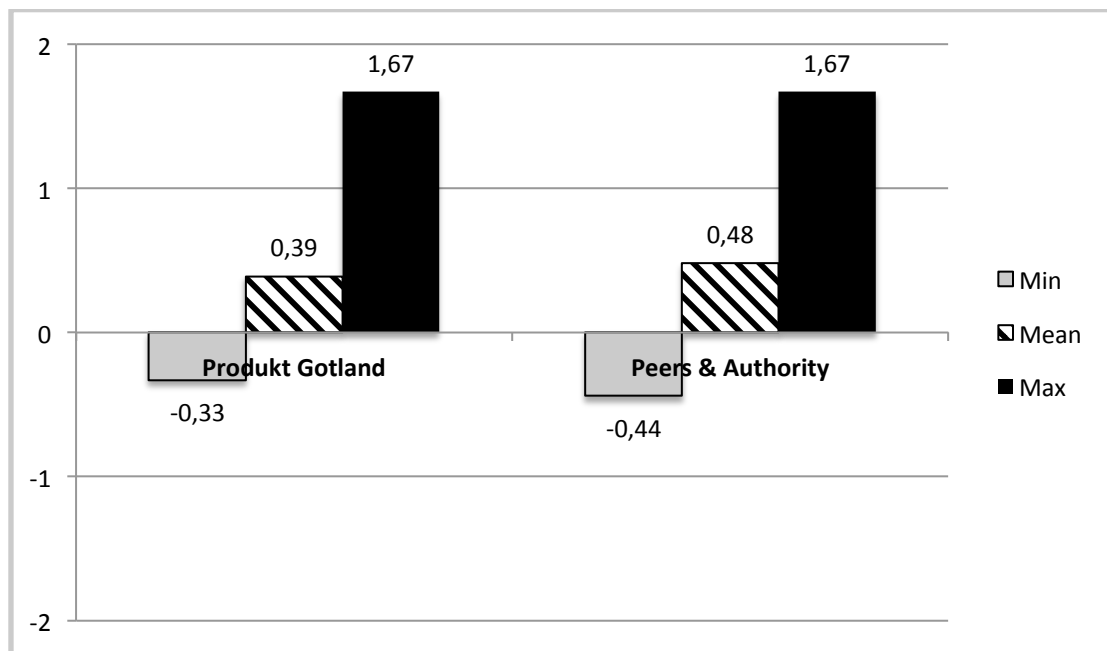
Figure 4.3. An overview of the respondents' scores on total attitude, divided by number of employees. Mean illustrates the collective mean score. Min reflects the score of the respondent with the lowest mean and max reflects the score of the respondent with the highest mean.

### 4.3.2 Internal attitude and subjective norm

The survey questions measured both the internally held attitude, and the perceived subjective norm. The subjective norm consists of the perceived attitudes of relevant others, which were divided by two groups; members of Produkt Gotland and peers and authority. During the qualitative interview, the respondents' were asked if they experienced any external pressure and to explain their interactions with the other members of Produkt Gotland.

Figure 4.4 illustrates the respondents' average attitude, categorised by internal and external attitude. The comparison shows that the internal attitude is more positive than the external, although only to a small extent.
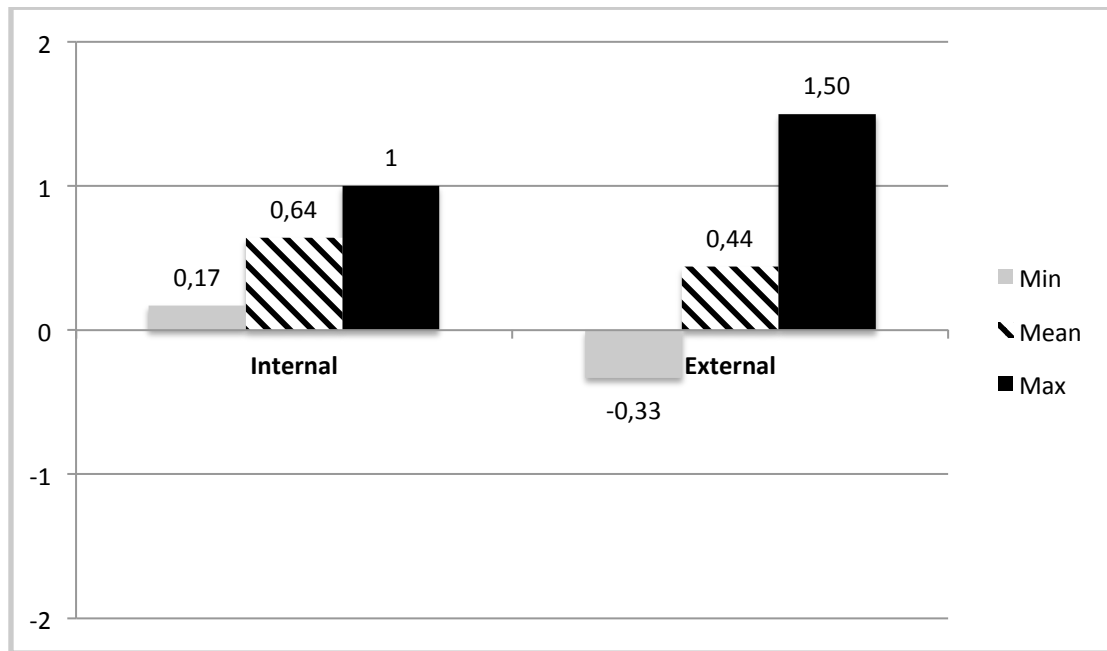
Figure 4.4. An overview of the respondents' mean scores, divided by internal and external attitudes. Mean illustrates the collective mean score of all respondents. Min reflects the score of the respondent with the lowest mean and max reflects the score of the respondent with the highest mean.

Figure 4.5 depicts the relation between internal and external attitude, for each attitudinal dimension. As seen in the figure, the internal attitude appears more positive than the external for all dimensions, even though the difference is not extensive. A more detailed comparison for the attitudinal dimensions is provided in the following subchapters.
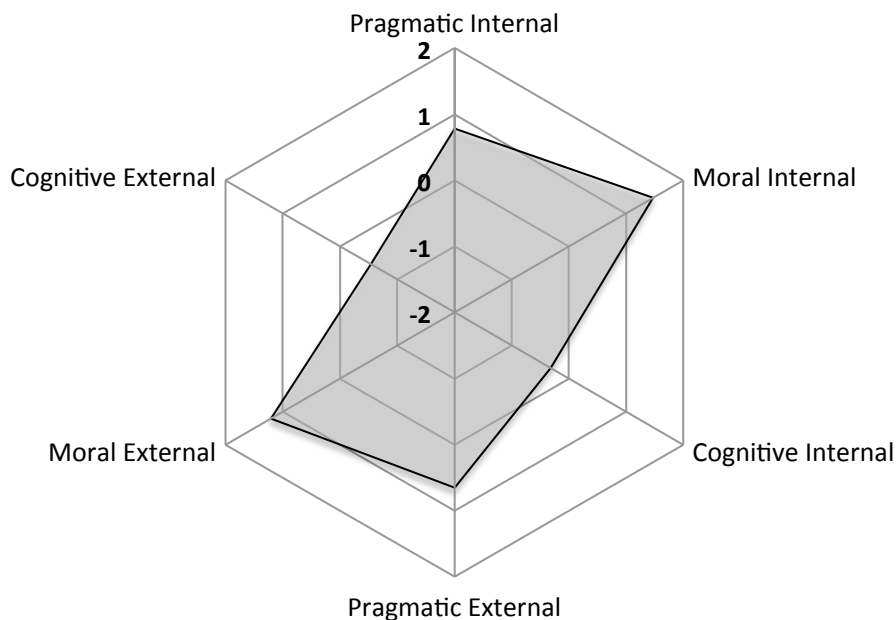


Figure 4.5. An overview of the collective mean scores on the internal and external attitudes for each attitudinal dimension.

When asked about external pressure during the interviews, no respondents stated to have felt an external pressure, from any actors, to work with social aspects or to improve their sustainability performance. Three of the respondents explained that it is the other way around; they are trying to pressure their surroundings and believe that they are ahead of the majority. One respondent explained that this goes for all the members of Produkt Gotland:

*"Concerning both environmental and social commitments we are much further ahead than society in general. I think it is moving too slow."* (Respondent E, Interview)

Figure 4.6 depicts the average score on the total external attitude, categorised by Produkt Gotland and peers and authority. The mean values show that the two external groups are perceived to have neutral attitudes, although peers and authority are leaning towards a partly positive attitude.
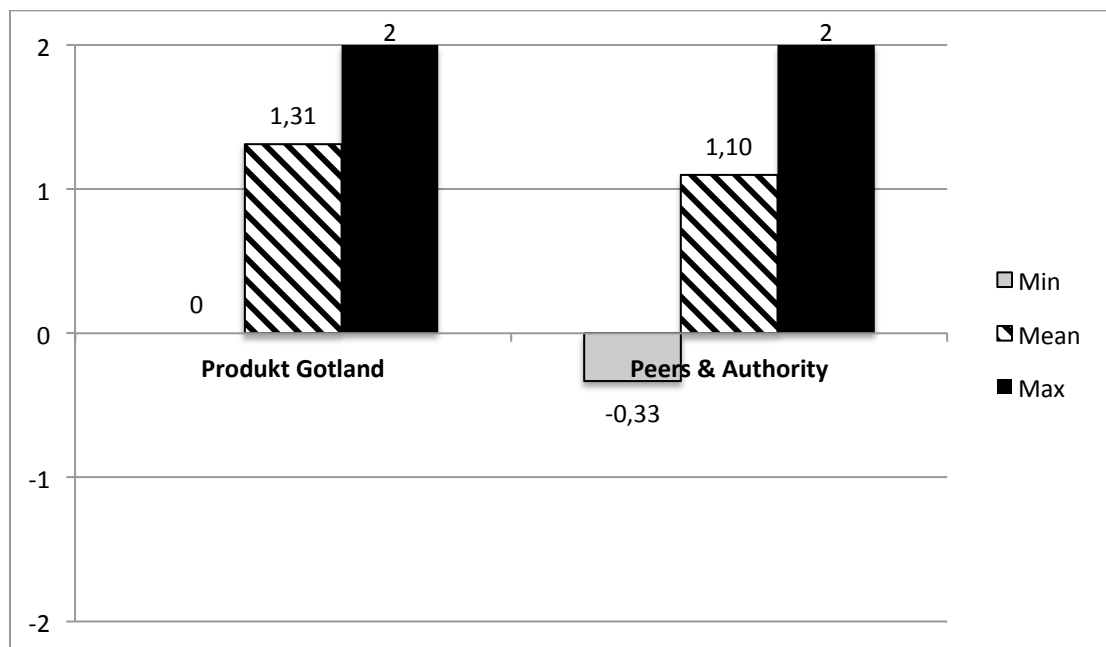


Figure 4.6. An overview of the respondents' scores on the total external attitude, divided by groups of relevant others. Mean illustrates the collective mean score of all respondents. Min reflects the score of the respondent with the lowest mean and max reflects the score of the respondent with the highest mean.

Figure 4.7 shows the average score on external pragmatic attitude, categorised by Produkt Gotland and peers and authority. As seen in the figure, peers and authority are perceived to have a stronger positive attitude than the members of Produkt Gotland.
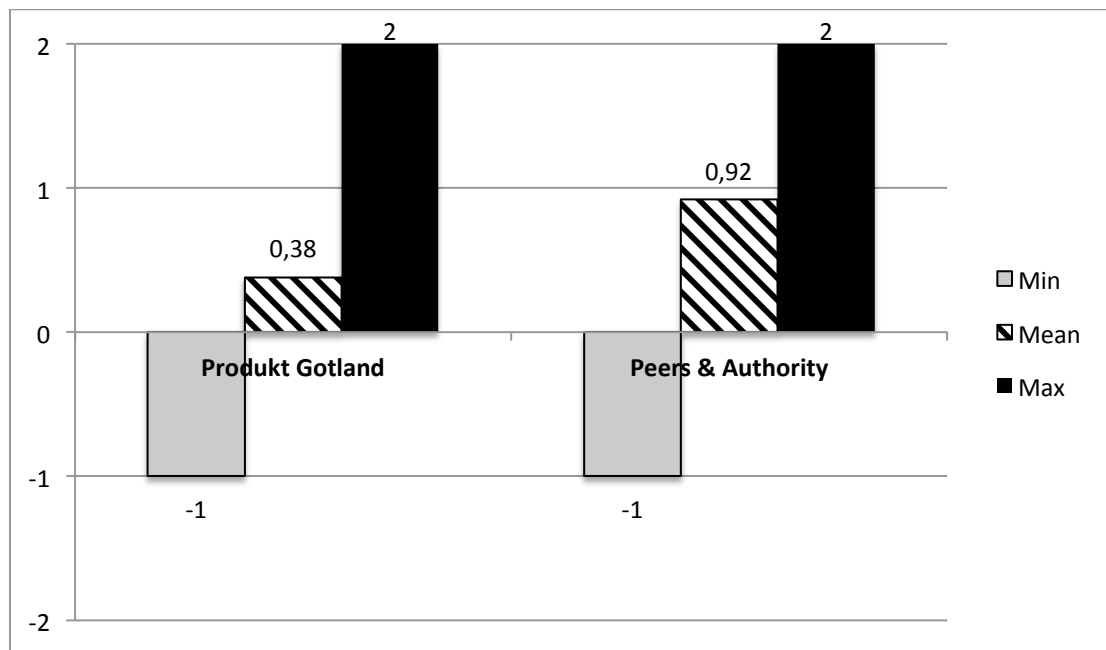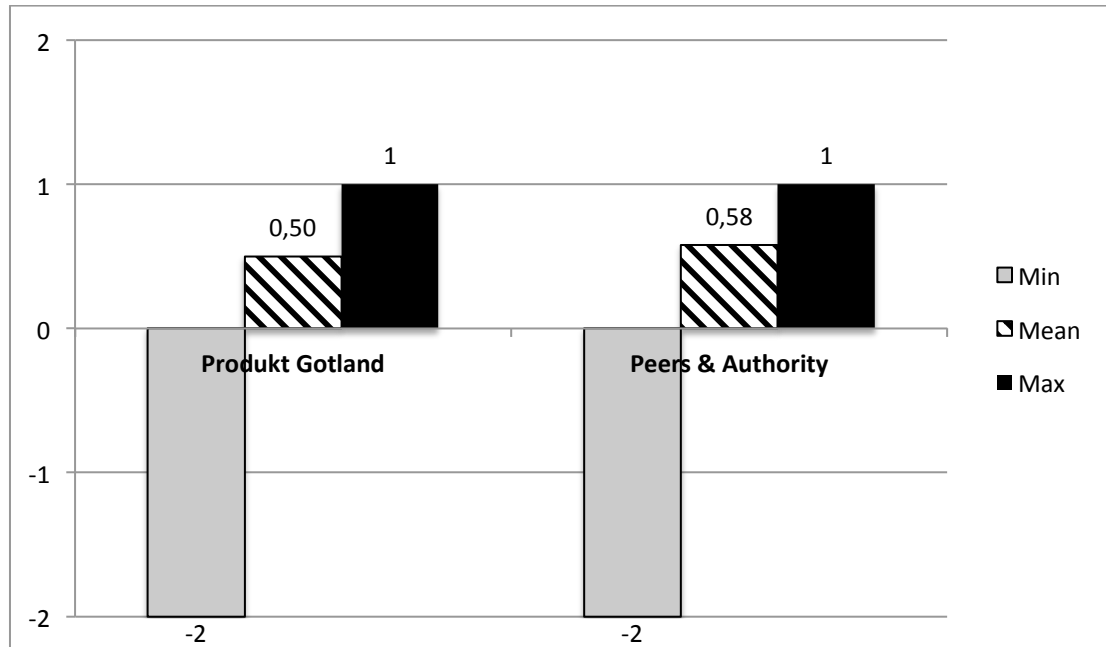
Figure 4.7. An overview of the respondents' scores on the external pragmatic dimension, divided by groups of relevant others. Mean illustrates the collective mean score of all respondents. Min reflects the score of the respondent with the lowest mean and max reflects the score of the respondent with the highest mean.

Figure 4.8 shows the average score on the external moral attitude, categorised by Produkt Gotland and peers and authority. The mean value shows that the members of Produkt Gotland are perceived to have a marginally stronger positive attitude than peers and authority.



Figure 4.8. An overview of the respondents' scores on the external moral dimension, divided by groups of relevant others. Mean illustrates the collective mean score of all respondents. Min reflects the score of the respondent with the lowest mean and max reflects the score of the respondent with the highest mean.

35

Figure 4.9 shows the average score on the external cognitive attitude, categorised by Produkt Gotland and peers and authority. On this dimension, the two groups are perceived to have similar attitudes.



Figure 4.9. An overview of the respondents' scores on the external cognitive dimension, divided by groups of relevant others. Mean illustrates the collective mean score of all respondents. Min reflects the score of the respondent with the lowest mean and max reflects the score of the respondent with the highest mean.

During the interviews, 10 of the 12 respondents stated that their membership in Produkt Gotland has influenced their sustainability work in a positive way. One respondent explained that in the network, sustainability is not considered as a burden; the members rather see the interesting aspects of it:

*"We exchange ideas, and we have a discussion and a dialogue constantly going about these things. We help and support each other."* (Respondent D, Interview)

*"It gives and it takes; as well as I give, I also gain energy to build something in my own business of what I have learnt."* (Respondent G, Interview)

One respondent described the network as a device to work for a sustainable Gotland. Another respondent stated that as a SME manager, you are in a different situation than others, which is why it is important to discuss matters with people with similar conditions:

*"Had we not had these core values about responsibility no matter what it refers to, social or whatever, we would not have been a part of Product Gotland. It is a part of the idea and the*

*philosophy [...] there is a sense of community and a mutual foundation. And that affects, of course."* (Respondent F, Interview)

One respondent explained that the discussions between the members in the network make it easier for them to consider all dimensions of sustainability:

*"When you think about sustainability it is often the ecological that comes to mind [...] and we also touch upon other aspects of sustainability, such as the economic dimensions, what kind of economic systems do we have [...] and also the social sustainability, what kind of society do we live in and how do we take responsibility for it and that is part of the network's foundation, that you as a SME manager really can take a social responsibility and promote a sustainable development."* (Respondent D, Interview)

The respondents were also asked how they thought social responsibility was put into practice by the other members of Produkt Gotland. A few respondents expressed uncertainty about the other members' operations. Six of the respondents said to be sure that the other members take their social responsibility seriously and that they actively work with sustainability issues. One respondent said that among the members, the commitment is mostly aimed towards environmental issues. Three respondents said to believe that the members' involvement in sustainability issues vary, although most members have strong social values:

*"But then there is one thing that unites all the companies of Product Gotland, and that is that part of the reason for why the network exists is because we want a society in which our children and grandchildren can live. So in those measures, everybody works with social aspects."* (Respondent A, Interview)

### 4.3.3 The pragmatic dimension

The pragmatic dimension reflects the respondents' perceived pragmatic legitimacy of social accounting. The survey and interview questions measuring this attitude were concerned with the perceived benefits of social impact measurement and social reporting. As earlier seen in figure 4.1, the average score on this dimension was 0,71, which represents a partly positive attitude.

During the interviews most of the respondents were able to see some kind of benefits deriving from social accounting. However, one respondent claimed to have difficulties in imagining any positive aspects of quantifying impacts.

Two respondents thought that social accounting would lead to new ideas and solutions to internal issues. One respondent believed that measuring the social impacts would enable identification of weaknesses, which could be followed by action plans aimed for long term improvements. Another respondent explained that social accounting would enable evaluation of results in both a short and long term perspective. Five of the respondents perceived marketing opportunities to be the main reason for performing social accounting. One respondent explained that it could be a way of showing customers that the company sticks to its values, giving them an additional reason to choose the company's services:

*"Through measurement you become clear about what you do and that is of course a benefit, and it is also a marketing advantage if you are interested in CSR. I think like that about everything, that it is good to measure. I mean, it is a good argument both regarding money but also when talking about goals and clarity in what you are doing, it is usually good to measure."* (Respondent J, Interview)

One respondent said to believe that the main benefit of social accounting is to recognize other values than the monetary, which is, according to the respondent, important in the change towards a more sustainable society:

*"I have no problems with capitalism or planned economy but they are out-dated economic models from another time. You can sense that this is a new economic system that we haven't tried before and we need to develop one where these kind of values can be put against other values and exist in some sort of balance sheet, where you can weigh these things against each other."* (Respondent G, Interview)

Figure 4.10 shows the collective score on the pragmatic attitude, categorised by internal and external attitude. The mean value shows only a small difference between the internally held attitude and the perceived attitude of others; the internal attitude is perceived to be slightly more positive.
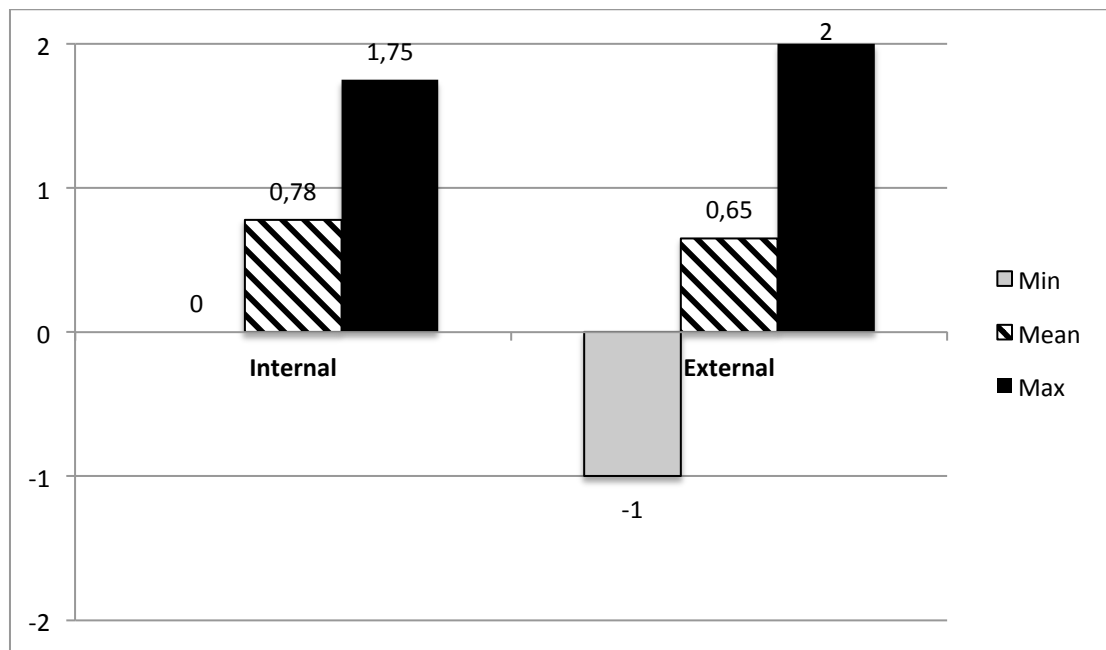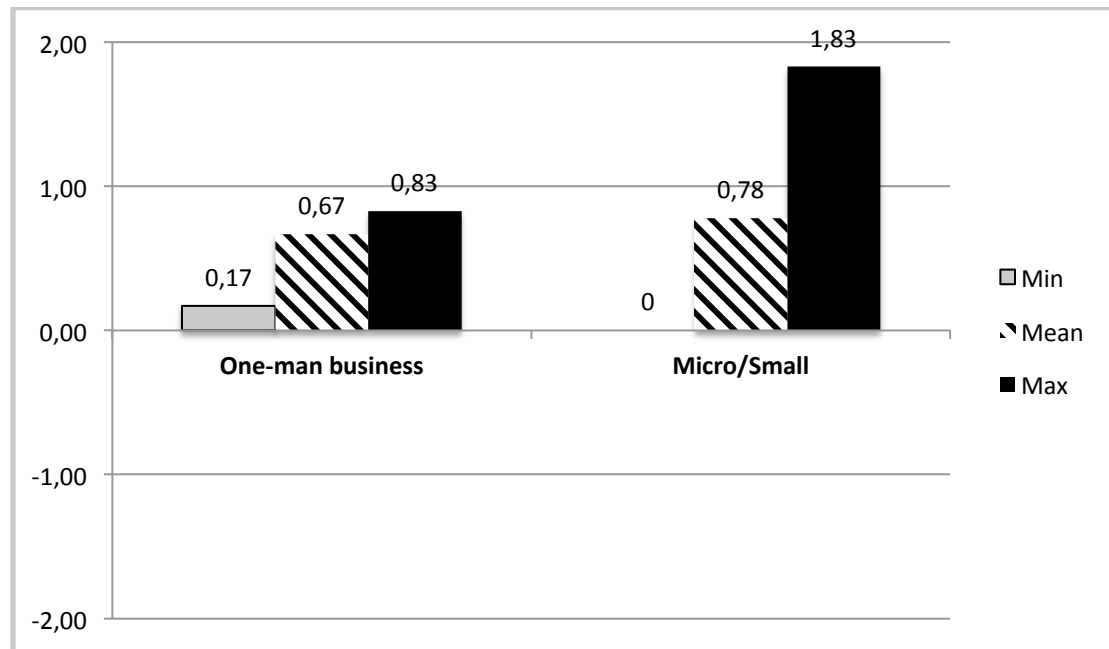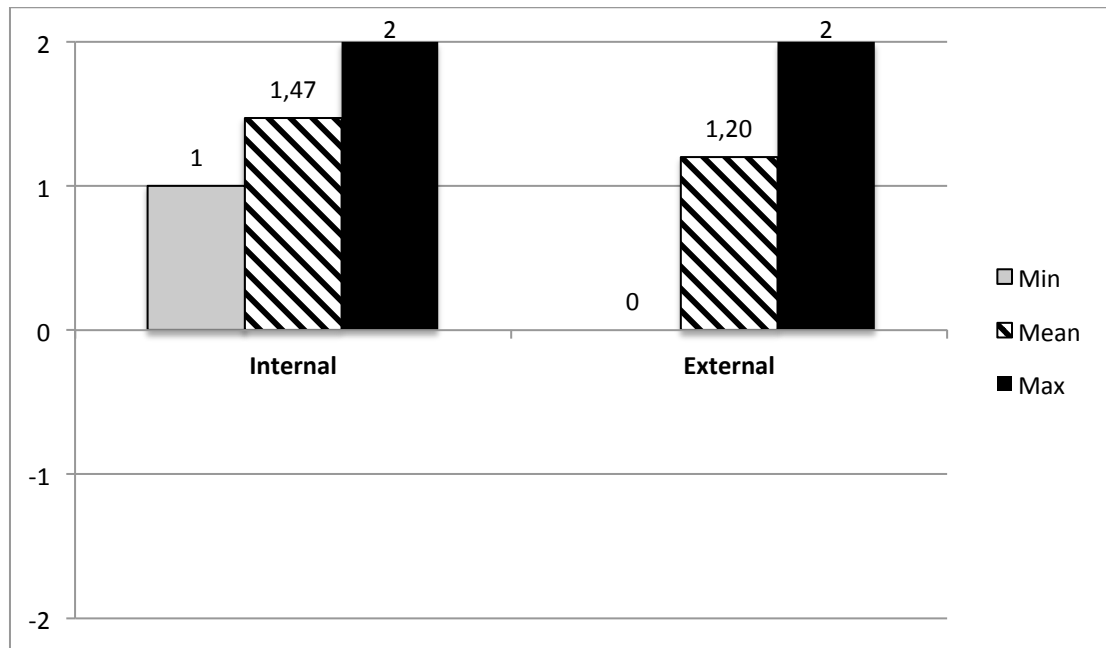
Figure 4.10. An overview of the respondents' scores on the pragmatic dimension, divided by internal and external attitude. Mean illustrates the collective mean score of all respondents. Min reflects the score of the respondent with the lowest mean and max reflects the score of the respondent with the highest mean.

Figure 4.11 shows the average score on the pragmatic attitude, categorised by sector. This comparison does not depict any noteworthy difference in the level of perceived benefits between sectors, although those respondents belonging to the primary sector have a marginally more positive attitude.
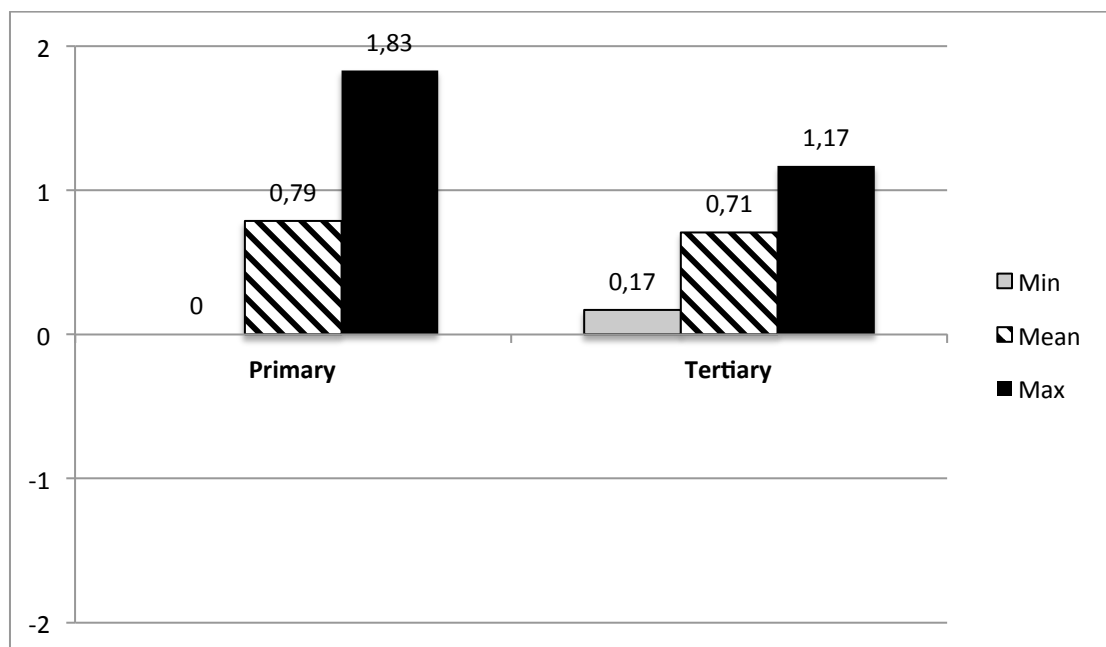


Figure 4.11. An overview of the respondents' scores on the pragmatic dimension, divided by sector. Mean illustrates the collective mean score of all respondents. Min reflects the score of the respondent with the lowest mean and max reflects the score of the respondent with the highest mean.

Figure 4.12 shows the average score on the pragmatic dimension, categorised by number of employees. As seen in the figure, respondents of micro/small enterprises have a somewhat more positive attitude than respondents of one-man businesses.



Figure 4.12. An overview of the respondents' scores on the pragmatic dimension, divided by number of employees. Mean illustrates the collective mean score of all respondents. Min reflects the score of the respondent with the lowest mean and max reflects the score of the respondent with the highest mean.

### 4.3.4 The moral dimension

The moral dimension reflects the respondents' perceived moral legitimacy of social accounting. The questions measuring this attitude were concerned with the "rightness" of performing social impact measurement and social reporting. As seen in figure 4.1, the moral dimension is the dimension with the highest mean score. A score of 1,34 reveals that the average respondent has a quite positive moral attitude.

Figure 4.13 shows the average score on the moral dimension, categorised by internal and external attitudes. The mean value shows that the internal attitude is perceived to be more positive than the attitude of others.

Figure 4.13. An overview of the respondents' scores on the moral dimension, divided by internal and external attitude. Mean illustrates the collective mean score of all respondents. Min reflects the score of the respondent with the lowest mean and max reflects the score of the respondent with the highest mean.

During the interviews, four of the respondents stated that social accounting could be a meaningful way for SME managers to improve their sustainability performance. Two respondents stated that it is a question of priorities. One respondent claimed that it is not necessary to see the sustainability performance "in black and white", the feeling of doing the right thing is sufficient enough. Another respondent said that social accounting has not been perceived important; if it had been prioritised, the respondent would not see any obstacles.

One respondent said to not see the purpose of social accounting and another respondent explained that it would only be beneficial for social enterprises as they receive subsidies for conducting social accounting. Connected to this, one respondent said that it is the common mind-set that is the obstacle to social accounting, i.e. if we cannot expect an immediate reward of an intended action, we see no reason to proceed with it:

*"I do not think anything would have been difficult, because, what's hampering is that we are such slaves under the monetary system, so it becomes uninteresting."* (Respondent G, Interview)

Figure 4.14 shows the average score on the moral dimension, divided by sector. As seen below, the respondents of the primary sector appear to have a slightly more positive attitude than those belonging to the tertiary sector.
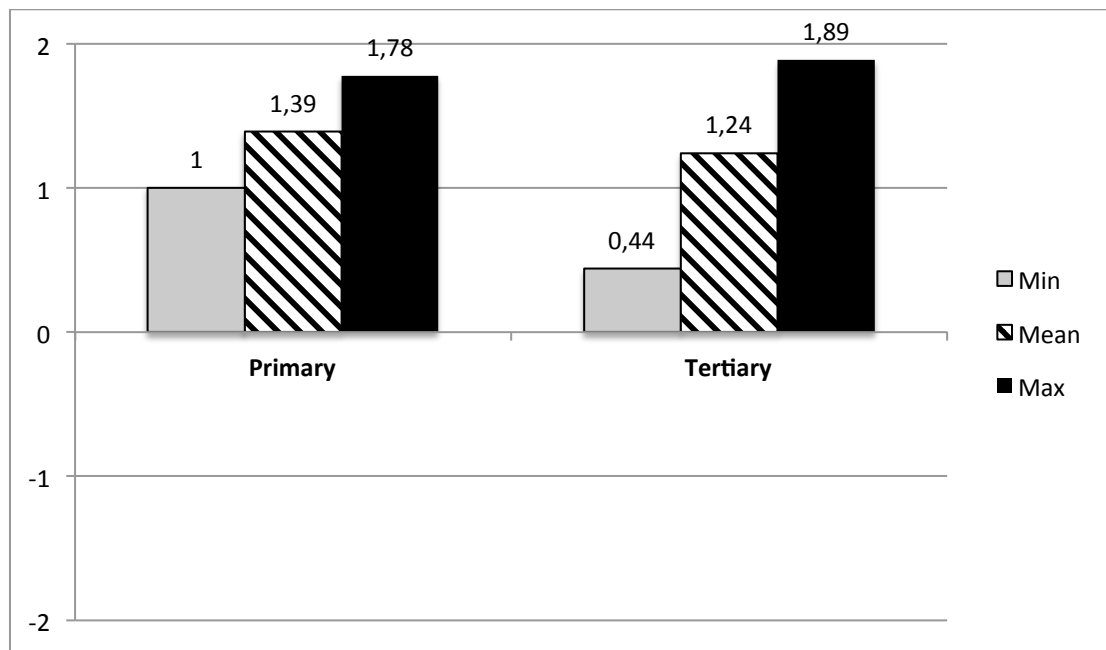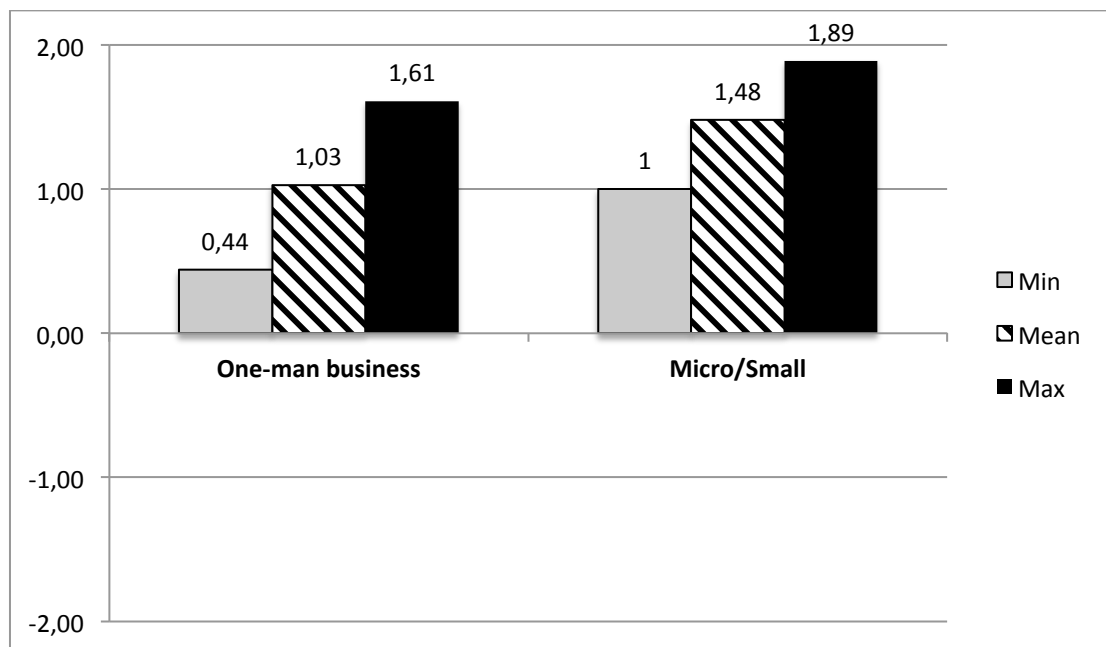
Figure 4.14. An overview of the respondents' scores on the moral dimension, divided by sector. Mean illustrates the collective mean score of all respondents. Min reflects the score of the respondent with the lowest mean and max reflects the score of the respondent with the highest mean.

Figure 4.15 depicts the average score on the moral dimension, categorised by number of employees. The mean value shows that respondents with employees have a more positive attitude than respondents without employees.



Figure 4.15. An overview of the respondents' scores on the moral dimension, divided by number of employees. Mean illustrates the collective mean score of all respondents. Min reflects the score of the respondent with the lowest mean and max reflects the score of the respondent with the highest mean.

### 4.3.5 The cognitive dimension

The cognitive dimension reflects the respondents' perceived cognitive legitimacy of social accounting. The survey and interview questions measuring this attitude were concerned with the perceived difficulties of performing social impact measurement and social reporting. As seen in figure 4.1 the cognitive dimension was the only dimension with a negative mean score (-0,43).

Most of the respondents appeared to believe that performing social accounting would make their job more difficult. However, one respondent could not imagine any difficulties. Five respondents referred to the burden of additional documentation, as it even at present is too extensive:

*"I doubt this; I think it would be just another burden. [...] Maybe if someone else were to do it for me.. I guess I would have to pay for the service in that case. But I have neither the time nor the interest I must say."* (Respondent F, Interview)

One respondent said that for many SME managers, social accounting would be considered as yet another administrative burden, but explained that measurement in some manner is necessary, even for SMEs:

*"Many SME managers are sick of writing all the reports and all the other stuff you have to do, so some would think that: why should I also do this? That I can imagine, but for our part it would not be seen as something negative. If the workload is reasonable compared to the results you get. It cannot require 200 working hours per year. Then it would be difficult. It should be simple somehow; you would have to find a simple tool to use."* (Respondent B, Interview)

Another respondent referred to time and uncertainty as hampering factors. The respondent explained that it often takes time before the result of social accounting can be seen and that one can never be certain of the outcome. Two respondents said that social accounting would be too time-consuming, especially for SME managers:

*"I think being a SME manager means that you have so many duties. [...] I am taking care of my staff, I make sure we have the right stuff, that we have facilities, cleaning staff. There is so much stuff in the periphery. Also, all the regulations from the government [...] it is a lot of musts. Anything beyond that is a bonus, but where does the time and the energy come from?"* (Respondent H, Interview)

Figure 4.16 illustrates the average score on the cognitive attitude, categorised by internal and external attitude. The mean value shows that the respondents believe that others perceive social accounting to be even more difficult than they do. The min and max values reveal that, for the internal attitude, a great variance of attitudes exists between the respondents.
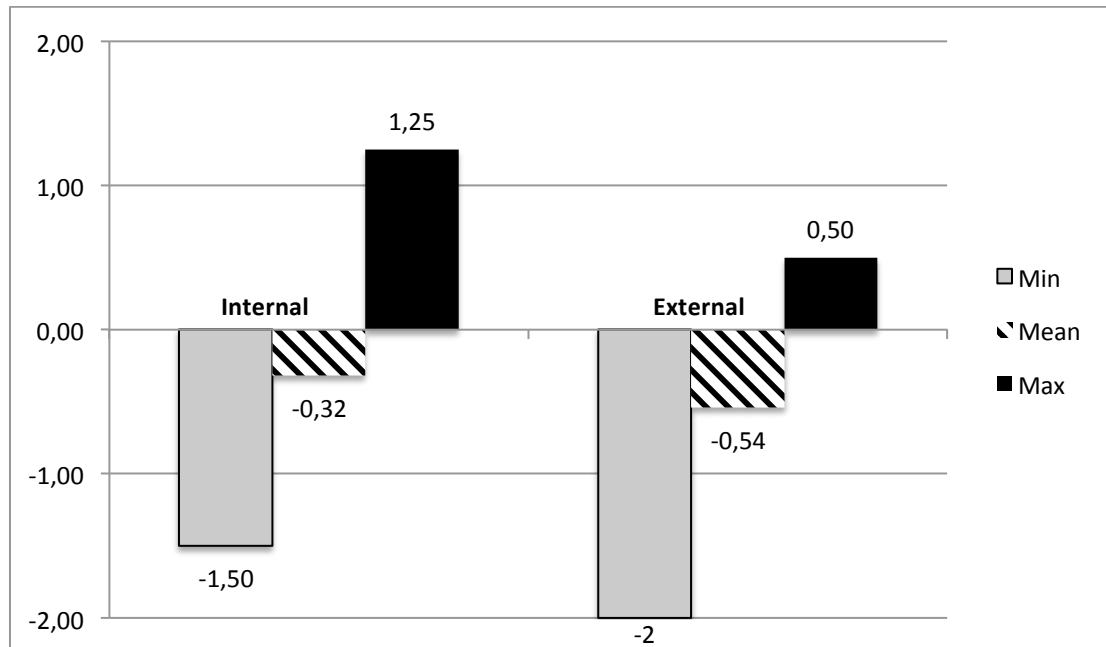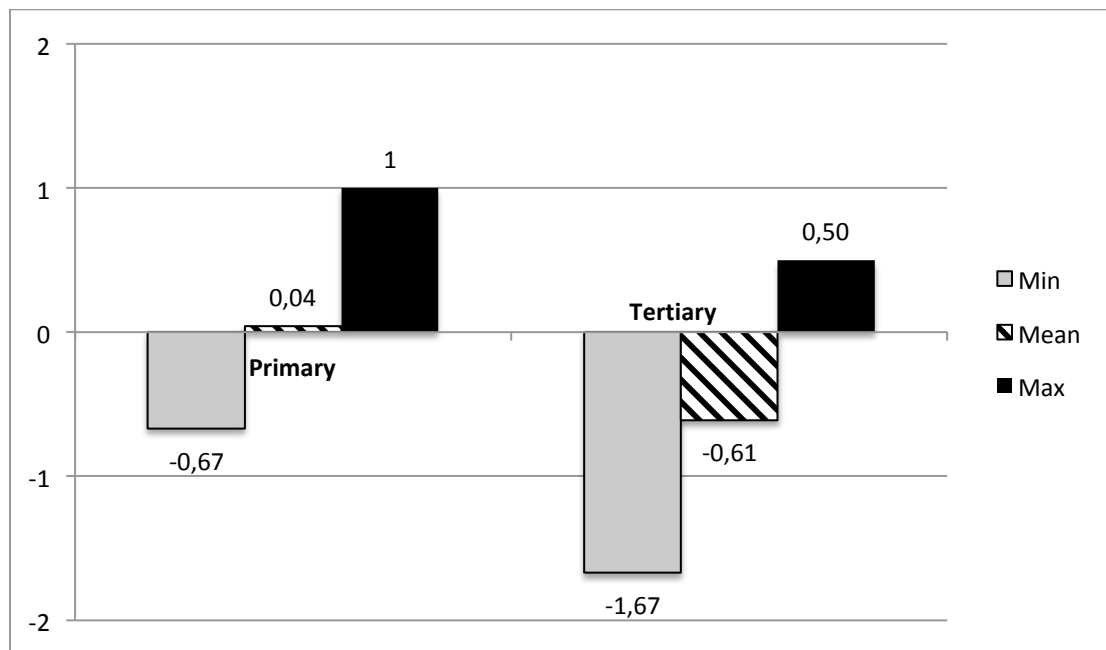


Figure 4.16. An overview of the respondents' scores on the cognitive dimension, divided by internal and external attitude. Mean illustrates the collective mean score of all respondents. Min reflects the score of the respondent with the lowest mean and max reflects the score of the respondent with the highest mean.

Figure 4.17 shows the average score on the cognitive dimension, categorised by sector. Respondents belonging to the tertiary sector are here shown to have a partly negative attitude whereas those belonging to the primary sector appear to be neutral.

Figure 4.17. An overview of the respondents' scores on the cognitive dimension, divided by sector. Mean illustrates the collective mean score of all respondents. Min reflects the score of the respondent with the lowest mean and max reflects the score of the respondent with the highest mean.

Figure 4.18 shows the average score on the cognitive dimension, categorised by number of employees. It is here revealed that respondents without employees have a more negative attitude than those with employees.
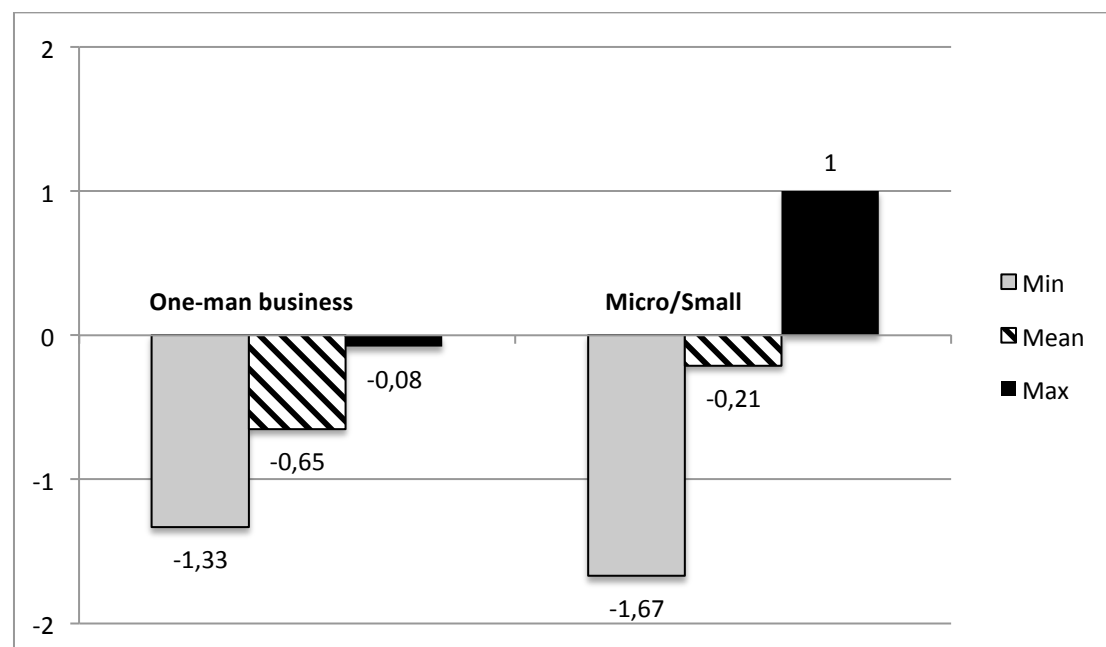


Figure 4.18. An overview of the respondents' scores on the cognitive dimension, divided by number of employees. Mean illustrates the collective mean score of all respondents. Min reflects the score of the respondent with the lowest mean and max reflects the score of the respondent with the highest mean.

### 4.3.6 The perceived behavioural control

The perceived behavioural control reflects the respondents' confidence in the ability to perform social accounting. The questions measuring this dimension were concerned with whether the respondents believed to have the necessary capabilities and resources to measure and report on their social impacts.

As seen in figure 4.1 the respondents expressed a quite neutral attitude on their ability to perform social accounting, with a mean score of 0,13. However, during the interviews, numerous respondents expressed uncertainty about being able to perform social accounting. One respondent expressed a lack of required resources and two respondents believed that they did not have the sufficient time. Six respondents declared that they do not have enough knowledge about the procedure of social accounting. One respondent said to be lacking the necessary tools. Two respondents believed that it might be feasible to conduct social accounting for their companies if it was done for graspable segments of the operations and not for the business as a whole. Other respondents referred to the difficulties in measuring impacts in the long term:

*"Naturally, some things you can measure quite easily, such as how many activities of a certain kind you do. But when it comes to really affecting society in a sustainable way, I do not know how to measure."* (Respondent A, Interview)

Figure 4.19 shows the average score on the perceived behavioural control, categorised by sector. Both sectors appear to have a neutral attitude on this dimension, although those respondents belonging to the tertiary sector depict a slightly more positive attitude.
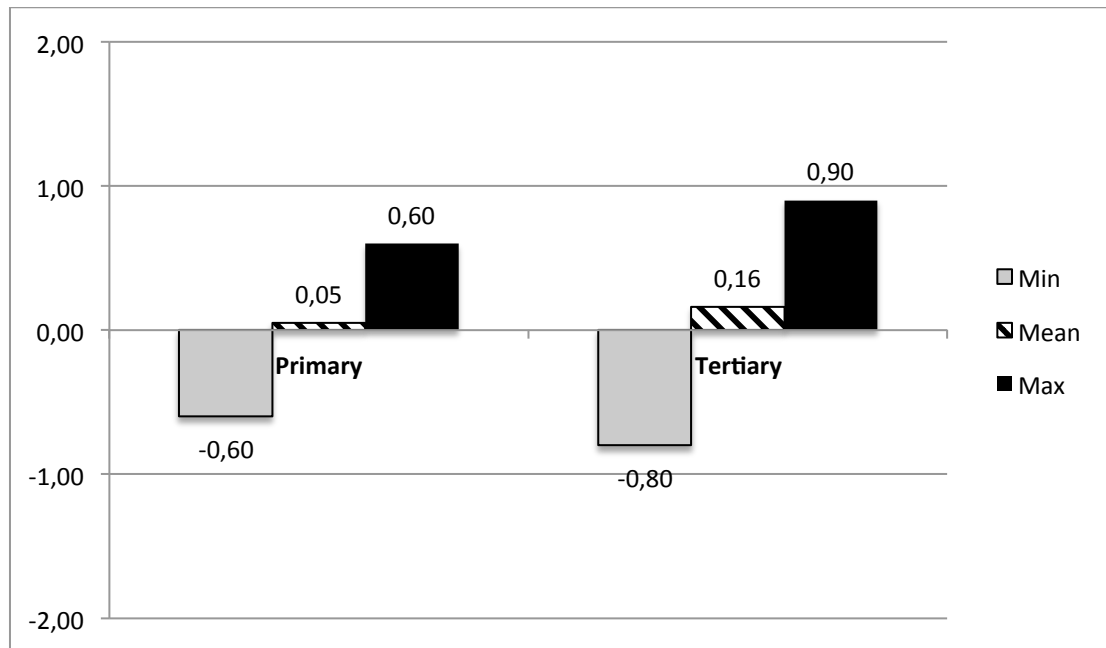
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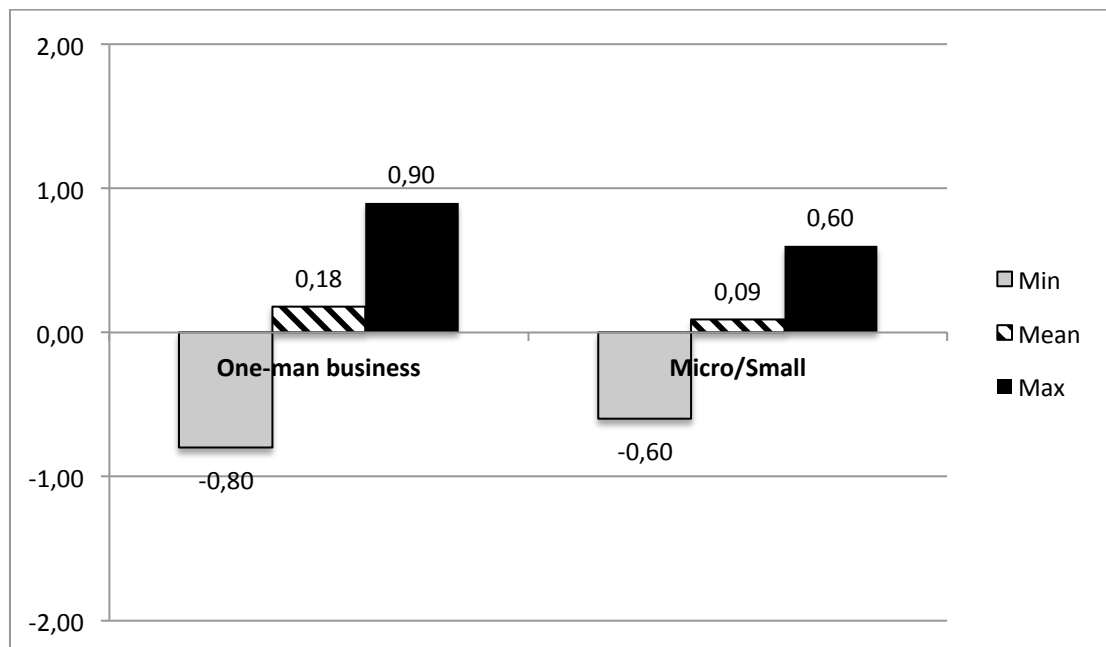
Figure 4.19. An overview of the respondents' scores on the perceived behavioural control, divided by sector. Mean illustrates the collective mean score. Min reflects the score of the respondent with the lowest mean and max reflects the score of the respondent with the highest mean.

Figure 4.20 shows the average score on the perceived behavioural control, categorised by number of employees. The mean value shows no substantial difference between the two categories, but it can be seen that respondents without employees have a slightly more positive attitude than those with employees.



Figure 4.20. An overview of the respondents' scores on the perceived behavioural control, divided by number of employees. Mean illustrates the collective mean score. Min reflects the score of the respondent with the lowest mean and max reflects the score of the respondent with the highest mean.

# 5. ANALYSIS

In this section, the respondents' perceptions of social responsibility are first determined and then related to their sustainability practices. Further, their attitude towards social accounting is discussed and related to their actions.

## 5.1 Perception and operationalization of social responsibility

Based on the assumption that the normative perception of sustainability determines how it is put into practice (Hahn & Kühnen, 2013), the respondents' verbal definitions were compared to Dahlsrud's (2006) five dimension of CSR. The expressed definitions were analysed through comparison with Dahlsrud's (2006) example phrases for each dimension, as seen in table 2.1. Among the respondents' explanations of their social responsibility, four of Dahlsrud's (2006) dimensions were represented; the environmental dimension, the social dimension, the stakeholder dimension and the voluntariness dimension. None of the respondents' definitions could be related to the economic dimension. Some of the respondents had a clear connection to only one of the dimensions while others' definitions could be related to several dimensions.

Two of the respondents' definitions correspond with the stakeholder dimension. One of these respondents specifically declared that the company's responsibility is towards the customers, suppliers and staff while the other respondent referred to groups in society in general. As three of the respondents solely expressed a responsibility towards the environment, such as reducing energy use and recycling, their definitions relate to the environmental dimension. Three respondents explained that their social responsibility is to contribute to a better society, in accordance with the social dimension. One of these defined the company's social responsibility as contributing to a flourishing rural society. Another respondent described the social responsibility in ethical terms; recognising the equal value of all people as well as doing the right things, and could therefore be related to the voluntariness dimension.

One respondent provided a definition that could be placed within both the environmental dimension and the stakeholder dimension. This respondent described the social responsibility as relationships with clients and integration of ecological aspects in the business. Two of the respondents' definitions could be connected to both the environmental dimension and the voluntariness dimension. The social responsibility was here described as ethical values such

as recognition of the individual, and reduction of environmental impacts along with engagement in voluntary actions.

The comparison of the respondents' definitions of social responsibility and Dahlsrud's (2006) five dimensions of CSR revealed that most of the respondents have different perceptions of social responsibility. While authors such as Maas and Liket (2011) and Hahn and Kühnen (2013) see contradictory definitions of sustainability as hampering for the corporate world to put it into practice, Dahlsrud (2006) emphasizes that a general definition of CSR could not be applied to different contexts, since it is the social construction of the concept that will determine how it is put into practice.

Furthermore, Cassells and Lewis (2011) state that it is common for SME managers to have a personal concern for the environment and social issues and they are therefore willing to act as individuals. However, they will not incorporate these concerns in the business unless it is required by regulatory bodies. The findings of this study state the opposite, since four of the respondents spontaneously expressed that their social responsibility as individuals is equal to that of the company. The respondents also found it hard to separate themselves from their companies and explained that for SMEs in particular, it is easier to operate the business based on personal values. As for the connection between the perception of social responsibility and its operationalization, the results mainly show consistency. The respondents that defined their social responsibility in line with the environmental dimension had also incorporated actions to reduce their environmental impact in their companies. The respondents that perceived their responsibility in accordance with the voluntariness dimension also explained their social work in terms of engaging in voluntary actions. As for the respondents that believed their social responsibility to be similar to the stakeholder dimension, it appeared as if they could not clearly define how this was put into practice. These definitions seemed to be more of ideas kept in mind than principles leading to concrete actions. Furthermore, the respondents that expressed the wish to contribute to a better society, and thus perceived their social responsibility to be in line with the social dimension, appeared to base their primary operations on social issues, rather than working with social aspects in the periphery. That is, the services they offered were aimed to improve life for people in different aspects. These respondents found it hard to imagine how they could complement their primary operations with additional social activities.

Cassells and Lewis (2011) also mention that the reason for SMEs to lag behind in terms of sustainability performance is their perception of their environmental and social impact. Due to their small size, SME managers see their impact as minimal. This statement is supported by the findings of this study. None of the respondent appeared to have considered the full impacts of their business. Regarding the negative impacts, half of the respondents claimed that their companies do not cause any negative impacts, a few respondents referred to environmental harm while the rest expressed uncertainty. The same type of uncertainty was expressed regarding the positive impacts, although some of the respondents were able to mention positive consequences of their operations. It was however clear that the majority of the respondents had not reflected on the impacts of the business in an in-depth manner.

During the interviews, it also became evident that the respondents had difficulties in considering social aspects in particular, both when defining the social responsibility and when describing the social work. Several of them stated that it is much easier to consider ecological aspects of sustainability, since it allows for more concrete actions. Similar conclusions have been drawn by Hahn and Kühnen (2013) who found that environmental aspects has been paid more attention to than social aspects during the last decade; possibly due to the difficulties in measuring social aspects.

## 5.2 Attitude towards social accounting

If a person evaluates a behaviour positively, experiences social pressure to perform it and believes to be capable of performing it, the person will intend to perform the behaviour (Ajzen, 2005). This means that the respondents' total evaluative attitude towards social accounting will determine whether they will intend to measure and report on their social impacts.

### 5.2.1 Attitudes and actions

The findings of this study show that the respondents' mean attitude is neutral, although close to being partly positive, with a score of 0,44. The scores of the respondents range between -0,09 and 1, showing that no respondent has a negative attitude towards social accounting and neither is anyone fully positive. When looking at the case as a whole, i.e. the mean scores for all respondents, the neutral attitude reflects that the respondents will not intend to perform social accounting, which is consistent with their actions as none of the respondents measure or report on their social impacts. However, the situation is slightly different when looking at each sub-unit, i.e. each respondent. Six respondents have a neutral attitude and six

respondents have a partly positive attitude. Although the last mentioned respondents do not show a full positive attitude, the correspondence of attitudes and actions becomes less obvious. In accordance, Cassells and Lewis (2011) state that attitudes might not always reflect actions. However, in order to conclude with certainty that there exists a gap between the measured attitudes and the performed actions, the respondents would have had to display a full positive attitude.

## 5.2.2 Attitudinal dimensions

According to the framework by Thomas and Lamm (2012), the full attitude towards a behaviour consists of different cornerstones; the moral, cognitive and pragmatic dimensions as well as the perceived behavioural control. Amongst the measured dimensions in this study, the moral dimension has the highest mean value (1,29) and is the only dimension that reflects a clear positive attitude. During the interviews four of the respondents agreed that social accounting could be a meaningful way for SME managers to promote sustainability, also reflecting a positive approach. Nevertheless, there were also respondents that during the interviews doubted the rightness of social accounting. One respondent did not think that documentation is necessary, but stated that the feeling of doing the right thing is enough. Similarly, Pedersen et al. (2013) found it to be common that SMEs incorporate sustainability in their operations without reporting on it externally. One respondent believed that the reward of social accounting comes too late; when an immediate monetary reward is not possible, people lose interest. Two respondents explained that the lack of social accounting practises is due to competing priorities and one respondent simply stated that the interest was not sufficient. It is possible that the respondents were morally positive towards social accounting when approached as an isolated concept, as in the survey, and that they were more restricted when the concept was put into their own business context, as in the interviews.

Second to the moral dimension, the pragmatic dimension show the most positive attitude amongst the dimensions, with a mean score of 0,74. During the interviews, most of the respondents were able to identify some possible benefits deriving from social accounting, some of them compatible with previous findings. Most frequently mentioned by the respondents were benefits connected to marketing purposes, something that corresponds well with the findings of Barraket and Yousefpour (2013). Other benefits underlined by Barraket and Yousefpour (2013) are organizational learning and improved organizational performance. This is also supported by the findings of this study since two respondents mentioned the

51

possibility of discovering new ideas and solutions to internal issues, while two referred to improved performance through evaluation and identification of weaknesses.

Aside from the perceived benefits for the company itself, much research emphasise the benefits for society (Emerson, 2003; Dierkes & Antal, 1986; Lingane & Olsen, 2004). However, during the interviews, only one of the respondents referred to this aspect as a main benefit. Researchers also argue that there could be a financial benefit for companies who manage to incorporate social accounting in their business operations (Lingane & Olsen, 2004; Porter & Kramer, 2011), something that none of the interviewed respondents mentioned.

The third attitudinal dimension, i.e. the cognitive, is the only cornerstone with a negative collective mean value (-0,40). In the survey the respondents were presented with a number of possible barriers of conducting social accounting, such as claims of it being time consuming and resource intensive. The result show a wide spread of responses as some perceived the suggested barriers to be very likely whereas others did not agree at all.

When asked about perceived difficulties during the interviews most answers support the findings of Barraket and Yousefpour (2013) and Pedersen et al. (2013). The following are amongst the perceived difficulties; time constraints, competing work commitments, (Barraket & Yousefpour, 2013), challenging documentation, (Pedersen et al., 2013) and timing as it is difficult to predict effects and to measure long time effects in a short time span (Barraket & Yousefpour; 2013, Pedersen et al., 2013). During the interviews, several respondents, especially those in the primary sector, perceived the amount of documentation and administration to be very challenging. The respondents mentioned both time and resource constraints and one talked about how increased documentation would steal time away from other duties of the manager. Another respondent referred to what Pedersen et al. (2013) call timing, i.e. the initial uncertainty of the initiative's outcome.

Perceived difficulties found by Barraket and Yousefpour (2013) and Pedersen et al. (2013) but not mentioned by the respondents are organizational culture, limited staff commitment and high staff turnover. A reason for this could be that all sub-units are fairly small companies and only seven out of the 12 have employees. In conclusion, most of the respondents appeared to believe that performing social accounting would make their job more difficult.

Apart from the three attitudinal dimensions, the framework by Thomas and Lamm (2012) includes a fourth dimension; the perceived behavioural control. On this dimension, the

collective mean score is neutral (0,13). During the interviews most respondents expressed uncertainty about their abilities, especially about their knowledge of social accounting practices. The lack of time, tools and resources were also mentioned. Further, two respondents had difficulties grasping the full concept of social accounting and felt that it had to be conducted on specific segments of the company, and not for the company as a whole. This complexity has been discussed in earlier research and Maas and Liket (2011) have developed a framework where they categorize different aspects in order to choose the right model depending on what part of the businesses one intends to measure.

In summary, the results show a partly, nearly full, positive attitude on the moral dimension. On the pragmatic dimension, the average attitude is partly positive, whilst it is neutral, almost partly negative on the cognitive dimension and plain neutral on the perceived behavioural control. This can be interpreted as follows: the sub-units of Produkt Gotland feel, to some extent, that social accounting is the right thing to do to address sustainability issues. They can imagine some benefits deriving from it but are not entirely convinced that these would outweigh the associated difficulties and workload of it. Further, they feel insecure about being able to perform social accounting. As the respondents do not perform social accounting, it appears as if the cognitive dimension and the perceived behavioural control have the greatest effects of the respondents' intentions to act. Thomas and Lamm (2012) state that in order to achieve progress towards true sustainability, organisational actors need a shift in the moral attitude. This case has shown the opposite; the moral dimension holds in fact the most positive attitude. For the sub-units of Produkt Gotland to perform social accounting, attitudinal shifts would rather be necessary on the cognitive dimension and the perceived behavioural control.

It is of importance to note that the majority of the respondents had no previous experience of social accounting and a few of them stated to never having heard of the concept before. This means that the attitudinal scores are based on the respondents' perception of social accounting rather than solid experience of the procedures. Poor knowledge of the concept is further likely to be the reason for the expressed insecurity on the perceived behavioural control and relates to what Pedersen et al. (2013) mention as a further obstacle to social accounting; low awareness of tools and guidelines.

### 5.2.3 External pressure and the subjective norm

According to the framework by Thomas and Lamm (2012), attitudes are to be separated between those held internally and those perceived to be held by relevant others. As Ajzen (2005) states; people intend to perform a behaviour when they evaluate it positively, and when they experience social pressure to perform it. The findings of this study show that the total internal attitude (0,64) was perceived to be more positive than the total external attitude (0,44), revealing that the respondents in general perceive relevant others to have a neutral attitude, while the internal attitude is partly positive. When looking at each attitudinal dimension, the results show a marginally more positive internal attitude on the pragmatic dimension, with a total mean score of 0,78 compared to the external mean score of 0,65. The internal moral attitude (1,47) is slightly more positive than the external (1,20), and the external cognitive attitude is perceived to be partly negative (-0,54) whilst the internal cognitive attitude is neutral (-0,32). This means that, in general, the respondents perceive relevant others to regard social accounting as less beneficial for the business than they do. They also think that they trust social accounting to be the right thing to do to a greater extent than relevant others. Further, the respondents believe that relevant others, to a higher degree, expect social accounting to make their job more difficult. Consequently, for all of the three attitudinal dimensions, the respondents believe relevant others to have a more negative attitude than they have themselves.

If the total external attitude was perceived to be positive, the respondents would, according to the framework by Thomas and Lamm (2012) experience social pressure to perform social accounting. However, the results show that the perceived external attitude is neutral, and more negative than the internally held attitude. Although not mentioned in previous theory, it is fair to imagine that the externally held attitude must be perceived as more positive than the internal for a person to experience social pressure. It is also likely that the external attitude ought to be fully positive to create a social pressure. This would explain why the respondents, during the interviews, all said to not feel external pressure from any actor.

Even though the results reveal differences between the internal and external attitude on each dimension, the respondents perceive the total internal attitude to be rather similar to the total external attitude. When comparing the total internal attitudes per respondent, seen in Appendix 5, it becomes clear that the respondents not only perceive the external attitude to be similar to their own, the scores on total internal attitude per respondent are in fact quite similar. For nine respondents the total internal attitude range from a score of 0,5 to 1,49,

reflecting a partly positive attitude, and three respondents have a score ranging from -0,5 to 0,49, i.e. a neutral attitude. DiMaggio and Powell (1983) would explain the correspondence of internal and external attitudes by using the concept of institutional isomorphism. The authors state that organisations within the same organisational field will become increasingly similar through coercive, mimetic and normative isomorphic processes.

None of the respondents stated to have experienced any external pressure, which is why they do not appear to be subject to any coercive pressure, as they would be aware of this. Neither can normative pressure explain the similarities of attitudes since it derives mainly from professionalization and the respondents are active in various industries. However, it is possible that the respondents have influenced each other by mimetic processes. DiMaggio and Powell (1983) describe this as uncertainty that encourages imitation i.e. when organisations model themselves on other organisations.

The survey questions measuring external attitude was categorised by two groups of relevant others; Produkt Gotland and peers and authority. The results show that the total external attitude does not differ noteworthy between these two groups. On the pragmatic dimension, peers and authority are perceived to have a partly positive attitude (0,92) while the members of Produkt Gotland are thought to be neutral (0,38). The members of Produkt Gotland are on the other hand perceived to have a slightly more positive moral attitude, with a mean score of 1,31 compared to 1,10. On the cognitive dimension, the members of Produkt Gotland are perceived to have a marginally more negative attitude (0,50) than peers and authority (0,58). This indicates that the members of Produkt Gotland are perceived to evaluate the benefits and the workload of social accounting more negatively than peers and authority, while they to a greater extent are perceived to trust that social accounting is the right thing to do.

During the interviews, the majority of the respondents said that their membership in Produkt Gotland had influenced their sustainability performance in a positive way. The respondents also said to believe that the other members of the network have strong social values and that they all engage in sustainability by some means. At the same time as the members appear to think highly of each other, and believe that the network affects them positively, they have also been found to be uncertain about both their social responsibility and how to operationalize it. This uncertainty may have led to the members imitating each other through mimetic processes; which may be an explanation for the fact that the majority of the respondents

mainly engage in environmental aspects, through concrete practical actions, rather than social accounting.

## 5.2.4 Sector and size

Although not referred to as barriers in previous studies, several of the respondents spontaneously expressed that social accounting would be particularly difficult for companies in the service sector and for one-man businesses. Four respondents had a similar idea that social accounting might be more suitable for producing companies than for companies in the service sector due to the perceived difficulties for companies in the tertiary sector to identify their social impacts. Based on these opinions, the choice was made to distinguish between attitudes of sub-units in the tertiary and the primary sector. In accordance with the verbally expressed attitudes, the comparison showed that respondents belonging to the primary sector have a partly positive total attitude towards social accounting (0,57) while respondents of the tertiary sector appear to be more neutral, with a total mean score of 0,37. Further, the comparison revealed similar relations between the sectors on all dimensions, but for the perceived behavioural control where the mean score for the tertiary sector is slightly higher. The explanation for this could be that the respondents with experience of social accounting all belong to the tertiary sector, why they might be more confident in their abilities. However, the most noticeable difference between sectors is seen on the cognitive dimension, where the total mean score for the tertiary sector is -0,61 while it is 0,04 for the primary. In accordance with what was said in the interviews, the respondents from the tertiary sector perceive the possible difficulties to be greater than the respondents from the primary sector. This might be related to how the respondents perceive their social responsibility and their social impacts. As concluded in chapter 5.1, the respondents found it easier to consider environmental aspects and were quite uncertain in describing social aspects. It is possible that the respondents find social accounting to be easier for producing companies since they allow for more concrete (measurable) environmental actions than a company in the service industry, which might have less environmental impacts; forcing them to measure the consequences of services instead, and thus, to focus more on long term social aspects.

Further, some respondents stated to not have considered performing social accounting due to their small size and impact; social accounting was said to be mainly appropriate for larger enterprises with employees. When separating the respondents into two categories, one-man business and micro/small enterprise, differences were revealed. The total attitudinal score is more positive for respondents with employees (0,53) than for those without (0,31). When

looking at each attitudinal dimension, the relation between the attitudes of the groups appears similar. The respondents of one-man-businesses perceive the difficulties to be greater and the benefits to be less than the respondents of micro/small enterprises. The respondents with employees also have a more positive moral attitude than those without. Quite unexpectedly, the comparison shows that companies without employees have a stronger faith in their behavioural control. The explanation for this could be similar to that given regarding the above comparison of sectors; all respondents with previous experience of social accounting have one-man businesses. The fact that SMEs may not consider their negative impact great enough to take actions to reduce it is supported by Cassells and Lewis (2011). What has not been found before, however, is that the attitude towards social accounting also differs within SMEs, as only a small number of employees have shown to make social accounting be perceived as more legitimate.

## 5.3 Summary

To recapitulate the analysis, the objectives serving to answer the research question are here pursued. The objectives are:

1. To understand how social responsibility is perceived by SME managers and to identify how it has been operationalized.
2. To determine SME managers' attitudes towards social accounting.
3. To relate the normative perceptions and attitudes of SME managers to their actions.

Objective 1 regards the analysis of the respondents' perceptions and operationalization of social responsibility. This revealed that the concept of social responsibility has been constructed differently amongst the sub-units, as Dahlsrud (2006) states; the definition of social responsibility is context-specific. The findings of this study support the beliefs of Hahn and Kühnen (2013), i.e. that the normative perception of sustainability will determine how it is put into practice, as the results mainly show consistency between the perception of social responsibility and its operationalization. Contrary to the claims of Cassells and Lewis (2011), the findings of this study reveal that SME managers do incorporate personal values into the business. However, the results confirm the aforementioned authors' claim regarding SME managers' perception of their impact, i.e. they perceive their negative impact to be insignificant due to their small size why they do not feel obligated to engage in sustainability practices. That is not to say that the SME managers partaking in this study are not involved in sustainability practices, rather that their engagement derives from personal values instead of a

perceived obligation to compensate for negative impacts. The respondents did not only perceive their negative impacts as trivial, they could neither imagine any impacts of social nature, and referred solely to environmental harm. Thus, what characterises the respondents' portrayal of their social responsibility is their inabilities to verbally concretise social aspects.

The assessment of objective 2 entails the analysis of the respondents' attitudes towards social accounting. The total evaluative attitude was determined to be neutral. This total attitude consists of the internal attitude, which was found to be partly positive, and the external attitude, found to be neutral. This reveals that the respondents perceive themselves to be more positive towards social accounting than relevant others. Moreover, the internal attitudes per respondents were found to be relatively homogenous.

Regarding the attitudinal dimensions, the results show a partly, nearly full, positive attitude on the moral dimension. On the pragmatic dimension, the average attitude is partly positive, whilst it is neutral, almost partly negative on the cognitive dimension and plain neutral on the perceived behavioural control. These results reflect that the members of Produkt Gotland acknowledge the rightfulness of social accounting and they perceive it to be fairly beneficial for the business. Be that as it may, they also expect the procedures to impede standard operations and question their abilities to perform social accounting.

The previous study by Barraket and Yousefpour (2013) found that SME managers regard benefits of social accounting to be marketing opportunities, organizational learning and improved organizational performance, all of which is supported by the findings of this study. Other benefits mentioned in previous research, but not found in this study, are financial benefits (Lingane & Olsen, 2004; Porter & Kramer, 2011) and societal benefits (Emerson, 2003; Dierkes & Antal, 1986; Lingane & Olsen, 2004).

The perceived difficulties of social accounting found in this study are in keeping with the findings of Barraket and Yousefpour (2013); time constraints, competing work commitments, limited experience in evaluation and the complexity of measuring "immeasurable" outcomes. This study also supports what Pedersen et al. (2013) identified as barriers to social accounting; competing priorities, challenging documentation, predicting effects and measuring long term effects in a short time span as well as low awareness of tools and guidelines. Obstacles found by Barraket and Yousefpour (2013) and Pedersen et al. (2013), which could not be confirmed by this study, are organizational culture, limited staff commitment and high staff turnover.

A new contribution to the research field of social accounting in SMEs is that SME managers of the tertiary sector and one-man businesses in particular are expected to face additional barriers. Several respondents believed that it is especially hard for companies in the service sector to identify social impacts and the results show that the respondents of the primary sector have a more positive attitude to social accounting than those of the tertiary sector. Likewise, respondents of micro or small enterprises have a more positive attitude to social accounting than those of one-man businesses, reflecting that only a small number of employees can make SME managers perceive social accounting as more legitimate.

Objective 3 regards the relation between the SME managers' attitudes and their actions. This study did not only find consistency between the perception of social responsibility and its operationalization; the results further show correspondence of attitudes and actions. In pursuing objective 2, the respondents' total evaluative attitude towards social accounting was determined as neutral wherefore they should not, pursuant to the TPB (Ajzen, 2005), intend to perform social accounting. As none of the respondents neither measure nor report on their social impacts, the common gap between attitudes and actions mentioned by Cassells and Lewis (2011) is not evident in this case.

The attitudinal dimensions found to hold the most negative attitudes were the cognitive dimension and the perceived behavioural control. These dimensions apparently have the greatest effect on the SME managers' intentions to incorporate social accounting. Thus, it is not the moral attitude that needs to alter, as Thomas and Lamm (2012) state, attitudinal shifts would rather be necessary on the remaining dimensions, i.e. the benefits must be thought to exceed the inconveniences.

What was further found to affect the SME managers' attitudes towards social accounting was their membership in the sustainability network. As the internal attitudes for each respondent were found to be similar, it is possible that the members of Produkt Gotland have influenced each other through mimetic isomorphic processes, as described by DiMaggio and Powell (1983). Thus, the respondents' displayed uncertainty of their social responsibility and its operationalization may have caused them to model themselves on other organisations in the network that appear to prefer concrete actions to reduce environmental harm rather than social accounting.

# 6. CONCLUSION

To answer the research question; "How does SME managers' perception of social responsibility relate to whether or not they put this concept into practice through social accounting?", we have investigated SME managers' perception of their social responsibility as well as their attitude towards social accounting and compared this to their actions. Additionally, we have explored what factors appear to affect their normative perceptions and attitudes.

The result of this study shows that SME managers' perception of social responsibility is consistent with their operationalization of social aspects. It further reflects consistency between attitudes towards social accounting and actions i.e. whether social accounting is performed or not. In turn, the perception of social responsibility was found to be in agreement with the verbally expressed attitude towards social accounting, i.e. the SME managers appeared to have a preference for practical actions to reduce environmental harm rather than documenting social impacts. What was further found to affect the SME managers' attitude, and thus, their intention to perform social accounting was the other members of the network, as these through mimetic isomorphic processes are likely to have influenced each other to address sustainability in a similar way. The results also reveal that the attitudinal dimensions with the greatest effects on the SME managers' intention to perform social accounting are the cognitive dimension as well as the perceived behavioural control. Although the SME managers felt social accounting to be morally right, they perceived the difficulties and workload of social accounting to outweigh the possible benefits deriving from it, and felt unsure about their abilities to perform it.

The perceived difficulties and benefits found in previous studies could be supported by the findings of this study. An additional contribution from the findings of this study is that SME managers may also expect additional difficulties for companies without employees and companies in the service sector. Furthermore, as previous research may have mapped the perceived difficulties and benefits of social accounting, the weight of different attitudes and how these affect the intention to perform social accounting has not before been investigated. This new knowledge can aid the understanding of why social accounting is not performed in SMEs to equal extent as in larger enterprises and how a future framework needs to be developed to encourage such practices in SMEs.

# 7. DISCUSSION

When comparing the results of this study to those of previous research, it is important to note that the findings of Barraket and Yousefpour (2013) as well as Pedersen et al. (2013) are based on SME managers with experience of social accounting while the partaking SME managers in this study mostly lack experience of such accounting. Hence, their attitudes towards social accounting are based on beliefs and not knowledge derived from experience. Although the results of this study can support most of previous findings, it becomes interesting to compare experience-based attitudes and "unfounded" attitudes, e.g. some of the benefits found in previous studies could not be confirmed in this context and similarly, the findings in this study regarding difficulties as dependent on sector and size have not been mentioned in previous studies. For further research, we suggest either to investigate SME managers' attitudes towards social accounting prior to its implementation, and subsequent to it, or to replicate this research design although using a sample group with prior experience. This would clarify whether the "unfounded" beliefs of social accounting are in agreement with experience-based attitudes.

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# APPENDIX 1: INTERVIEW QUESTIONS IN ENGLISH

- Can you tell us about your company, what is it that you do?
- Why have you chosen to be members of Produkt Gotland?
- Can you explain your company's social responsibility?
- What is, according to you, the social impacts of your business?

*(When the respondent has defined the social impacts and the social responsibility of the company we will give our view of the two concepts, this to avoid misunderstandings in the following questions and to ensure that all respondents are given the same conditions and basis. We will also explain the concept of measuring social impact.).*

- How do you work with social responsibility in your company?
- Do you perform any form of internal measurement of social impacts?

If yes:

- Why?
- How do you measure social impacts?
- Do you see any difficulties in measuring social impacts?
- What are the benefits of measuring social impacts?

If no:

- Why not?
- Have you ever considered measuring social impacts?
- What is hampering you from measuring your company's social impacts?
- Can you see any benefits deriving from starting to measure social impacts?

*(Now we will explain the concept of reporting social impacts)*

- Do you report on your company's social performance?

If yes:

- Why?
- How do you report your social impacts?
- Are there any difficulties with reporting on social impacts?
- What are the benefits of reporting on social impacts?

If no:

- Why not?
- Have you ever considered reporting on your company's social impacts?
- What is hampering you from reporting your social impacts?
- Can you see any benefits deriving from starting to report on social impacts?

• Do you think that measuring and reporting on social impacts is a meaningful and efficient way for SME managers to promote corporate sustainability?

If no:

- Can you think of a more efficient way for SME managers to promote corporate sustainability?

• Do you feel some sort of external pressure to work with social responsibility?

If yes:

- From which actors?

If no:

- Do you anticipate any future pressure from any specific actor?

• How do you think the member companies of Produkt Gotland perceive their social responsibility?
• How do you think the member companies of Produkt Gotland would define social impacts of business?
• How do you think the member companies of Produkt Gotland are working with social responsibility?
• Do you think that a membership in a sustainability network like Produkt Gotland stimulates your company's sustainability work?
• Do you think that the sustainability work in your company could be improved?
  - What is needed for an improvement to occur?

• Would you consider taking a course in order to be able to improve the sustainability work in your company?

# APPENDIX 2: INTERVIEW QUESTIONS IN SWEDISH

- Kan du berätta lite om ditt företag, vad är det ni gör?
- Vad är, enligt dig, ditt företags sociala ansvar?
- Vad är, enligt dig, ditt företags sociala påverkan?

*(efter att respondenterna har definierat företagets sociala ansvar och sociala påverkan kommer vi att ge vår bild av dessa koncept, för att undvika missförstånd gällande kommande frågor. Vi kommer också att förklara koncepten intern mätning och redovisning av social påverkan.)*

- Hur arbetar du/ni med socialt ansvar i ditt företag?

- Utför du/ni någon form av intern mätning av er sociala påverkan? Varför/Varför inte?

    *Om ja:*

    - Hur mäter du/ni er sociala påverkan?
    - Ser du/ni några svårigheter med att mäta social påverkan?
    - Vad är fördelarna med att mäta social påverkan?

    *Om nej:*

    - Har du/ni någonsin funderat över att mäta er sociala påverkan?
    - Vad hindrar dig/er från att utföra mätning av social påverkan?
    - Ser du/ni några fördelar med att påbörja mätning av social påverkan?

- Redovisar du/ni er sociala påverkan? Varför/varför inte?

    *Om ja:*

    - Hur redovisar du/ni er sociala påverkan?
    - Ser du/ni några svårigheter med att redovisa social påverkan?
    - Vad är fördelarna med att redovisa social påverkan?

    *Om nej:*

    - Har du/ni någonsin funderat över att redovisa er sociala påverkan?
    - Vad hindrar dig/er från att redovisa social påverkan?
    - Ser du/ni några fördelar med att påbörja redovisning av social påverkan?

- Tycker du/ni att mätning och redovisning av social påverkan är ett meningsfullt och effektivt sätt för småföretagare att främja hållbarhet?

  *Om nej:*

  - Vad skulle vara ett mer effektivt sätt för småföretagare att främja hållbarhet?

- Känner du någon sorts extern press att arbeta med socialt ansvar?

  *Om ja:*

  - Från vilka aktörer?

  *Om nej:*

  - Tror du att någon specifik aktör kommer att utöva en sådan press i framtiden?

- Hur tror du att medlemsföretagen i Produkt Gotland upplever deras sociala ansvar?
- Hur tror du att medlemsföretagen i Produkt Gotland skulle definiera företags sociala påverkan?
- Hur tror du att medlemsföretagen i Produkt Gotland arbetar med socialt ansvar?
- Anser du att ett medlemskap i ett hållbarhetsnätverk främjar ditt företags hållbarhetsarbete?

- Anser du att ditt företags hållbarhetsarbete skulle kunna förbättras?
  - Vad behövs för att en förbättring ska kunna ske?

- Skulle du kunna tänka dig att gå någon slags utbildning för att förbättra ditt företags hållbarhetsarbete?

# APPENDIX 3: SURVEY QUESTIONS IN ENGLISH

- My name:
- Name of the company:
- My position in the company:
- The company was established in year:
- Industry:
- Number of employees:

**Pragmatic Internal attitude**

- I believe that measuring and reporting on social impacts benefits my business
- I believe that measuring and reporting on social impacts will improves my competitive advantage
- I believe that measuring and reporting on social impacts improves my company's reputation and image
- I believe that measuring and reporting on social impacts lead to reduced costs

**Moral Internal attitude**

- I believe that my business operations have impacts on society
- I believe that taking responsibility for my business' social impacts is the right thing to do
- I believe that measuring and reporting on social impacts is the right thing to do

**Cognitive Internal attitude**

- I believe that measuring and reporting on social impacts make my job more difficult
- I believe that measuring and reporting social impacts is time consuming
- I believe that measuring and reporting social impacts would disrupt the daily routines and operations
- I believe that measuring and reporting social impacts require substantial resources

**Pragmatic Subjective Norm**

- I believe that other members of Product Gotland think that measuring and reporting on social impacts benefits my business
- I believe that peers and authorities think that measuring and reporting on social impacts benefits my business

### Moral Subjective Norm

- I believe that other members of Product Gotland think that my business operations have impacts on society
- I believe that peers and authorities think that my business operations have impacts on society
- I believe that other members of Product Gotland think that taking responsibility over a business' social impacts is the right thing to do
- I believe that peers and authorities think that taking responsibility over a business' social impacts is the right thing to do
- I believe that other members of Product Gotland think that measuring and reporting on social impacts is the right thing to do
- I believe that peers and authorities think that measuring and reporting on social impacts is the right thing to do

### Cognitive Subjective Norm

- I believe that other members of Product Gotland think that measuring and reporting on social impacts make my job more difficult
- I believe that peers and authorities think that measuring and reporting on social impacts make my job more difficult

### Perceived behavioural control

- I believe that I have the ability to reduce the negative social impacts caused by my business
- I believe that my actions as a SME manager can make a difference in society
- I believe that I have the time to measure and report on social impacts
- I believe that I have the resources necessary to measure and report on social impacts
- I believe that I have the knowledge and competence needed to measure and report on social impacts

## APPENDIX 4: THE SURVEY (IN SWEDISH)

# Att mäta och redovisa social påverkan

Ta din tid och fråga gärna om någonting känns oklart. De första 6 frågorna svarar du fritt på och resterande frågor kryssar du i den ruta som stämmer bäst överens med din åsikt.

1) Mitt namn: _____

2) Företagets namn: _____

3) Min position i företaget: _____

4) Företaget etablerades år: _____

5) Bransch: _____

6) Antal anställda: _____

7) Jag anser att mätning och redovisning av social påverkan gynnar mitt företagande.

| | |
|---|---|
| Håller helt med | ☐ |
| Håller till stor del med | ☐ |
| Neutral | ☐ |
| Håller till viss del med | ☐ |
| Håller inte alls med | ☐ |

8) Jag anser att mitt företags verksamhet har en påverkan på samhället.

| | |
|---|---|
| Håller helt med | ☐ |
| Håller till stor del med | ☐ |
| Neutra | ☐ |
| Håller till viss del med | ☐ |
| Håller inte alls med | ☐ |

9) Jag anser att mina handlingar som småföretagare kan göra skillnad i samhället.

Håller helt med ☐

Håller till stor del med ☐

Neutral ☐

Håller till viss del med ☐

Håller inte alls med ☐

10) Jag anser att jag har tid att mäta och redovisa social påverkan.

Håller helt med ☐

Håller till stor del med ☐

Neutral ☐

Håller till viss del med ☐

Håller inte alls med ☐

11) Jag anser att mätning och redovisning av social påverkan försvårar mina arbetsuppgifter.

Håller helt med ☐

Håller till stor del med ☐

Neutral ☐

Håller till viss del med ☐

Håller inte alls med ☐

12) Jag anser att mätning och redovisning av social påverkan förbättrar mitt företags rykte och image.

Håller helt med ☐

Håller till stor del med ☐

Neutral ☐

Håller till viss del med ☐

Håller inte alls med ☐

13) Jag anser att jag har de resurser som krävs för att redovisa mitt företags sociala påverkan.

Håller helt med ☐

Håller till stor del med ☐

Neutral ☐

Håller till viss del med ☐

Håller inte alls med ☐

14) Jag anser att mätning och redovisning av social påverkan är tidskrävande.

Håller helt med ☐

Håller till stor del med ☐

Neutral ☐

Håller till viss del med ☐

Håller inte alls med ☐

15) Jag anser att jag har möjlighet att reducera den negativa påverkan på samhället som mitt företag orsakar

Håller helt med ☐

Håller till stor del med ☐

Neutral ☐

Håller till viss del med ☐

Håller inte alls med ☐

16) Jag anser att jag besitter den kunskap och kompetens som krävs för att mäta och redovisa social påverkan.

Håller helt med ☐

Håller till stor del med ☐

Neutral ☐

Håller till viss del med ☐

Håller inte alls med ☐

17) Jag anser att ta ansvar för sitt företags sociala påverkan är det rätta att göra.

Håller helt med ☐

Håller till stor del med ☐

Neutral ☐

Håller till viss del med ☐

Håller inte alls med ☐

18) Jag anser att mätning och redovisning av social påverkan ger konkurrensfördelar.

Håller helt med ☐

Håller till stor del med ☐

Neutral ☐

Håller till viss del med ☐

Håller inte alls med ☐

19) Jag anser att mätning och redovisning av social påverkan kräver omfattande resurser.

Håller helt med ☐

Håller till stor del med ☐

Neutral ☐

Håller till viss del med ☐

Håller inte alls med ☐

20) Jag anser att mätning och redovisning av social påverkan leder till reducerade kostnader.

Håller helt med ☐

Håller till stor del med ☐

Neutral ☐

Håller till viss del med ☐

Håller inte alls med ☐

21) Jag anser att mätning och redovisning av social påverkan stör rutiner och den dagliga verksamheten.

Håller helt med ☐

Håller till stor del med ☐

Neutral ☐

Håller till viss del med ☐

Håller inte alls med ☐

22) Jag anser att mätning och redovisning av social påverkan är det rätta att göra.

Håller helt med ☐

Håller till stor del med ☐

Neutral ☐

Håller till viss del med ☐

Håller inte alls med ☐

23) Jag tror att andra medlemmar av Produkt Gotland anser att min företagsverksamhet påverkar samhället.

Håller helt med ☐

Håller till stor del med ☐

Neutral ☐

Håller till viss del med ☐

Håller inte alls med ☐

24) Jag tror att bekanta och myndigheter anser att mätning och redovisning av social påverkan gynnar mitt företag.

Håller helt med ☐
Håller till stor del med ☐
Neutral ☐
Håller till viss del med ☐
Håller inte alls med ☐

25) Jag tror att bekanta och myndigheter anser att mätning och redovisning av social påverkan är det rätta att göra.

Håller helt med ☐
Håller till stor del med ☐
Neutral ☐
Håller till viss del med ☐
Håller inte alls med ☐

26) Jag tror att andra medlemmar av Produkt Gotland anser att mätning och redovisning av social påverkan försvårar mina arbetsuppgifter.

Håller helt med ☐
Håller till stor del med ☐
Neutral ☐
Håller till viss del med ☐
Håller inte alls med ☐

27) Jag tror att andra medlemmar av Produkt Gotland anser att mätning och redovisning av social påverkan är det rätta att göra.

Håller helt med ☐
Håller till stor del med ☐
Neutral ☐
Håller till viss del med ☐
Håller inte alls med ☐

28) Jag tror att andra medlemmar av Produkt Gotland anser att mätning och redovisning av social påverkan gynnar mitt företag.

Håller helt med ☐
Håller till stor del med ☐
Neutral ☐
Håller till viss del med ☐
Håller inte alls med ☐

29) Jag tror att bekanta och myndigheter anser att ta ansvar för företags sociala påverkan är det rätta att göra.

Håller helt med ☐
Håller till stor del med ☐
Neutral ☐
Håller till viss del med ☐
Håller inte alls med ☐

30) Jag tror att bekanta och myndigheter anser att min företagsverksamhet påverkar samhället.

Håller helt med ☐
Håller till stor del med ☐
Neutral ☐
Håller till viss del med ☐
Håller inte alls med ☐

31) Jag tror att bekanta och myndigheter anser att mätning och redovisning av social påverkan försvårar mina arbetsuppgifter.

Håller helt med ☐
Håller till stor del med ☐
Neutral ☐
Håller till viss del med ☐
Håller inte alls med ☐

32) Jag tror att andra medlemmar av Produkt Gotland anser att ta ansvar för sitt företags sociala påverkan är det rätta att göra.

Håller helt med ☐
Håller till stor del med ☐
Neutral ☐
Håller till viss del med ☐
Håller inte alls med ☐

# APPENDIX 5: MEAN ATTITUDE PER RESPONDENT

The following tables display the attitude of each respondent. The tables show both the total attitude and the mean values on each dimension divided by internal and external attitudes.

| A - Total Attitude | 0,11 |
|---|---|
| | |
| **Internal Attitude** | **0,17** |
| Pragmatic Internal | 0,25 |
| Moral Internal | 1 |
| Cognitive Internal | -0,75 |
| | |
| **Subjective Norm** | **0,22** |
| Pragmatic External | 0 |
| Moral External | 1,33 |
| Cognitive External | -2 |
| | |
| **Perceived Behavioural Control** | **0,20** |

| B - Total Attitude | 0,52 |
|---|---|
| | |
| **Internal Attitude** | **0,97** |
| Pragmatic Internal | 1,25 |
| Moral Internal | 1,67 |
| Cognitive Internal | 0 |
| | |
| **Subjective Norm** | **0,44** |
| Pragmatic External | 0,50 |
| Moral External | 1,33 |
| Cognitive External | -0,50 |
| | |
| **Perceived Behavioural Control** | **-0,20** |

| C - Total Attitude | 0,33 |
|---|---|
| | |
| **Internal Attitude** | **0,19** |
| Pragmatic Internal | 0,75 |
| Moral Internal | 1,33 |
| Cognitive Internal | -1,50 |
| | |
| **Subjective Norm** | **0,22** |
| Pragmatic External | 1 |
| Moral External | 1,67 |
| Cognitive External | -2 |
| | |
| **Perceived Behavioural Control** | **0,60** |

| D - Total Attitude | 0,60 |
|---|---|
| | |
| **Internal Attitude** | **0,61** |
| Pragmatic Internal | 1 |
| Moral Internal | 1,33 |
| Cognitive Internal | -0,50 |
| | |
| **Subjective Norm** | **0,50** |
| Pragmatic External | 0,50 |
| Moral External | 1 |
| Cognitive External | 0 |
| | |
| **Perceived Behavioural Control** | **0,80** |

| E - Total Attitude | 0,47 |
|---|---|
| | |
| **Internal Attitude** | **0,64** |
| Pragmatic Internal | 0,75 |
| Moral Internal | 1,67 |
| Cognitive Internal | -0,50 |
| | |
| **Subjective Norm** | **0,56** |
| Pragmatic External | 1 |
| Moral External | 1,17 |
| Cognitive External | -0,50 |
| | |
| **Perceived Behavioural Control** | **0,20** |

| F - Total Attitude | 0,52 |
|---|---|
| | |
| **Internal Attitude** | **0,94** |
| Pragmatic Internal | 0,25 |
| Moral Internal | 1,33 |
| Cognitive Internal | 1,25 |
| | |
| **Subjective Norm** | **0,78** |
| Pragmatic External | 0,50 |
| Moral External | 1,33 |
| Cognitive External | 0,50 |
| | |
| **Perceived Behavioural Control** | **-0,60** |

| G - Total Attitude | 0,23 |
|---|---|
| | |
| **Internal Attitude** | **0,31** |
| Pragmatic Internal | 0 |
| Moral Internal | 1,67 |
| Cognitive Internal | -0,75 |
| | |
| **Subjective Norm** | **0,06** |
| Pragmatic External | 0 |
| Moral External | 0,67 |
| Cognitive External | -0,50 |
| | |
| **Perceived Behavioural Control** | **0,60** |

| H - Total Attitude | 0,67 |
|---|---|
| | |
| **Internal Attitude** | **1** |
| Pragmatic Internal | 0,25 |
| Moral Internal | 2 |
| Cognitive Internal | 0,75 |
| | |
| **Subjective Norm** | **1,11** |
| Pragmatic External | 1,50 |
| Moral External | 1,83 |
| Cognitive External | 0 |
| | |
| **Perceived Behavioural Control** | **-0,40** |

| I - Total Attitude | 1 |
|---|---|
| | |
| **Internal Attitude** | **0,94** |
| Pragmatic Internal | 1,75 |
| Moral Internal | 1,33 |
| Cognitive Internal | -0,25 |
| | |
| **Subjective Norm** | **1,50** |
| Pragmatic External | 2 |
| Moral External | 2 |
| Cognitive External | 0,50 |
| | |
| **Perceived Behavioural Control** | **0,40** |

| J - Total Attitude | 0,11 |
|---|---|
| | |
| **Internal Attitude** | **0,56** |
| Pragmatic Internal | 1,50 |
| Moral Internal | 1,67 |
| Cognitive Internal | -1,50 |
| | |
| **Subjective Norm** | **-0,06** |
| Pragmatic External | 0,50 |
| Moral External | 0,33 |
| Cognitive External | -1 |
| | |
| **Perceived Behavioural Control** | **-0,20** |

| K - Total Attitude | -0,09 |
|---|---|
| | |
| **Internal Attitude** | **0,61** |
| Pragmatic Internal | 1 |
| Moral Internal | 1,33 |
| Cognitive Internal | -0,50 |
| | |
| **Subjective Norm** | **-0,33** |
| Pragmatic External | -1 |
| Moral External | 0 |
| Cognitive External | 0 |
| | |
| **Perceived Behavioural Control** | **-0,80** |

| L - Total Attitude | 0,82 |
|---|---|
| | |
| **Internal Attitude** | **0,78** |
| Pragmatic Internal | 0,63 |
| Moral Internal | 1,33 |
| Cognitive Internal | 0,38 |
| | |
| **Subjective Norm** | **0,67** |
| Pragmatic External | 1,25 |
| Moral External | 1,75 |
| Cognitive External | -1 |
| | |
| **Perceived Behavioural Control** | **0,90** |

# APPENDIX 6: DEFINITION OF SMALL TO MEDIUM SIZED ENTERPRISES

According to the European Commission's definition of small to medium sized enterprises, a micro company has less than 10 employees and a turnover of maximum € 2 m or a balance sheet total of € 2 m. A small company consists of 10-49 employees and can have a turnover of maximum € 10 m or a balance sheet total of maximum 10 m. A medium-sized company consists of 50-249 employees and a maximum of € 50 m or a balance sheet total of € 43 m. (European Commission, 2014)

| Company category | Employees | Turnover | Balance sheet total |
|---|---|---|---|
| Medium-sized | < 250 | ≤ € 50 m | ≤ € 43 m |
| Small | < 50 | ≤ € 10 m | ≤ € 10 m |
| Micro | < 10 | ≤ € 2 m | ≤ € 2 m |