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**Evaluation of the Behaviour of Selected Small and Medium
Enterprises in the Area of Corporate Social Responsibility**

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Graduate Engineer Peter Achenbach

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Školiteľ:	doc. Ing. Mgr. Gabriela Dubcová, PhD.
Katedra:	KPH FPM - Kat. podnikovohospodarska FPM
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Declaration of Honour

I declare that I have completed the submitted thesis independently. All bibliographical sources used are listed in the bibliography.

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Graduate Engineer Peter Achenbach

Abstract

The global objective of the dissertation entitled “Evaluation of the Behaviour of Selected Small and Medium Enterprises in the Area of Corporate Social Responsibility” is to answer the question “What is the status quo regarding strategically implemented CSR in general and at SME’s (≤ 49 FTE) within the German construction sector in particular and how should a model be designed that enables the practicability of CSR at these SME’s?” For this purpose, the research areas are divided into a theoretical and a practical section. In the theoretical part, the worldwide status quo on CSR is determined by means of a literature research. Concrete results of this research arise in the definition of key figures, which can be selected on the basis of the SDG's by means of a benchmarking with "Best - in - Class - Companies" for SMEs.

The practical part of the dissertation addresses expert interviews in the context of qualitative analyses, the evaluation results of which are contributing to the derivation of measures for the strategic anchoring of CSR (modelling). A quantitative analysis is used to determine the status quo of CSR directly among a number of representative micro entrepreneurs.

The result of the dissertation work conducted is an easy-to-implement model, furthermore, a typology and categorization of the German CEOs of the SMEs studied is derived, which enables a type-specific implementation of this CSR model. By deducting the most important indicators for recording and managerial accounting non-financial parameters of the German construction industry and developing a standard reporting system according to the DNK a set of methods could be designed that can be used by micro-enterprises and which has proven its suitability in a practical test with a construction company. In a cost-benefit calculation, the ROI of these investments made for the introduction and maintenance of CSR could be determined and thus confirming that a rapid amortisation of these expenses can also be expected from a financial point of view.

Finally, the results can be interpreted to demonstrate the contribution of CSR to the creation of prosperity and autonomy for the stakeholders involved, which is also illustrated in the form of a generic market diagram, where sustainability aspects and their welfare influence are depicted.

The recommendations refer to the macro – mezzo - and micro - level and span a range from regulatory directives on the reporting of CSR aspects to professional monitoring of the transformation process associated with the introduction of CSR to education - training measures at the employee level.

In further studies it is recommended to validate the findings by conducting additional samples to verify the practicability of the toolset including the typologies with associated materiality matrices. In subsequent steps the model including the methodology can be rolled out to other branches and countries.

Abstrakt

Hlavným cieľom dizertačnej práce s názvom "Hodnotenie správania vybraných malých a stredných podnikov v oblasti spoločenskej zodpovednosti podnikov" je odpovedať na otázku: "Aký je stav v oblasti strategicky uplatňovanej SZP vo všeobecnosti a osobitne v malých a stredných podnikoch (≤ 49 FTE) v nemeckom stavebnom sektore a ako by mal byť navrhnutý model, ktorý by umožnil praktickú realizáciu SZP v týchto malých a stredných podnikoch?" Na tento účel sú oblasti výskumu rozdelené na teoretickú a praktickú časť. V teoretickej časti sa na základe rešerše literatúry zisťuje celosvetový stav v oblasti SZP. Konkrétne výsledky tohto výskumu vyplývajú z definovania kľúčových údajov, ktoré môžu byť vybrané na základe cieľov trvalo udržateľného rozvoja prostredníctvom porovnávania s "Best - in - Class - Companies" pre malé a stredné podniky.

Praktická časť dizertačnej práce sa zaoberá expertnými rozhovormi v kontexte kvalitatívnych analýz, ktorých výsledky hodnotenia prispievajú k odvodeniu opatrení pre strategické ukotvenie SZP (modelovanie). Kvantitatívna analýza sa využíva na zistenie stavu SZP priamo u niekoľkých reprezentatívnych mikropodnikateľov.

Výsledkom vykonanej dizertačnej práce je ľahko implementovateľný model, ďalej je odvodená typológia a kategorizácia nemeckých generálnych riaditeľov skúmaných MSP, ktorá umožňuje typovo špecifickú implementáciu tohto modelu CSR. Odvodením najdôležitejších ukazovateľov pre evidenciu a controlling nefinančných parametrov nemeckého stavebníctva a vypracovaním štandardného systému vykazovania podľa DNK bolo možné navrhnuť súbor metód, ktoré môžu využívať mikropodniky a ktoré preukázali svoju vhodnosť v praktickom teste so stavebnou spoločnosťou. Pri výpočte nákladov a výnosov by sa mohla určiť návratnosť týchto investícií vynaložených na zavedenie a udržiavanie SZP, a tým potvrdiť, že aj z finančného hľadiska možno očakávať rýchlu amortizáciu týchto výdavkov.

Nakoniec možno výsledky interpretovať tak, aby sa preukázal prínos SZP k vytváraniu prosperity a autonómie zúčastnených strán, čo je znázornené aj vo forme všeobecného trhového diagramu, kde sú znázornené aspekty udržateľnosti a ich vplyv na blahobyť.

Odporúčania sa vzťahujú na makro - mezo - a mikro - úroveň a pokrývajú celú škálu od regulačných smerníc o vykazovaní aspektov SZP cez odborné monitorovanie transformačného procesu spojeného so zavádzaním SZP až po opatrenia v oblasti vzdelávania - odbornej prípravy na úrovni zamestnancov.

V ďalších štúdiách sa odporúča overiť zistenia vykonaním doplnkových vzoriek na overenie praktickej použiteľnosti súboru nástrojov vrátane typológií s príslušnými maticami významnosti. V ďalších krokoch je možné model vrátane metodiky rozšíriť na komplexnejšie odvetvia a krajiny.

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List of Abbreviations

B2B	Business to Business
BCG	Boston Consulting Group
CC	Corporate Citizenship
CEO	Chief Executive Officer
CG	Corporate Governance
CIC	Conception-Integration-Consolidation
CPI	Corruption Perception Index
CR	Corporate Responsibility
CSR	Corporate Social Responsibility
DAX	German Stock Index
DCGK	German Corporate Governance Code
DIHK	German Chamber of Commerce
DNK	German Sustainability Code
EMAS	Eco - Management and Audit Scheme
EMB	Ethics Management of the Construction Industry
ESG	Environment-Social-Governance
EU	European Union
FRG	Federal Republic of Germany
FTE	Full Time Equivalent
GDP	Gross Domestic Product
GmbH	Limited Liability Company
GRI	Global Reporting Initiative
GSSB	Global Sustainability Standards Board
GTC	General Terms & Conditions
HR	Human Resources
HSE	Health-Safety-Environment
ILO	International Labour Organization
IOE	International Organization of Employers
ISO	International Standards Organization
K	Thousand
KMU	Medium Enterprise (> = 50 FTE)
KPI	Key Performance Indicator
LTI	Lost Time Injury
M	Million
MDAX	Mid-Cap-DAX
MNE	Multinational Enterprise
N	Numbers
NAP	National Action Plan
NFS	Non Financial Statement
NGO	Non Governmental Organization
OECD	Organization for Economic Co-Operation and Development
p.a.	pro anno

PDCA	Plan-Do-Check-Act
POC	Percentage of Completion
Q	Quadrant
QM	Quality Management
R&D	Research & Development
ROCE	Return on Capital Employed
ROI	Return on Investment
SASB	Sustainability Accounting Standards Board
SBSC	Sustainability Balanced Scorecard
SCC	Slovak Compliance Circle
SDAX	Small-Cap- DAX
SDG	Sustainable Development Goals
SMART	Specific-Measurable-Achievable-Relevant-Timebound
SME	Small Medium Enterprise (< = 49 FTE)
Std.	Standard
SWOT	Strengths-Weaknesses-Opportunities-Threats
t	Tons
T	Theses
T/C/Q	Time/Cost/Quality
TecDAX	Technology- DAX
UN	United Nations
UNHCR	UN High Commissioner for Refugees
USP	Unique Selling Proposition
V	Variables
VIP	Very Important Person
VMS	Value Management System
VUCA	Volatility-Uncertainty-Complexity-Ambiguity
WTO	World Trade Organization

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Introduction

"My son, be with pleasure at the business during the day, but do only such that we can sleep quietly at night!" (Mann, 1901). This principle described in a novel finds its origin in the 11th century with the model of the honourable businessman, which is primarily characterized by honesty, wisdom, temperance and awareness of values. The right to a merchant based on "good faith" shaped the image of this type of manager and allowed business to be transacted with a handshake (Pacioli, 2007).

If looking at the current business practices the question arises as to how far this model, including the associated virtues, is still valid and to what extent the essential characteristics of a humanistic basic education, economic expertise and a consolidated character with economic virtues are developed in companies and management. Various scandals of the last years (Enron, Siemens, Mannesmann, VW...) raise at least doubts that in the sense of society the general welfare maximization stands in the center of action of the business leaders, so that the call for the "good old" virtues of the honourable businessman is increasingly loud.

According to Stiglitz (Stiglitz, 2002), today in particular we are dealing with a global community of destiny in which people have to follow rules so that "prosperous coexistence" becomes possible. The scandals and grievances mentioned by way of example can be partially explained by the fact that politics is performing less and less of its task of coordinating economic and social events in terms of regulatory policy, and the economy postulates entrepreneurial self-regulation in the form of self-responsibility (Hardt/Negri, 2002). There is currently agreement in (western) society that companies are not only on the market to generate profits, but should also implement ecological and social aspects in their business models in addition to economic aspects ("shared value"). This expectation regarding respect for laws, social values and standards can be subsumed under "Corporate Social Responsibility" (CSR) and, after initial voluntary recommendations (self-regulation), was introduced as a mandatory reporting element in 2017 by the European Union for large companies with more than 500 employees and net sales > €40 million p.a. (Bertelsmann, 2018, EU, 2014). This demand for sustainable management is primarily based on the following three causes, which have been defined as follows in the context of the "Sustainable Development Goals" (SDG Compass, 2019; Malay, 2021):

Firstly, the world population has risen sharply in recent decades and is expected to grow from seven billion to over nine billion by 2050 (United Nations, DESA, 2015). Economic strength and thus the level of consumption will rise even more strongly (OECD, 2012). These are the drivers of over-exploitation of the planet, depending on consumption and production. Secondly, humanity exceeds the limits of the planet's capacity and thus leaves the environmental conditions which are favourable for it (Safe Operating Space) (Rockström et al., 2009). Finally, other causes that can be identified are inadequate market mechanisms (externalities and lack of information; Fritsch et al., 2007), insufficient political framework conditions - including the lack of sufficiently strong global governance for global environmental problems (Ruprecht and Hauser, 2010), unsustainable consumption patterns (EEA, 2013) - which made it necessary to establish regulatory measures and incentive measures that are misguided, especially for top managers (Greiner et al., 2021).

While multinational, large companies are increasingly being examined by the public for their sustainability impacts, to date the impact of the approximately 400 million small and medium-sized enterprises (SMEs), which account for around 95% of all companies worldwide and thus form the backbone of the global economy, has largely been overlooked. And while sustainability reporting is the order of the day among MNEs, practice is much less common among SMEs and has not yet been identified as a business case for smaller firms. However, SMEs are an integral part of the global supply chain and should be proactive on sustainability and transparency issues in order to continue to gain access to MNE's and optimally configure their business models through new value chains (GRI, 2018).

SMEs play a dominant role in sustainable development, especially in emerging economies, where formal SMEs account for up to 60% of total employment and up to 40% of national income (GDP), making those important drivers of job creation and income generation (Crossley et al., 2021). This role continues to grow, e.g. between 2003 and 2016 the number of full-time employees in SMEs almost doubled worldwide, which corresponds to an increase in total employment from 31 to 35% (WTO, 2016; ILO, 2017). This global trend can also be seen in Germany, where SMEs account for more than 99 % of all enterprises (KfW, 2018). If it is possible to sensitise this mass of companies to sustainability issues - before they become mandatory - the following effects can be achieved:

- CSR as Business Case (refer also to 1.3): A publication conducted by GRI (GRI, IOE, 2015) in collaboration with IOE revealed that the business case is evident: SMEs that do report say sustainability reporting had improved productivity, reduced costs, strengthened their competitiveness and opened up new markets.
- CSR as a "Licence to Operate": Companies are developing into a potential target for a critical public, "whose attitude is determined by ethical aspects beyond economic concerns" (Meffert, 1998). Violations of social rules in economic, ecological and social areas must be avoided at all costs in order to maintain or preserve the legitimacy of one's own activities in the market.

It is important that, among other things, the policy provides incentives and tools or methods are available to smaller companies so that CSR can be effectively implemented in the respective company DNA and regular progress reports (internal and external) contribute to transparency. Given their collective reach and dominant role in the global economy, SME adoption of responsible business practices is essential for a thriving global community that lifts humanity and enhances the resources on which all life depends.

In the following Chapter, the intended structure of the dissertation will be briefly outlined and illustrated in Figure 1. The planned work will deal with the topic of "good corporate governance" of small companies from the construction business (construction plus manufacturing). In this context, the constantly increasing social change according to sustainable procedures and production methods will be taken into account.

On the basis of the sustainability reporting (non-financial), which has already become mandatory for larger companies, a work and reporting method for small companies that conforms to the content and sensitizes them to sustainability is to be developed and established in practice (Massingham, 2019). This should be done "ex ante", as the author expects that regulatory measures will also be taken in the near

future for companies in the entire supply chain that have hitherto been excluded from mandatory reporting.

Since approx. 30% of all employees in Germany work in the construction business as a whole, the focus will be on this economic sector. Medium-sized companies (50 up to 249 employees) and large companies (> 249 employees and annual sales of > € 50 million) should not be included in the study, as they already have reporting obligations or currently plan to introduce CSR measures.

The focus will therefore be on small companies ($1 < \text{number of employees} < 49$ and turnover < 10 million € p.a.), which account for approximately 12% of all employees in Germany and thus provide sufficient momentum to implement CSR measures on a broader scale.

A sustainable approach to work is a "conditio sine qua non" for the conservation of the planet's resources, which will also lead to more efficient production processes, which are mandatory for obtaining the companies' "licence to operate". In order to anticipate the possible mandatory requirements regarding the introduction of CSR measures, it is advisable to proactively capture the particularities of smaller companies within the framework of such a reporting system or procedure and to develop processes / methodologies which ideally meet the objectives of sustainable management.

In this sense, the aim of this work is to identify, diagnose and evaluate the current state of theory and practice of CSR in the construction business and to develop a model for micro-enterprises (≤ 49 FTE) in the construction sector, which permits the implementation of suitable CSR strategies. The targeted group are primarily managers/owners of micro-enterprises, who should initiate the necessary transformation process top-down.

This thesis is divided into five parts:

The first part deals with the status quo of CSR. Terms and definitions of sustainability are examined, CSR is outlined in the social context of changing values in times of globalization, and the current state of research is illustrated. The focus here is on the application of CSR in the construction business, whereby a selected medium-sized construction company will serve its sustainability concept as a benchmark for small companies, especially with regard to selected key performance indicators for sustainable management.

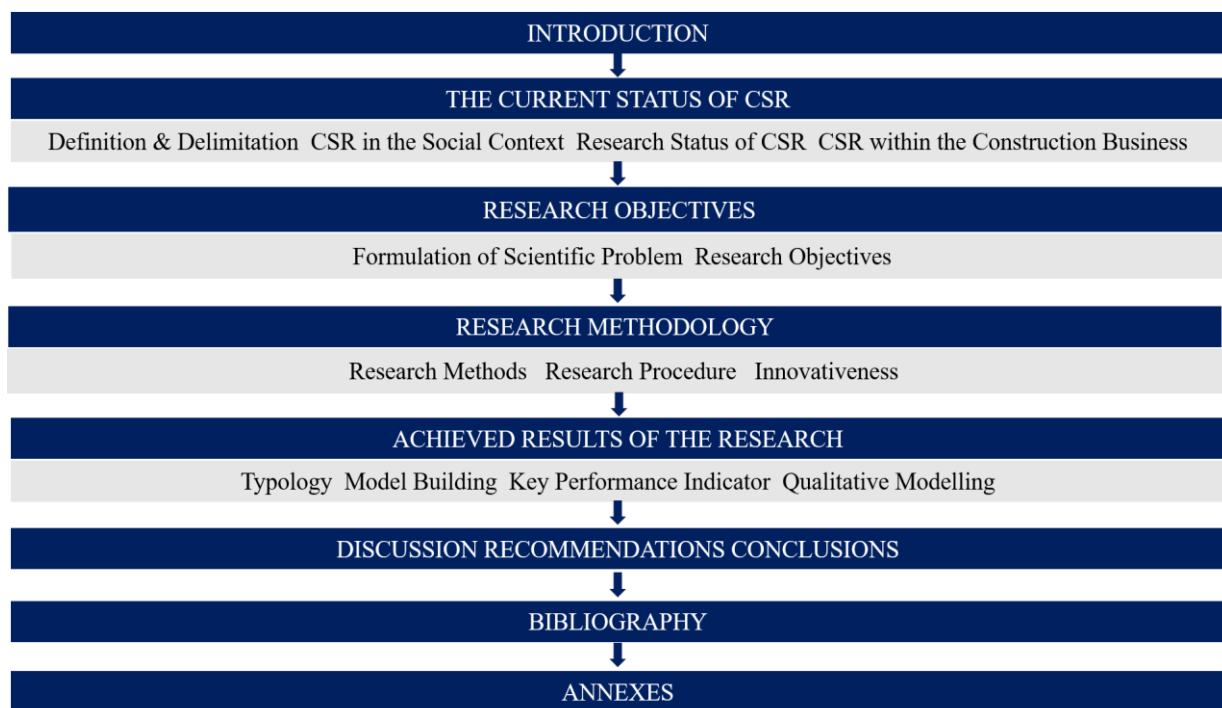
In the second and third part, the research questions, objectives and research methodology are presented in order to finally develop a model for small construction companies, which can then be iteratively "rolled out" to other sectors. The focus of this model development will be on the necessary steps of CSR to be introduced, which can be planned, implemented and controlled by means of a standardized project management concept. Based on the current GRI guidelines and the DNK criteria derived from them, suitable indicators for recording and managerial accounting sustainable business processes are to be evaluated that are relevant for practical application (approx. 5 - 10 KPI's for companies that have not yet gained experience with such indicators).

In the fourth and fifth part of the dissertation, the findings gained in this way will contribute to the sustainable implementation of CSR in German small enterprises in the construction sector in order to encourage further small companies from other sectors to embed a corresponding sustainability concept

in their business models in the form of a “1st Mover Effect”. In a market diagram, the influences of CSR are to be illustrated qualitatively by comparing supply and demand curves without and with sustainability effect and thus contributing to the clarification of achievable gains in prosperity by maximising consumer and producer surplus in the case of sustainability.

In the outlook suggestions are made on how the effectiveness of such a "tool" can be evaluated and further developed by conducting subsequent studies in which the "roll-out" can be carried into the small business community across all sectors and accompanied by “sponsors” in this process. Figure 1 shows the structure in sequence form as follows:

Figure 1: Structure of PhD-Thesis



Source: Self-elaboration

1 The Current Status of Corporate Social Responsibility (CSR)

In the following Chapter 1.1, CSR is to be clearly described with regard to its terminology by making some distinctions with regard to further terms.

Furthermore, CSR is examined in the social context in Chapter 1.2, an overview of the status of research is presented (Chapter 1.4) and, finally, in Chapter 1.5, the relationship between CSR and the selected object of investigation of "construction business" is established.

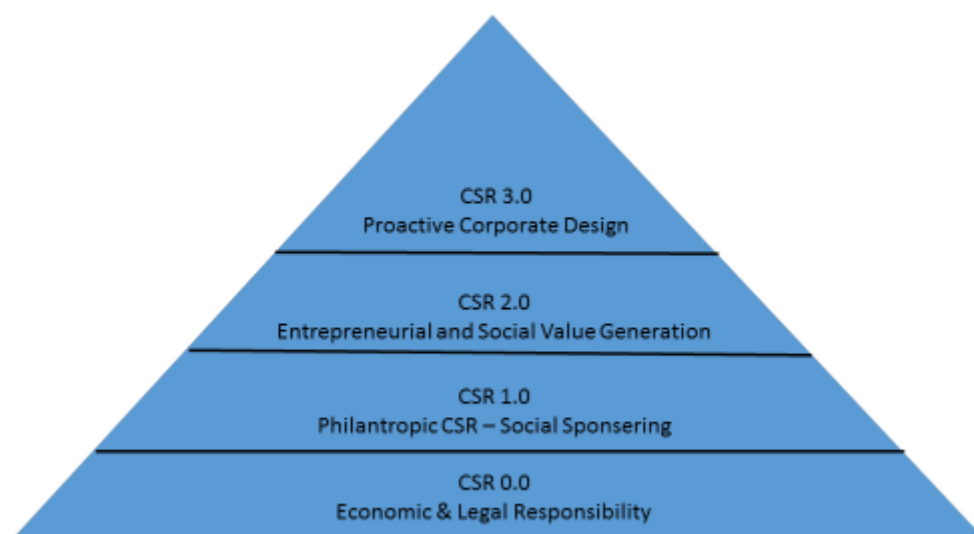
1.1 Definition & Delimitation

There are various terms in the technical literature in the context of corporate social responsibility. The terms used sound similar, are partly synonymous, complementary, have a similar or completely different meaning, are used as super- and sub-concepts (Mutz/Korfmacher/Arnold, 2001) among each other, mixed in texts or name different things in the political environment and at different times (Matten/Moon, 2004). All this makes people insecure and contributes to misunderstandings, so that clear definitions - delimitations - are necessary.

1.1.1 Corporate Social Responsibility

Most CSR studies approach the issue from the business point of view. The first relevant CSR approaches are attributed to Bowen's (1953) "Social Responsibilities of the Businessman". The specialist literature compiles different definitions, approaches and models on CSR (Bassen/Jastram/Meyer, 2005; Carroll, 1991; Carroll/Buchholtz, 2006; Habisch et al., 2006; Loew et al., 2004), whereby the following definition by Carroll (Carroll, 1979) can be described as trend-setting: "The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time". Based on Carroll's pyramid (Carroll, 1991) Schneider (2015) introduces a maturity model that defines 4 levels in a pyramid that is open at the top (see Figure 2).

Figure 2: CSR- Pyramid of Maturity



Source: Schneider 2015, p 33.

The lowest level covers social commitment ("CSR 0.0"), while "CSR 1.0" deals with philanthropic aspects and in the next level "CSR 2.0" represents corporate and social value creation. Interesting about this model is the 3.0 level, since the behaviour of companies in legislative procedures has so far hardly been seen in the context of CSR. A comparable perspective can be found in institutional economic approaches to business ethics. Thus, according to Homann (1992), it is the task of companies to initiate changes in the regulatory framework if there are considerable deficits.

The European Commission defines CSR as "the responsibility of companies for their impact on society" (EU, 2011). CSR means the incorporation of social, economic and environmental aspects into the business activity beyond legal obligations. CSR serves to develop good, sustainable relationships with all stakeholders affected by their entrepreneurial activities. Investing in CSR means investing in quality and starting to realize that doing business goes beyond production and sales. CSR as corporate responsibility therefore goes beyond fundraising ("Philanthropy") and is ultimately to be understood as a tool that supports in managerial accounting the impact of company activities on society.

The CSR concept is based on the following three pillars ("Triple Bottom Line"; Elkington, 1997):

- The economic pillar: The goal of every company is to act in a value - enhancing way. The daily business results in relationships with customers, banks, authorities as well as competitors and possibly owners / investors. Integrating the expectations of these stakeholders serves to build stable and reliable networks.
- The social pillar: Social responsibility positively influences the economic success of a company and can lead to competitive advantages. Responsibility to employees extends beyond compliance with legal requirements. The training and further education of the employees and their work motivation are crucial for the increase of the enterprise value.
- The ecological pillar: Every company has an impact on the environment through production, transport, packaging, waste etc. The use of raw materials and energy sources should therefore be efficient. Conscious handling of this topic is an important aspect with which entrepreneurs can not only make a significant contribution to the company's own success but also for the benefit of today's and tomorrow's society.

This short definition of the EU with the three pillars of responsibilities can be easily reconciled with the maturity model of stage 2 ("CSR 2.0") and, through the open definition, allows expansion possibilities to stage 3, in which companies act as proactive policy-makers and are able to set global accents for a sustainable economy.

1.1.2 Corporate Citizenship

Corporate Citizenship ("CC") is a term often used synonymously with CSR. The current discussion in the United States is characterized by a complex, comprehensive understanding of corporate citizenship (Carroll, 1998; McIntosh et al., 2003; Waddock, 2004). According to this, companies are required to proactively manage concrete internal business processes that serve the economy, ecology and society in addition to their charitable commitments. Topics such as respect for laws, norms and values, relationships

with stakeholders, company regulations and behaviour, the management of environmental and social issues, and voluntary philanthropic contributions by companies are all included. The guidelines of the OECD (2000), the ILO (2006), the Global Compact (UN 2000) and standardization efforts of the Global Reporting Initiative (GRI 2007, 2016, 2018) also provide orientation in this respect. In Germany, the term “CC” is often subsumed under the terms entrepreneurial citizenship, corporate citizenship (Wieland, 2002), corporeal citizenship (Ringlstetter/Schuster, 2003), entrepreneurial citizenship (Habisch, 2003) and entrepreneurial citizenship (Deutscher Bundestag, 2002).

This paper regards corporate citizenship as a voluntary, facultative corporate commitment to cultural, social and ecological activities without any compelling connection to business, usually with a local connection, e.g. through sponsoring activities, humanitarian aid projects and the like.

1.1.3 Corporate Governance

Corporate governance (“CG”) generally focuses on management within the company and on the relationship and communication between management and stakeholders (von Werder, 2003). In the scientific literature different perspectives are taken on this, such as those of regulation (Hommelhoff/Hopt/ vonWerder, 2003), management and business ethics (Maak / Ulrich, 2007; Schmidt / Beschorner, 2005; Wieland, 2004) or managerial accounting (Gleich/Oehler, 2006).

The following directions of significance for corporate governance as a management and control concept emerge (Hopt 2003):

- CG is legally mandatory, based on legal regulations, e.g. in Germany on the Act to Promote Transparency and Control in Business / KonTraG (1998) or in the USA on the Sarbanes-Oxley Act (2002).
- It is voluntary, whereby the implicit management concept is based on self-regulation using self-chosen values and standards, e.g. codes of conduct, etc. (Hommelhoff/ Schwab, 2003, p 80f.).
- The CG is binding and voluntary. "Soft laws" such as the German Corporate Governance Code are voluntary in nature, with only the part that reflects the law formulating mandatory law. "The remaining components of the Code, namely recommendations and suggestions, do not take the status of a state legal norm" (Hommelhoff/Schwab, 2003, p 54).

The German Corporate Governance Code (DCGK, 2002) provides essential statutory provisions for the management and supervision of German listed companies and contains internationally and nationally recognized standards for good and responsible corporate governance. It contributes to making the German corporate governance system transparent and comprehensible and aims to promote the trust of international and national investors, customers, employees and the public in the management and supervision of German listed companies (DCGK, 2019, Preamble). In contrast to the USA, for example, with this Code Germany has primarily advocated a voluntary self-commitment that gives companies the opportunity to act appropriately and responsibly in the international context of recognized economic, political, social and cultural standards. The legally binding aspect comes only in second place, because German listed companies are obliged by law only to comply with those provisions of the Code that reflect legally valid regulations. In addition, there are recommendations in the form of regulations supplementing

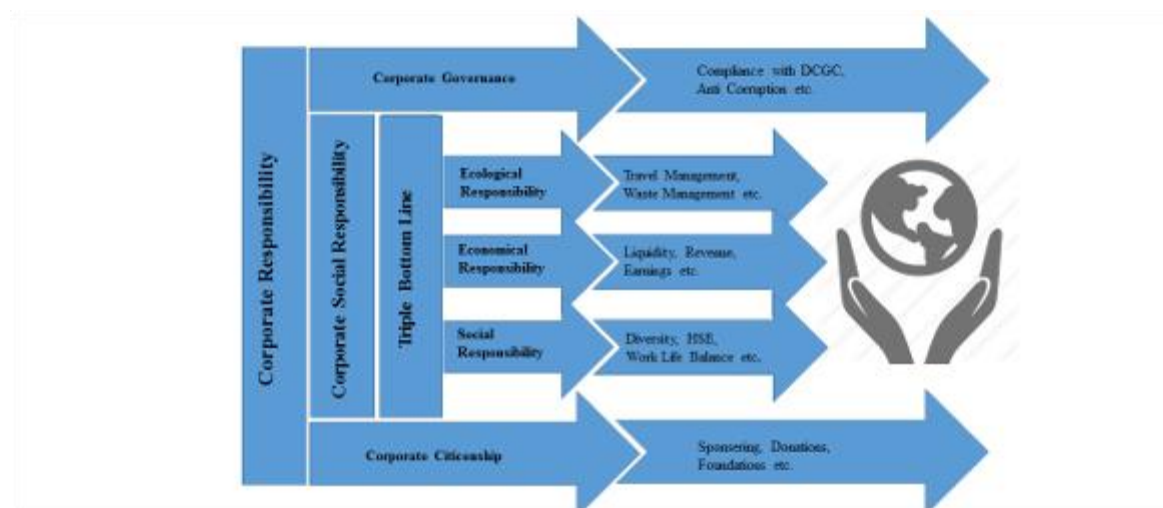
the law in which companies are free to comply with them or not. If they opt for the latter, they are obliged to announce and name the non-compliance in an annual declaration ("Comply or Explain"). Non-listed entities are also recommended to comply with the relevant provisions of the Code (Ringleb et al., 2003). Important topics of the Code include tasks, organization, decision-making and formation of wills in the Executive Board and Supervisory Board, remuneration in management and Supervisory Board, leadership by Executive Board and Supervisory Board, transparency in accounting, auditing and communication, co-determination in companies and liability issues.

According to Maak/Ulrich (2007, p 213), corporate governance is an element of corporate culture and communication and should therefore implicitly be regarded as a "matter for the boss" that can contribute to increasing added value.

In this work, CG is to be understood as comprising rules and methods (DCGC, value statement via value management systems, etc.) relating to structures and behaviour, by which a company is strategically managed and operationally controlled. The relationships between the Board of Management and the Supervisory Board and the various stakeholder groups, both internal and external, are of central importance here (Carroll/Buchholtz, 2006; Thommen, 2003).

Figure 3 is intended to illustrate the connections and terminology by showing how CSR, CG and CC jointly define the corporate responsibility of the individual actors as a "bracket". This concerns the "triple bottom line approach", which combines successful management with demands for ecological compatibility and social justice, and can, as shown in Figure 2 in the pyramid open at the top, also be understood in terms of Porter's (2012) "shared value concept" by placing innovations with social added value at the centre of corporate action.

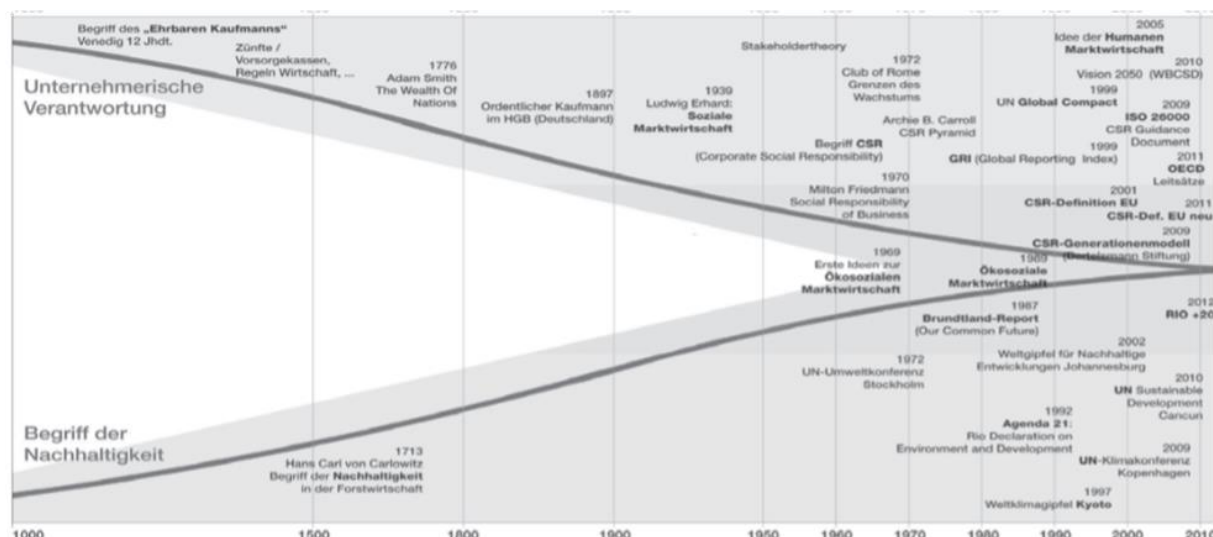
Figure 3: Corporate Responsibility – Perception



Source: Self-elaboration according to (Ernst & Young, 2014).

Figure 4 illustrates the historical evolution of CSR and sustainability by illustrating over the centuries the genesis of a common understanding of corporate responsibility combined with sustainability aspects.

Figure 4: Historical Development of CSR and Sustainability



Source: Loew, 2004.

It is important to understand which terms are used with regard to CSR in order to also categorise in terms of the maturity level of a company. In terms of embedding sustainability strategically, most SMEs need to evolve from CSR 0.0 to CSR 2.0, no ifs, ands or buts.

1.2 CSR in the Social Context

In this Chapter, CSR will be examined in its social context by examining the relationship between ethics, politics and economics, analogous to the Aristotelian triad (Ulrich). This concerns in particular aspects of business ethics, politics and corporate policy, which enter into a symbiosis in the sense of "ethics without economics is empty, economics without ethics is blind" (Homann, 1992).

The integration of ethics and economy can take place on 3 levels, the macro, mezzo and micro level (Remisova, 2020). The macro level concerns state, government and society, the mezzo level refers to enterprises and municipal organisations, while the micro level considers the individual. At the highest level, the ethical issues are primarily related to aspects of fiscal policy. At the middle level municipal organisations, NGOs and private companies are confronted with the legal requirements and framework conditions (commercial code, civil code, trade licensing acts...) to be complied with and at the lowest level stakeholders are addressed as individuals (entrepreneur, employee, customer, consumer...).

1.2.1 Value Changes

Globalisation, digitalisation, disparities, rising educational levels of the population with associated gains in prosperity, technological evolution as well as extensive peace in the western hemisphere are primary dynamics of change which can trigger a critical atmosphere for companies (Carroll/Buchholtz, 2006, p 10ff.; Inglehart, 1989). Values, principles and rules are subject to permanent change and thus also cause a change in society's expectations of companies and their management. For example, the call for new corporate management paradigms is becoming louder by increasingly deviating from the shareholder approach towards a stewardship rate (see Money and Schepers, 2007, Schwerk, 2008), which, based on

the principal-agent theory, regards both principal and agent (manager) as "stewards". In this constellation, there are ideally no transaction costs ("agency costs"), as both actors have a stable relationship of trust with each other. Consequently, this also leads to a new (old) understanding of leadership of the "Honourable Businessman" (Klink 2007) who has the well-being of today's and tomorrow's stakeholders in mind and acts to maximise the overall welfare of society. Values play an important role in society through their standardization, structuring and selection functions. They provide orientation and exercise a relief function. If once defined values change or new approaches emerge, one can speak of a change in values. Today, a megatrend towards pragmatism, individual independence as well as hedonistic and material values with a simultaneous increase in willingness to perform and commitment can be observed especially in Western society. The change from materialistic to post-materialistic values is regarded as a higher stage in the evolution of values (Inglehart/Baker, 2000), because it is precisely these values, which are assigned to the individualization process, that influence or promote integration and justice in a democratic society. They lead to increased activities in the field of environmental protection - see also the demonstrations of many pupils within the campaign "Friday for Future" (www.fridaysforfuture.org, 2019) -, to tolerance towards being different ("diversity") or make it possible to demand participation in economic and political decisions. Findings from the 17th Shell Youth Study (2015), for example, point to the first changes in the current youth generation, which, according to Hurrelmann's analysis (2015), is in transition from Generation Y with a pragmatic, explorative attitude and great concern for the future to a new generation that is more self-confident and "relaxed". One symptom of this is the further increase in political interest. For young people it seems to be becoming more perspective again, to be up to date on social issues and, if necessary, to participate in shaping processes. At the same time, young people's view of society and their own lifestyles has deepened. Respect (for culture and their own traditions), recognition (for the diversity of people) and awareness (for the environment and health) are important here. What is conspicuous is the simultaneously growing concern with regard to international politics. At 73%, young people most frequently cite possible terrorist attacks as a risk and problem area that frightens them. The second most common concern, at 62%, is a possible war in Europe. Young people have little fear of immigration and refugees, but more fear of increasing xenophobia.

The theses and findings of the aforementioned studies are of great importance for the topic of CSR as a framework description and future barometer for social developments in Germany. They demonstrate the great importance of social commitment in German civil society. But what does it look like when these people work professionally in (globally active) organisations and make decisions?

„Makers have a positive relationship to values that motivate an active and versatile way of life" (Rose, 2007). Following Kohlberg/Levine/Hewer (1983) and Piaget (1983), these personality characteristics also apply to young managers in organisations. As mentioned earlier, calls for virtuous action by economic actors are becoming louder and louder, whereby the "Honourable Businessman of the Modern Age" can only have an effect in everyday business life if appropriate framework conditions are in place which, among other things, support the development of rules and structures and a perspective-enhancing, cross-cultural understanding of values (Beschoner / Hajduk / Schank, 2011).

1.2.2 Corporate Roles

A further critical aspect with regard to CSR relates to the new legitimacy of companies, which have to reassess their social responsibility role against the background of social change. Schwab (2007) formulated one of today's challenges as follows: "Today, in the face of the new revolution that is bringing power back into the hands of individuals, a new imperative seems to be gaining ground as a fundamental political principle: to protect the collective from the individual, justified by the argument that the individual may have destructive capabilities that few countries have had in the past. Where is the balance in this collective vs. individual struggle? Only when we find this new balance can we hope that a flatter world will contribute to the well-being of all of us".

There are companies with a potency comparable to that of states. In 1999, the five largest companies in the world reported total sales that exceeded the combined gross domestic product of 182 countries (Hillemanns, 2004, p 2f). The 100 largest economic units in the world were distributed among 51 enterprises in only 49 countries (Anderson/Cavanagh, 2000). Companies such as the US Wal-Mart Group, Google, Facebook or Amazon, to name but a few, dominate their industries with negative consequences in the form of monopoly structures that destroy overall welfare (Varian, 2011). This relationship between economic size and the associated power that goes along with it illustrates the role of CSR and lends a new dimension to the terms "enterprise" and "social responsibility". Until now, the duty of care for society was attributed to the (national) state and its public institutions, but now large internationally active companies (MNEs) in particular can proactively shape and assume the demand to assume such tasks. In the context of the necessary cooperation of such MNEs with small and medium-sized enterprises (SMEs), the role of these SMEs within the overall value chain is becoming increasingly dominant in order to be able to meet the social needs for sustainably produced products. In addition to the regulatory aspects, the views and philosophies of how to run a company, which are examined in more detail in the next Chapter in the context of business ethics, play an important role.

1.2.3 Business Ethics

As already mentioned, value-oriented corporate management and ethically motivated business conduct play a major role in the CSR debate. Various scandals in recent years (Enron, Siemens, Ford, VW, Wirecard...) have revived the discussion as to whether economic actors operate in the interests of society or whether they tend to maximize their own profits in the interests of shareholder strategy. This is expressed in the consequences of world poverty (Chomsky, 2001; Stiglitz, 2002) and credibility crises of companies and their managers, or in a nutshell, through the "use of power" (Carroll/Buchholtz, 2006, p 16).

This conflict of interest between profit and morality (Suchanek, 2005; Carroll/Buchholtz 2006, p 213) is illustrated in Figure 5 on the basis of the phenomenon of "corruption" using the term "spiral of collective damage" as an example (Pies et al., 2005).

Figure 5: Corruption Dilemma - Pay-out Matrix

		Company B	
Company A		Corruption	No Corruption
	No Corruption	Q IV $\rightarrow$ 1 / 4	Q I $\rightarrow$ 3 / 3
	Corruption	Q III $\rightarrow$ 2 / 2	Q II $\rightarrow$ 4 / 1

Source: Self-elaboration.

If one applies the "moralizing approach" for the desired change of the quadrant Q III to Q I and refers the corruption disposition to the character traits of the actors who are in the area of tension between realizing their own interests and adhering to moral actions, it can be assumed that this approach will be less successful in a dilemmatic situation of the "corruption race". As long as the relationship between self-interest and morality, called "trade-off", is not "harmonized" by appropriate incentives and the actors have to subordinate their self-interest to the welfare of the community, the moral approach can be described as less promising and exposed to the danger of succumbing to the "paradox of corruption". Looking at the role of the state, a "punitive approach" can deter potential perpetrators by negative sanctions. Tightening criminal law is the paradigmatic example for this approach. However, this approach is aimed at changing the framework conditions for action and not at changing the underlying motivation for action, so it can be assumed that this state prevention approach has only a limited effect in the fight against economic methods that damage society. It can therefore be stated that morality and law alone are not capable of institutionalising sustainable economic activity for the benefit of society and require further support, which can be described with the approach of "self-obligation" of companies. Together, the socially harmful state in Q III can be overcome and transferred into the desirable status of the 1st quadrant by directing the self-interest of the actors into socially beneficial paths by means of positive incentives. In their own interest, companies have to set the framework for their future conditions of action. This means that companies should assume regulatory responsibility in order to secure or restore legitimacy for their actions in the future. This approach of "self-obligation" (see also Chapter 1.3.2.2) with the resulting positive incentives for the actors is successfully practised by companies such as Siemens AG - details can be found at (www.siemens.com, p 3).

CSR can therefore reconcile this area of conflict by understanding the cause-and-effect relationships between ethics, politics (state) and economics (enterprise) explained above, which can be illustrated and made possible by different approaches to business ethics. For example, in contrast to Ulrich's (2001) integrative business ethics, which attributes ethics a dominance over economics, Suchanek's approach to economic business ethics is shaped by the "idea of a successful, lasting social cooperation for mutual benefit" (Suchanek 2005, p 72). Economic ethics represents "an attempt to reconcile our moral intuitions with reality, and that means in particular: Morality should not be brought into position against self-interest, but self-interest should be used in the name of morality" (Suchanek, 2001, VIII), or self-interest should thus be instrumentalized as a "decisive driving force on the way to the common good" (Kluge

2003), whereby Pies/Sardison (2005) advocate „mutual improvement as a regulative idea for the development of the world order". Siemens (www.siemens.com, p 26) describes in the foreword to its compliance system that the work on the system will never be completed and that its efficiency and practicality must be continuously improved and that the risk analysis in the preventive area must be adapted to the constantly evolving business. However, the multiplier effect of Siemens AG and other multinationals as "moral actors" (Noll 2002) can help to define principles on the basis of minimal morality that place justice, reliability, social care and sustainability at the center of economic activity. Thus it seems feasible to develop and establish a corporate culture that experiences social and economic acceptance worldwide. This process, however, requires "long staying power" and requires not only a dialogue between cultures but also a categorical understanding of ethics and economics (Pies, 2002).

CSR should not only be seen as a concept of the European Union or the United Nations, but rather as common values and fundamental rights (Commission of the European Communities, 2001) that can be practiced in the dialogue of all stakeholders. The new business ethics is incorporated in the form of traditional values and norms into those "mutually advantageous rule arrangements" (Pies/Sardison, 2005, p 193) that will be examined in the next Chapters.

It is not only through Generation Y and Z that new (old) values (again) become important, such as sense fulfilment and compliance. It is of utmost importance for a functioning organisational construct that the corporate culture is characterised by integrity and trust, to which CSR is definitely capable of making a great contribution.

1.3 CSR and its Economy Attributes

Many studies have identified various competitive advantages that can be summarized as follows (Arthur D. Little, 2003; Bertelsmann Stiftung, 2007; European Commission, 2015; Pohle et al., 2008; Hoffmann et al., 2008; Clausen et al., 2009; McKinsey & Company, 2009):

- Cost efficiency (energy efficiency, material efficiency).
- Risk reduction, improvement of risk management.
- Building and protecting the reputation.
- Increase of the motivation of the employees.
- Attracting and retaining talent ("War of Talents").
- Promoting innovation.
- Consolidation of customer relationships.
- Development of new businesses through new products and / or development of new markets.
- Improvement of investor relations.

Various studies have also been carried out relating directly to the relationship between CSR and financial performance, with the result that CSR does not in principle have a negative impact on financial performance, there is a positive relationship between CSR and financial performance in some individual cases and sectors, and there is an increase in the importance of sustainable investments (Orlitzky et al., 2003; Margolis et al., 2003; Bank Sarasin, 2008). The world's largest asset manager Blackrock

(Handelsblatt, 2019) is convinced that "the future of investing is sustainable". His thesis is supported by the figures that the volume of global capital invested according to ESG principles for 2021 is estimated at more than 23 trillion US dollars, which corresponds to a quarter of total assets under management worldwide.

Figure 6 summarises the advantages of CSR by referring to the size of the company (Loew et al., 2010). The small companies (up to 49 employees) in the focus of this thesis gain advantages in the areas of employee motivation, low fluctuation, cost efficiency and the opening up of new markets and can therefore identify CSR as a business case.

Figure 6: Competitive Advantages through CSR

Allocation of the Competition Advantages of CSR to Company Sizes						
Number of Employees	MNE	> 500	499 - 50	49 - 20	19 - 5	4 - 1
Competition Advantages						
Motivation of Employees						
Attracting and Retaining Talents						
Cost Efficiency (Energy, Material)						
Innovation Support						
Development of New Markets and Products						
Optimized Risk Management						
Reputation Improvement						
Improving Investor Relations						
Legend						
Applicable						
Not Applicable						

Source: Self-elaboration according to (Loew et al., 2010).

1.3.1 Guarantors of Success

In addition to the mindsets of all parties involved, established agreements, such as codes, value management systems and controlling - reporting systems, which are transparently verifiable within the framework of a quality management system, guarantee a successful sustainability system. In the following Chapters the characteristics of a value management system, trends in reporting systems and the sustainability balanced score card as a cost accounting instrument will be presented (Kober et al., 2021).

1.3.1.1 Value Management Systems (VMS)

The goal of a VMS is the sustainable and inclusive securing of the company in a legal, economic, ecological and social sense. Methodically a value - oriented organization and behavioural control is created through self - commitment. The value pairs of the company regarding morality, cooperation, performance and communication are to be related to each other so that they provide the enterprise a specific identity and orientation for decisions. The value management system basically refers to all relevant areas of corporate governance such as: Environmental -, Personnel -, Quality -, Risk

Management and Corporate Citizenship. Regarding compliance and value orientation "Doing the right things" and "doing things right" applies. Value management systems which are only right-oriented fail because of their lack of persuasive power whereas value-management systems which are only value-oriented fail due to their lack of operationalization. For the long - term safeguarding of legal entrepreneurial behaviour the introduction of corresponding guidelines is indispensable. By implementing corporate core values and behavioural principles identity - building and orientation -giving principles can be manifested. By integrating VMS into the strategy structure and culture of the company motivation of employees can be increased and can help in resolving conflict situations. Value management consists of at least four mandatory elements which in turn are composed of 10 building blocks (declaration of fundamental values, strategic orientation, implementation, model / autonomy, resources, communication, motivation, evaluation, documentation, evaluation). This Chapter will not elaborate on the 4 main steps "Codification" - "Implementation" - "Control" and "Organization". Details can be found in Wieland (2003). Various practical reports show that the VMS is not only an effective initiative to prevent manipulation and corruption but also represents a comprehensive value - oriented management approach and thus creates the conditions for sustainable economic success in, inter alia, the construction industry (EMB-Wertemanagement Bau e.V., 2007).

1.3.1.2 Reporting Systems & Trends

The instruments for mandatory reporting are on the rise. The Carrots & Sticks report (2016) identifies a total of 383 sustainability reporting guidelines in 64 countries, compared to 151 in 32 countries in 2010. The pressure for SMEs to participate in sustainability reporting can come directly from MNEs. For example, MNEs based in the European Union must comply with the respective national implementation of the EU Non-Financial Information Directive, which requires sustainability reporting from all suppliers. Small companies may also be subject to reporting requirements if there are no national reporting guidelines. Ethical, fair trade and organic labels are increasingly used and SMEs are aware of this trend and understand the benefits of qualifying for such labels to meet the expectations of consumers. The sustainability reporting cycle can thus create awareness and internal understanding, leading to new opportunities for small enterprises to succeed in the market for environmentally friendly and ethical products. Other stakeholders will look directly at the Sustainability Report to find relevant information, such as governments in public procurement or companies establishing relationships or partnerships. A handful of countries such as Chile and Spain have introduced initiatives that include support for SMEs to take on sustainability reporting based on use of the GRI Standards. In Spain, for example, the government of Catalonia with the Chamber of Commerce initiated this as part of a CSR action plan with a group of SMEs (Carrots & Sticks, 2016, p 17). Companies are encouraged to rely on one of the internationally recognized instruments such as the Global Reporting Initiative-Framework, the UN Global Compact Principles, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, ISO 26000, the ILO Tripartite Declaration of Principles concerning multinational enterprises and social policy and European Eco-Management and Audit Scheme (EMAS).

According to a study by PwC (2018), the following findings are available which can be categorized with regard to scope, location, business models, nature, minimum aspects, performance indicators, target measures, non-financial risks, audits and frameworks.

The average volume of reporting for all segments of the stock exchange under review is approximately 23 pages. The largest average concentration is between 10 and 19 pages.

The numerous options provided under commercial law for locating the Non-Financial Statement (NFS) have been used extensively by the companies. The DAX 160 segments examined practiced non-financial reporting for the most part outside the management report. The DAX 30 companies chose the option of full integration into another reporting system much more frequently than the other segments. In the TecDax, the majority of companies opted for an independent report on the website.

For the first time, the CSR Directive Implementation Act creates the obligation under commercial law to report on the business model. 85% of the companies considered operate with references to the presentation of the business model in the management report, which was already mandatory in the past for the application of the German Accounting Standard.

Statements on materiality considerations are not an obligatory part of non-financial reporting. As expected, 91% of the DAX 160 companies focus quite uniformly on the business relevance known from management reporting. Three-quarters of the DAX 160 companies take up the fact of impact relevance in their reporting. At 85%, this is done most frequently by DAX 30 companies and least frequently by the SDAX at 66%. The fact that 71% of the companies report on a stakeholder survey with regard to materiality assessment shows the strongly diverging materiality definitions between the German Commercial Code and, for example, GRI and illustrates the associated complexity for the author, which often led to a multi-dimensional consideration of materiality.

The commercial requirements specify five minimum aspects (environmental, labour, social, respect for human rights and the fight against corruption and bribery). 69% of the companies surveyed report on five aspects. Accordingly, significantly fewer companies make use of the possibility to report on more or less than five aspects. As a result, users generally follow the structure prescribed by law very closely. All companies report on employee issues. In addition to the minimum aspects, customer satisfaction and product safety are the most frequently reported topics. Non-financial reporting is based on the management approaches followed by the company management with regard to aspects and facts.

In addition to the objectives and measures pursued, the presentation of the so-called concepts also includes statements on the achievement of objectives. This usually takes place analogously to financial reporting with the aid of performance indicators. The percentage of employee indicators in all reported NFSs is highest at 37%, followed by environmental indicators at 27%. On average, 4 key performance indicators are reported for employee issues and 3 key performance indicators for environmental issues. The companies surveyed rarely use non-financial performance indicators for management purposes. Due to the lack of norms for the presentation of objectives and their achievement, qualitative or quantitative measures can be used. Currently, most companies prefer a qualitative presentation of goals and their

results. Only in the case of environmental concerns is there a quantitative target formulation of 1.3 greater than one for all the companies considered.

There is no reporting on significant non-financial risks following risk mitigation measures. This is primarily due to the high hurdle of the multiple materiality requirement for reporting non-financial risks. At least some companies point to immaterial non-financial risks that do not meet the materiality requirement. In this context, the negative declaration or failure to report material non-financial risks proved to be very transparent.

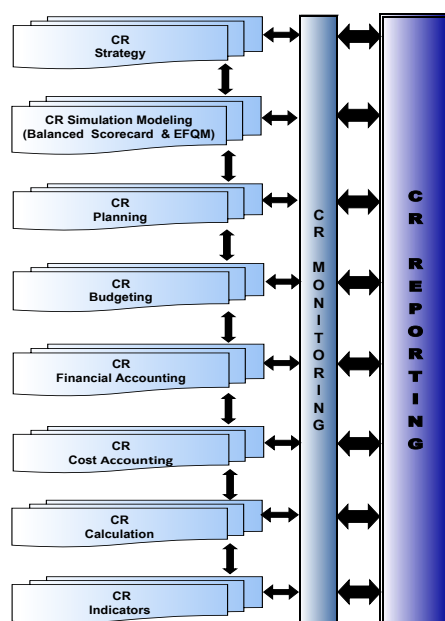
Despite the voluntary nature of an external review of the content of non-financial reporting, this has developed to become the market standard at 67%. In the DAX 30 only one company is not audited, whereas in the TecDAX only 48% resort to an external audit. 74% of the companies have the audit carried out by the statutory auditor and choose a limited audit certainty of 94%.

As a framework, the concepts of the Global Reporting Initiative (GRI) were applied the most across all segments with 59%. While no company in the DAX 30 applied the framework of the German Sustainability Code (DNK) as the leading framework, the share in the SDAX and TecDAX was comparatively high at 26% and 35% respectively. At 22%, the application of other frameworks was highest in the MDAX, which essentially comprises the UN Global Compact, the European Eco-Management and Audit Scheme (EMAS) and the UN Sustainable Development Goals (SDGs). Despite the large number of frameworks available, 19% of the DAX 160 companies did not use a framework. The current "GRI G4" framework was replaced by the new GRI standards in October 2016 and is mandatory for GRI reporting since July 2018, which will also be the standard for this work.

1.3.1.3 Tool System of Corporate Responsibility Managerial Accounting

In figure 7 the system is graphically demonstrated showing 8 elements applied for monitoring CR-related issues.

Figure 7: Tool System of Corporate Responsibility Managerial Accounting



Source: Self-elaboration according to (Dubcova, 2013, p 78).

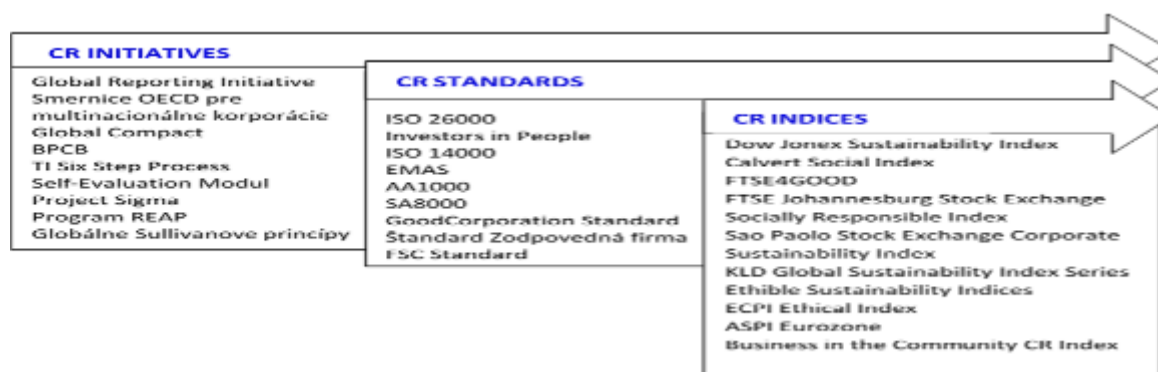
1.3.2 Regulations

1.3.2.1 General Aspects

As outlined in Chapter 1.2.3 using the "moralising and penalising approach", there is a close coherence between morality and law. Regulations within the framework of CSR have a high degree of binding force for companies, whereby German law applies to German companies, which harmonises with the case law in Western industrialised countries. Germany is also a signatory to international agreements such as the United Nations Charter of Human Rights (UNHCR, 1948), the Rio Declaration (UN, 1992), and the ILO (2006), and can be described as a highly regulated country. Since the social market economy in its libertarian form of interpretation propagates the self-responsibility of social actors ("subsidiarity principle"), codes, contracts, standards, industry agreements, indices etc. acquire a binding potential that goes beyond corresponding laws.

In summary some initiatives, standards and indices are shown in Figure 8, based on Dubcova (2013, p 81), followed by a more detailed presentation of the concept of "Self-Obligation".

Figure 8: Alternative Methodology of CR Managerial Accounting



Source: Self-elaboration according to (Dubcova 2013, p 81).

1.3.2.2 Self-Obligation

Codes of conduct often contain national and international legal regulations and are supplemented by company-internal codes. These "Codes of Conduct" are to be understood as internal instructions for action which companies postulate in consideration of their individual business context. This methodically enforces values in the organization that provide employees with orientation on how to behave in certain situations ("complexity reduction") and thus represent an important instrument of CSR implementation. They serve as an opportunity to act as "1st movers" on the internal and external environment and to stabilize or expand one's own position of power. Examples include codes of conduct under the auspices of international organisations, industry codes (for the construction industry EMB, 2007), supplier codes, international framework agreements or corporate governance codes (see also Chapter 1.1.3.1) Many of the codes of conduct of organisations refer to international agreements such as the Global Compact, the OECD guidelines for multinational companies or the ILO guidelines and thus also cover the requirements for compliance with the 17 SDGs (sdgcompass.org).

In order to unfold the full effectiveness of CSR with its economic, social and environmental benefits, the application of common methods and tools available on the market is required. In addition to the implementation of integrity measures, including self-imposed commitments to "good corporate governance", this also includes the use of control tools for managerial accounting, regardless of the size of the company. Only in this way will CSR ultimately "materialise".

1.4 Research Status of CSR

1.4.1 Status Quo of Current Theory & Practice

The theoretical foundations of responsible corporate governance can be clearly described on the basis of various perspectives (Schneider et al., 2015, p 21ff.). For this purpose the maturity model plastically represents the development steps from "CSR 0.0" to "3.0" by means of the CSR pyramid (refer also to Chapter 1.1.1). According to the phenomenological approach sustainable corporate governance can be described as a long - term oriented, value - based concept that demands responsibility for people and the environment. Seven hypotheses describe why companies should assume social responsibility. The ethical business perspective considers the preservation of trustworthiness - understood as an asset - as the very core of corporate responsibility whereby corporate self - commitment is seen as the basis of trustworthiness. The business perspective defines CSR as a "business case", i.e. as a business necessity for doing business (see also Chapter 1.3). As shown in Figure 9 the condition "Q I" is desirable meaning that society and enterprise profit from CSR (profit and moral as complementary goals). Other goals may include business models that are not socially recognized but profit maximized (Q IV -> Q I).

Figure 9: CSR - Added Value for Business and Society

		Socially Desirable	
		Yes	No
Economic Purpose	Yes	Q I <u>Business Case for CSR</u>	Q IV Profitable but undesirable (Profit Maximisation)
	No	Q II Unprofitable but socially desirable (Philanthropy)	Q III Socially and entrepreneurially undesirable

Source: Self-elaboration according to (cf. Schneider et al., 2015, p 73).

Further perspectives on economics, sociology and social capital will not be considered here and can be found in Schneider et al (2015, p 89ff.). Summarizing the findings from the previously explained theoretical fundamentals the following aspects can be recorded, especially for SME's: The aim should be to progressively reach "CSR 2.0" according to the maturity model in order to make the "Stakeholder - and "It – Pays – Theory" mentioned in the phenomenological approach effective. Economic ethical

aspects with the central concept of trust should always be elementary elements of the business conduct of small enterprises which earn their "license to operate" daily as "Honourable Businessmen". In doing so the business model should be aligned such that sustainable growth is paired with profitable business but not profit maximization.

1.4.2 Knowledge Framework

Many studies collect and analyse data using questionnaires or interviews that are primarily aimed at business leaders (Bertelsmann Stiftung, 2015; McKinsey, 2011; PwC, 2018; WEF, 2003; Wieland/Conradi, 2002; KPMG, 2017), some at marketing/investor relations managers (Hockerts/Moir, 2004; Maignan/Ferrell, 2000), NGOs (Rieth/Göbel, 2005) and citizens (Eberl/Schwaiger, 2004) or consumers (CSR Europe, 2001, 2017). Wider meta-studies are less common, e.g. Margolis/Walsh (2001) examined more than 90 empirical studies and Orlitzky/Schmidt/Rynes (2003) analysed empirical data over a period of 30 years. However, it is difficult to draw a clear picture due to different methodological approaches, with the exception of studies by individual authors such as Maignan (2001), who refer to Carroll's (1979) CSR structure.

1.4.3 Geographic Perspective

1.4.3.1 Introduction

Large German companies are increasingly pursuing strategic sustainability management which goes beyond a motivation that justifies legitimacy. Market orientation has thus gained in importance in order to allow proactive, innovative sustainability efforts to bear fruit in the medium to long term. Furthermore, an increased awareness of the integration of CSR into the core business can be observed by applying sustainability management methods which primarily fall within the area of responsibility of the management. Personnel issues are increasingly becoming the focus of attention as the qualification of the workforce is increasingly geared to sustainability aspects through further training. There is a need for action in the areas of finance, accounting and managerial accounting in order to better record and control the effectiveness of CSR measures on business success. With regard to stakeholder management there is further need for optimisation in which more intensive forms of exchange and integration are practiced for the purpose of maintaining and extending the "licence to operate". In order to ensure a closed sustainable value chain across all companies involved in the creation process, it will be necessary in the medium term to anchor binding sustainability issues in SME's as well. Through integrative consideration of ecological, social and economic aspects a win-win situation with prosperity gains for the entire society can be created in the sense of a "triple value".

Two and a half decades after the United Nations Conference on Environment and Development in Rio de Janeiro, the guiding principle of sustainable development has reached the consciousness of politics, society and business. However, many sustainability issues such as climate change remain unsolved and many problems (e.g. loss of biodiversity) have even intensified since then. Not least in the entrepreneurial context it becomes clear that no actor can manage the implementation of sustainable development alone. Instead, it is necessary to motivate companies to cooperate more closely with external partners such as

NGOs, state actors or educational institutions. It is essential that in the sense of stakeholder management the interests of all parties involved are taken into account and that all organisational areas within the company are involved in sustainability management. In the recent past around three - quarters of companies have stated that they at least partially link sustainability to their core business, with the focus of their sustainability efforts being primarily on the inside. Market-oriented sustainability strategies could rarely be identified. It was also noticed that some organizational areas are not involved in sustainability management and the effects of sustainability commitment on corporate success in the sense of "good corporate governance" are only measured sporadically. The findings on the current status of CSR in the German companies surveyed, which are presented in more detail in Chapter 1.4.3.2 cover the subject areas of intention, integration, implementation and training. "Intention" subsumes the reasons and motives for the introduction of CSR as well as sustainability management strategies and the currently relevant topics. The Chapter "Integration" examines whether and how companies include sustainability in their core business, who deals with sustainability there and which drivers of a business case are addressed. In the context of "implementation" concrete sustainability measures are analysed by involving stakeholders using management methods and measuring the effects of CSR. Finally, the topic "Training and further education for corporate sustainability" deals with whether and how companies qualify their employees for the implementation of sustainability

1.4.3.2 Germany

1.4.3.2.A Number of Employees / Classification of Companies

In 2019, there were a total of around 3.4 million companies with approx. 30.4 million employees in Germany (Statista 2021). Table 1 shows the number of employees subject to social insurance contributions by number of enterprises, whereby the Federal Statistical Office classifies the enterprises as follows:

1. Micro-enterprises: Up to 9 employees and up to 2 million Euro turnover.
2. Small businesses: Up to 49 employees and up to 10 million Euro turnover and no micro enterprise.
3. Medium-sized companies: Up to 249 employees and up to 50 million Euro turnover and not a small company.
4. Large companies: > 249 employees or a turnover of more than 50 million euros.

Table 1: Number of Employees referred to Number of German Companies

Employees	Number of companies
0-9	2.930.639
10-49	338.937
50-249	73.823
> 250	16.798

Source: Self-elaboration according to (Statista, 2021).

1.4.3.2.B Report Criteria

Since 2017, capital market-oriented companies, credit institutions and insurance companies with more than 500 employees and a balance sheet total of more than EUR 20 million or sales revenues of more than EUR 40 million have been subject to reporting requirements. According to a study by the University of Jena 536 companies in Germany are currently affected (Boeckler, 2016). In practice, many small and medium-sized enterprises will also be indirectly affected, for example through the supply chain. Reporting companies are expected to request such information from their subcontractors. At the beginning of March 2017 the “Bundestag” decided that subsidiaries do not have to report and that reporting at group level is sufficient. Businesses must provide information on the non-financial aspects of the environment, workers and social issues, respect for human rights and the fight against corruption and bribery including the following: - Description of the concepts pursued for this purpose, in particular with regard to compliance with operational due diligence obligations; - Results of the concepts pursued; - Description of the main risks arising from the company's own business activities; - Description of the main risks in the supply chain; - Identification of the main non-financial performance indicators relevant to the company's business activities. National, European or International Frameworks can be used to produce the reports. It must be reported whether a framework has been used and if so, which one. Otherwise it must be shown why there was no framework used. The principle of "comply or explain" applies. It is advisable to refer to well-established standards such as the guidelines of the Global Reporting Initiative, the principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises, ISO 26000 or the German Sustainability Code “DNK”.

What is right is what meets the requirements - what is common practice what keeps the effort in moderate proportions and is used in the industry. The information has to be integrated into the annual report after a certain period of time and must be made publicly available on the company's website for ten years. The information must be provided within four months of the balance sheet date. There is no obligation for the auditor to check the content of the financial statements. The latter only has to check whether the reporting has been submitted. This reporting is to be reviewed by the Supervisory Board which may also commission an external review.

In order to reflect the practical status and progress of sustainability management, Germany's largest companies were asked 27 questions using a standardized questionnaire. This was based on the Top 500 ranking published by the daily newspaper "Die Welt". This selection was supplemented by the DAX, MDAX and SDAX companies, which are not already among the 500 companies with the highest turnover in the country. The 50 largest banks and 30 largest insurance companies were also taken into account in terms of their total annual balance sheet and gross annual premiums. In the final, 383 companies were sent the link to the survey of which a total of 152 questionnaires from companies from all sectors and ownership structures were considered for the anonymous evaluation, which corresponds to a response rate of 39.7%. The distribution of enterprises in terms of annual turnover (or balance sheet total), number of employees and sector affiliation is such that the participating enterprises well reflect the range of large German Enterprises.

In the following the status quo with regard to CSR in German companies will be presented by explaining the motivation to deal with sustainability management and to what extent corresponding activities are integrated in the companies or how they are implemented. This is accomplished with the help of the thematic blocks "Intention", "Integration", "Implementation" and "Training", which are described in more detail below. The percentages are taken from the "Corporate Sustainability Barometer" study and can be accessed under (Schaltegger 2012).

1.4.3.2.C Status Quo

- Intention

This section will shed more light on the reasons and strategies of corporate sustainability and the sustainability issues currently relevant in practice.

- Reasons: Corporate sustainability management takes place for various reasons. On the one hand, demands from politicians, the public and other social stakeholders put pressure on companies (push factors), e.g. in the form of regulation or media attention (Dyllick et al., 1997). Accordingly, companies strive with their commitment to sustainability to legitimize their actions, their products and their existence in order to obtain the "license to operate". On the other hand, consumer demand or inquiries from investors and the behaviour of competitors can create market incentives that "pull" companies towards sustainability (Meffert et al., 1998). Above all, non-governmental organisations or environmental or social associations, as well as the media and the public, are regarded by large companies in Germany as particularly conducive to corporate sustainability. Suppliers, banks, lenders and insurance companies, on the other hand, are rated as neutral or less supportive.
- Strategies: Corporate sustainability can be pursued with different strategies. On the one hand, sustainability management can help to control risks and reduce costs. On the other hand, commitment to sustainability offers the opportunity to increase sales and reputation by differentiating and developing new markets (Crittenden et al., 2011). A company that takes defensive sustainability measures pays particular attention to reducing risks or costs whereas an offensive strategy aims at realizing opportunities, for example in the form of increased sales or the development of new business areas. In addition, internally oriented sustainability measures serve to achieve internal effects (e.g. promotion of employee motivation), while socially oriented measures are directed at the public or the media (e.g. via an environmentally or socially oriented risk management). Market-oriented measures serve, among other things, to increase sales. A large proportion of the companies surveyed therefore pursue internally oriented sustainability strategies. These are often both defensive (84.2%) and offensive (69.7%). In addition, a similar number of companies pursue a defensively socially oriented sustainability strategy (72.4%). Market-oriented strategies are less pronounced (48.7%) than the aforementioned strategies which also applies to offensively socially-oriented strategies (43.4%).
- Practical relevance: The results of the study show that the companies surveyed are involved in a large number of sustainability issues. Social topics (in particular training, occupational safety and security) as well as ecological topics (energy consumption) are on the agenda. On the other hand, companies are less than average committed to the topic of biodiversity. Companies tend to engage less in social

aspects that are more relevant in the supply chain (child-, forced- and compulsory labour). Ecological issues such as energy consumption, emissions, waste and waste water are in midfield. Many companies mention energy and resource-related topics such as water treatment and recycling, comprehensive life cycle assessments, CO2 compensation and energy-efficient buildings as relevant environmental topics for the future. In addition, product-related topics such as product life cycles, environmental financial services or packaging are mentioned. The social issues of future relevance are often internally oriented, such as work-life balance, sustainability in training and socially oriented, such as demographic development, consumer protection and urban development.

- Integration

The following section examines whether companies link sustainability to their core business, how they integrate organizational units and which drivers of a business case for sustainability can be addressed.

- Linking with the core business: Sustainable development requires consideration and integration of ecological, social and economic aspects into the core business (Porter et al., 2006). 94.1% of those surveyed said they linked sustainability in their company to their core business. Most companies establish such links through production, processes and employee training with resource efficiency as the thematic focus. Certification and renewable energies also play a significant role.
- Organizational areas: Sustainability management is a cross-cutting task whose implementation requires the integration of all operational functions and the management (Shrivastava, 1995). However, the management of ecological and social issues is still in development, both in business practice and in science. In addition, different functional areas take on different tasks in companies although functional specialization has increased in many large organizations making the interaction of the areas even more difficult (Steinmann et al., 2005). Accordingly, the ecological and social impact varies significantly from one organisational area to another. As expected, the staff divisions "Corporate Social Responsibility" including Environment, Health and Safety are most strongly affected by ecological and social issues. In addition, the human resources department and management are particularly affected by social issues and the production of ecological issues. Very little is affected by ecological and social issues in the areas of accounting / managerial accounting and financing which in some cases are even classified as inhibiting the implementation of CSR-issues.
- Drivers: The integration of sustainability in companies can succeed if conflicts of trade-off between ecological and social action and economic action are reduced as much as possible and, ideally, added value is created through ecological and social action (Schaltegger et al., 2005). The focus of corporate sustainability is not on the distribution of profits for good causes, but rather on creating economic value in a sustainable way in which "Business Cases for Sustainability" (Chapter 1.3) can be created. There are fundamentally different approaches to business cases, such as increasing efficiency, innovation, cost reduction, employee motivation, reputation enhancement, risk management, revenue growth and business model innovation, whereby the measures most frequently implemented are those that address efficiency increases.

- Implementation

The following section examines how companies integrate stakeholders, which management methods for the implementation of sustainability management can be used and which sustainability relevant topics and impacts are measured.

- Stakeholder involvement: Stakeholder engagement is very important for a company's sustainability management (Schaltegger et al., 1992). On the one hand, stakeholders are in a position to play a significant role in determining a company's sustainability strategy; on the other hand, the successful management of stakeholder relationships by the company can help to strengthen its own legitimacy and secure access to central resources. In addition, active stakeholder management makes it possible to recognize trends at an early stage and to increase the innovative ability of the company (Ruppel et al., 2000). The analysis of stakeholder relationships of companies is based on the classification developed by Krick et al. (2005). A distinction is made between the following successive stages: - Observing the stakeholders; - Informing the stakeholders; - Discussion with stakeholders; - Involvement in decision-making processes; - Networks for joint solution development; - Empowerment; - Transfer of decision-making competence. The analysis illustrates the following: The more (cost) intensive forms of involvement tend to be used less frequently than the basic forms of stakeholder involvement. Accordingly, information (94.7%) and stakeholder monitoring (93.4%) are the most commonly used measures. The application frequency of the more intensive forms of stakeholder involvement is significantly lower: While 86.2% of companies still say they discuss with stakeholders and 85.5% work with them this is still the case for 71.7% of companies for consideration in decision-making processes. Even more intensive forms of stakeholder involvement, such as empowerment (52.6%) or the transfer of decision-making powers (29.6%), are less frequently used.
- Management methods: Sustainability management methods serve to operationalize and implement corporate sustainability in corporate practice. This enables ecological, social and economic concerns to be integrated into the day-to-day business of companies. Looking at the ten most frequently used methods for implementing sustainability management it becomes clear that conventional management methods of business management, which are related to sustainability, are the most widely used. Training (92.1%), working time models (87.5%), quality management systems (84.9%), proposal systems (83.6%), incentive systems (77.6%) and, somewhat less frequently, personnel managerial accounting (69.7%) and risk analyses (68.4%) are used. However, methods with a clear environmental or social reference such as the environmental management system (71.7%), social or cultural sponsoring (69.7%) and environmental indicators (69.1%) are also among the top 10 most frequently used methods. Integrated sustainability management methods that take ecological, social and economic aspects into account are used much less frequently despite their high recognition, e.g. the sustainability audit (22.4%) or the Sustainability Balanced Scorecard (11.8%). Exceptions here are the sustainability report (62.5%) and the sustainability mission statement (55.3%) which are applied in more than half of the companies surveyed. The least used methods are Socio-Eco-Efficiency-Analysis (4.6%), "Öko-Kompass" (3.9%) and sustainability reporting and accounting

(2.6%). The most frequently applied standards and guidelines are the ISO standard families with application rates of over 60%. The GRI guidelines (48.0% in 2016, 59 % in 2018 – PwC, 2018) and the principles of the UN Global Compact (34.2%) are also relatively often taken into account. The most important properties are considered to be the feasibility (40.1%) of the methods and their economic efficiency (30.9%). Flexibility (2.6%) and consideration of the local context (2.0%) are evaluated as less important.

- Recording/measurement: Successful sustainability management requires managerial accounting the ecological and social effects of corporate activity and measuring the effects of sustainability management on economic performance (sales increase, reputation gain...) (Collison et al., 2003). Measuring sustainability performance is also of great importance for external perception and evaluation by third parties (rating agencies) (Windolph, 2011). 93.4% of those surveyed said they recorded energy consumption, while the development of the number of jobs and occupational safety and health was measured at 92.8% each, training at 92.1%, emissions, waste water and waste at 90.1% and water and materials consumption at 86.2% each. The developments in child-, forced- and compulsory labour (40.1%), consumer protection (37.5%), freedom of association / right to collective bargaining (35.5%) and biodiversity (20.4%) are measured the least frequently. The integration of environmental and social measures into the core business requires a successful link with economic activities. Nevertheless, only 18.4% (business model innovation) to 46.7% (efficiency/productivity) of companies state that they measure the impact of their sustainability management on the respective drivers of a business case for sustainability. Of the companies that determine the impact on competitiveness or economic success, more than half see a positive impact of the sustainability commitment on the respective business case drivers and thus improved competitiveness or greater economic success. The impact of sustainability management on innovations (67.3%), efficiency and productivity gains (65.7%) and reputation or brand value (64.3%) is judged most positively. An impairment of competitiveness is rarely seen (maximum 7.0% in the case of costs). The data collected underline that companies still measure the effects of their activities on environmental aspects more frequently than the social effects. However, trends are becoming visible that social issues are also increasingly monitored by measurements.

- Training and further education

The implementation of corporate sustainability requires the involvement of employees (micro-level). Here not only the motivation but also the qualification of the workforce is of central importance (Wilson et al. 2006). The survey on training and further education shows that the majority of companies are generally relatively well placed to meet the demand for qualified employees (56.7%). However, 27.0% of companies claim that they are unable to meet their needs adequately. This shows that there are great differences between companies. By contrast, only 18.9% of those surveyed rated the qualification of the workforce for the design and implementation of corporate sustainability measures as positive, while 45.9% of the companies regarded the workforce as not or not specifically qualified. Here, too, there are major differences between companies. 56.8% of those surveyed cited personal skills as the most important

competence for implementing sustainability. Characteristics such as ecological and social awareness, motivational ability and sense of responsibility therefore play a central role when sustainability measures are to be implemented together with the workforce. Personality competence is clearly followed by professional competence on sustainability issues (rated by 27.0% as the most important characteristic), social competence (10.8%) and methodological competence (2.7%). In order to increase the sustainability competence of the workforce the companies asked most frequently apply further training measures (94.6%). Initial employee training is promoted or competence portfolios are used much less frequently (in 43.2% of cases). By contrast, only about one third of companies recruit new employees with specific sustainability qualifications.

1.4.3.2.D Slovakia

According to the article “Comparison of Perception and Application of CSR in Enterprises of Slovak Republic” (Stojanová et al., 2017) the findings future challenges have to cope with are as follows:

- Lack of information about the concept of CSR.
- Lack of specialists in the field of social responsibility.
- Insufficient financial resources.
- Absence of a legally binding legislative framework.

The results show that companies often use CSR activities intuitively without interconnection to the main strategy, mission or vision of the enterprise. Based on the comparative analysis and its findings the authors formulated the following recommendations complementing the strategy of the implementation of the CSR concept for public and private companies:

- Increase CSR awareness and knowledge especially of the young generation in order to influence their behavior in this area.
- Increase the competence in the field of CSR in general (students, teachers, employees, management).
- Develop CSR awareness and improvement of the Slovak business and management environment.
- Ensure transition from partial activities of corporate social responsibility to the complex systematic (holistic) approach by means of integration of CSR strategy into the companies “DNA”.

According to a survey conducted by the Slovak Compliance Circle (SCC 2015) two out of three respondents see ethical business conduct as a competitive advantage with positive effects in a long - term perspective. As the situation in the public sector is in general referred to as the key part of the corruption problem in the Slovak environment it is encouraging that there are many other factors through which the business community believes it can influence their integrity climate. Respondents stated that leading by example is more important than any set of preventive or consequence measures or overall market atmosphere. It means that in order to achieve fair and ethical business conduct companies must pass through the process of cultural change. Although substantial ethical awareness of employees can be seen today they also indicate their understanding that a long way is ahead of each of them to achieve adequate application of ethical principles. According to an idea in the theory of business ethics integration of ethics and economics takes place at four levels – individual, organizational, macro level and global. At each

level different subjects bear responsibility for development of ethics: a particular person at the individual level; owners and management at the organizational level; state, parliament and justice at the macro level and international organizations with worldwide impact at the global level. Changes in business ethics at one level influence business ethics at other levels. The ideal situation for growth of business ethics in practice occurs when all levels demonstrate interest in systematic expansion of ethics in the economy. The results of the SCC survey prove that the determining factors for development of business ethics within the examined organizations appear to be internal whereas the incentives and stimuli from the macro level (public sector) are not so relevant. This correlates with the findings of a survey conducted about codes of ethics from 1996. Based on this results organizations will play the key role in development of the business ethics, not the macro level. The cause of the situation goes back to the 90's when intentional transformation from centralized to market economy began in Slovakia. Politicians managing the process put emphasis on creating a legislative framework of a business conduct whereas the moral aspect was not so important. According to a global fraud report published in 2014 Slovakia ranked the fifth most corrupt of 28 EU countries (Ernst & Young, 2014). 56 % of Slovak respondents consider corruption widespread in their country (the global average is only 38 %) and 62 % of Slovak managers would use bribery / corrupt practices in order to win business. At the same time 22 % of managers state that it is common practice to use bribery to win contracts. The Slovak Republic is among the top five countries worldwide with high tolerance of excess expenses for representation and the provision of personal gifts or services in order to win orders. Only 18 % of surveyed Slovak companies have whistleblowing hotlines installed compared to 96 % in the USA. 60 % of respondents from Slovakia feel that non-ethical practices can be justified to meet financial targets. Anti-bribery and / or anticorruption policies and code of conducts are implemented in only 64 % of organizations. This is far below the global average of 81 %. Only one out of four respondents from Slovakia attended anti - bribery / anti - corruption training, which is below the global average (47%). The implementation of a whistleblowing hotline was discussed by the National Council of the SR and as a result since 2015 a whistleblowing hotline must be implemented by employers with more than 50 employees.

As demonstrated in this Chapter it is absolutely necessary to practice sustainability and carry it into the company in the form of "good corporate governance". This applies equally to large, medium-sized and small companies, which, as already described, operate self-interested in the sense of "triple value" in addition to the creation of societal advantages and thus earn and preserve their "license to operate".

1.4.4 Contextual Focus

The focus of this thesis will be on the economic perspective and will aim at providing small companies from the construction business with practice-relevant instructions on how to implement CSR in their companies. In particular, topics of corporate strategy are considered with the materiality criteria relevant for all stakeholders concerned and correlations to economic performance are established by systematically integrating employees, customers, suppliers and investors into the implementation concept.

1.4.4.1 Focus Groups

According to Bassen et al. (2005), CSR is understood as interaction with these stakeholders, with the stakeholder theory shaping the CSR discussion and referring to the type of stakeholder, norms and values. Here the earlier understanding of shareholders as the most important corporate target group (Friedmann, 1962) has changed and was substituted by the concept of the so-called relevant stakeholders (Clarkson, 1995). The circle is, however, extended to the general public, since otherwise there may be a threat to the existence of companies through non-observance of this social group (Andres, 2004). Studies that focus on employees or executives consider aspects such as employee incentives (Maignan/Ferrell/Hult, 1999), increasing the number of employees (Maignan/Ferrell, 2004, p 13), increasing productivity, ethical behaviour and ethical decision-making (Anand/Ashforth/Joshi, 2004). The ethical behaviour of managers is of particular interest in the CSR discussion because it is seen as one of the causes of the various corporate scandals of recent years. In an experiment with 34 active managers of US companies, Rose's study (2007) shows that the decisions of managers are conditioned by their own perceived legal obligation. Although they are attributed high ethical and moral values and recognize the ethical dilemma, their decisions follow a hierarchy of responsibilities that puts compliance with the law first, followed by fulfilment of obligations to stakeholders. Rose concludes from this insight that additional ethical training, for example, has only a limited influence on management decisions.

As already in Chapter 1.2.1 mentioned, in the literature a new paradigm characterized by a change from a shareholder - oriented model to a stakeholder - oriented approach based on the stewardship theory is described and particularly in the light of increasing environmental management - and corporate scandals, the shareholder - oriented version of the principal - agent theory is increasingly being questioned today. Principal - agent - relationships, which represent the contract-theoretical perspective of organizations, are characterized by the fact that the principal delegates decision-making authority to the contractor / agent, and the latter acts only conditionally in the interest of the former and instead pursues its own goals. Consequently, the agent will only fulfil the principal's mandate optimally if the interests of both parties coincide. The basis of all principal - agent relationships is the different risk -, information - and interest distribution prevailing between client and contractor (Beckmann, 2006; Grothe, 2006). The following four problem characteristics can occur through the delegation of tasks (principal -> agent) (Jost, 2001): - Hidden Characteristics: The agent has properties that the principal cannot determine before the contract is concluded. These can be either desired (but not existing) or undesired (but hidden until the contract is concluded) characteristics. - Hidden Information: In the decision making phase, the information situation of the agent remains hidden from the principal, making it either impossible or only possible at high cost for the principal to assess the agent. - Hidden Action: Due to (the frequently encountered) spatial distance and lack of monitoring mechanisms, the principal is only able to observe the agent's behaviour to a limited extent, which can tempt the agent to either reduce the quality of his performance or to perform actions that cannot be observed ex post. - Hidden Intention: The true intentions of the agent remain hidden from the client. He is dependent on loyalty and must avoid self - motivated actions of the agent, which can have a negative effect on the achievement of his goals. The problem areas outlined above, which arise as

a result of delegation relationships, cause agency costs, which can be composed as follows (Jensen and Meckling, 1976):

- Monitoring Costs by satisfying the principal's need for information and steering the agent.
- Risk Premiums received by the agent (e.g. in the form of variable remuneration components).
- Opportunity Costs. They arise when the agent makes decisions that are detrimental to the principal (e.g. through reduced work performance).

In the following, some approaches to solve problems caused by information asymmetry will be presented:

- Screening: The principal informs himself about the qualities of the candidate prior to the conclusion of the contract.
- Signalling: Agents with above - average qualifications can market themselves by disclosing references.
- Vertical Integration: The principal should be protected from the agent's unfairness, which can be achieved by long - term contracts, securing rights of disposal or social values - and penalty systems.
- Motivational and Incentive Systems: The principal is interested in a high level of effort on the part of the agent and can try to motivate higher performance through performance - related variable salary components.
- Information and Control Mechanisms are used to ensure that the principal is fully informed about the agent's behaviour and the extent of external effects. Examples of this are, inter alia, the Supervisory Board, the duty to prepare and audit external financial statements by independent auditors and the voluntary obligation of management to provide information in the context of investor relations.

Under normal circumstances, it can be assumed that conflicts of interest arise between owners and management, the reasons for which may be as follows (Mustaghni, 2012):

- Empire Building: If the investment policy of the manager is not oriented towards the interests of the shareholder ("value increase"), but follows the maximisation of his own benefit, this is done in order to increase the sphere of influence as well as the income of the agent.
- Short - Termism describes the manager's focus on short - term success. Agents can be motivated by false incentives, e.g. to increase the share price in the short term through an underinvestment not observable by the shareholders (reduction of expenses for employee training etc.).
- Quiet Life: According to Bertrand and Mullainathan (2003), managers tend to lead a "quiet life" and therefore avoid critical decisions.
- Hybris: The hybris hypothesis expressed by Roll (1986) states that a certain form of over - investment problem is due to the manager's (inappropriately) optimistic view of future earnings developments. In addition to over - investment, there may also be an increase in indebtedness if the optimism does not lead to an increase in equity.
- Herding occurs when managers imitate strategies of other managers instead of making decisions based on their own information. From an agent's point of view, this strategy is the lower - risk variant, because as Zwiebel (1995) shows, "strategy imitators" are rated higher by the market.
- Low-Risk Investment Policy: Managers generally pursue a low - risk investment policy with a high degree of self - financing, which effectively counteracts the risk of bankruptcy and the associated loss of their assets.
- Consumption on the Job: Agents benefit from the consumption of corporate resources (e.g. luxurious office furnishings, company cars etc.).

As already mentioned above in the case of the areas of tension caused by delegation, costs caused by conflicts of interest can also have a negative impact on company evaluation and the success of the company.

Stewardship theory has gained in importance in order to model the relationship between principals and managers on the basis of other behavioural assumptions (Donaldson and Davis, 1991) against the background that sociological and psychological research results in particular show the theoretical limits of the economic research paradigms of the agency approach. Davis defines this approach, also in comparison to the agency theory, as follows (Davis et al., 1997, p 20 - 21): "Stewardship theory defines situations in which managers are not motivated by individual goals, but rather are stewards whose motives are aligned with the objectives of their principals. Therefore, exclusive reliance upon agency theory is undesirable because the complexities of organizational life are ignored. Additional theory is needed to explain relationships based upon other, noneconomic assumptions". In this theory managers appear as intrinsically motivated actors in the form of a "self - actualizing man" (Argyris, 1973), who mainly benefits from the responsible exercise of his tasks. "Against this background, there is also no conflict of interest between agents and principals, and the creation of structures that enable managers to effectively strive for their goals of high corporate performance becomes the most important governance decision" (Bresser and Valle Thiele, 2008). The management strategy can be characterized as participatory rather than control - oriented, with risk management characterized by delegation of competencies and trust. A small power distance reflects the organisational culture in relation to an individually shaped "high power distance" in the agency theory (Davis et al., 1997, p 32 ff.).

In summary, it can be stated that, depending on the corporate culture both theories, agency - and stewardship - approach, in principle have their right to exist and consequently a choice between agent - and stewardship - relationships must be made. Figure 10 shows in a matrix which four possible scenarios can occur and sometimes become dilemmatic if the participants - managers and principals - have different choices.

Figure 10: Matrix "Principal - Manager"

		Principal's Choice	
		Agent	Steward
Manager's Choice	Agent	Q I Minimize Potential Costs Mutual Agency Relationship Stabile Relationship	Q II Agent Acts Opportunistically Principal Is Angry Principal Is Betrayed
	Steward	Q IV Principal Acts Opportunistically Manager Is Frustrated Manager Is Betrayed	Q III Maximize Potential Performance Mutual Stewardship Relationship Stabile Relationship

Source: Self-elaboration according to (Davis et al., 1997, p 38).

If principal and manager choose an agency relationship according to Q I, there is a clear PA - relationship. If a relationship is designed in accordance with Q III, this "stewardship relation" provides the prerequisites for maximising the company's success. The manager derives personal benefit from achieving the company's goals, while the principal grants him the necessary freedom and trust. The

constellations in Q II and Q IV are problematic. If the principal chooses a stewardship relationship and the manager an agent relationship (Q II), the manager acts opportunistically to the disadvantage of the principal. The manager tries to maximize his personal benefit at the expense of the company. The manager's personal profile conflicts with the situational conditions created by the principal. Possible solutions to the conflict could be that the principal introduces controls, withdraws or, as a last ratio, dismisses the manager because he feels betrayed. The situation in Quadrant IV can cause the manager to feel frustrated and betrayed by the principal. When "stewards" are monitored and controlled as "agents", they do not experience the intrinsic rewards they seek and will consequently behave dysfunctionally. The explanations show that situations in quadrants I and III lead to "stable" principal - manager relationships, while situations in quadrants II and IV are unstable and conflictual. The conflict potential solutions may tend in one direction or the other, depending on the power potential of the principal and the agent, in order to overcome the dilemmas.

According to KPMG (2006), the reason why ethical and legal standards and rules are violated by 80% of companies and their steering agents is that they can obtain financial benefits by circumventing these normative entities (see also Chapter 1.2.3). Finally, other studies focus on external target groups in which the expectations and behaviour of customers/consumers with regard to CSR messages are analysed (Sen/Bhattacharya, 2001) or investors are the object of investigations (Hockerts/Moir, 2004).

With regard to CSR, there is still considerable potential for development, especially among SMEs. Most CEOs have barely any information on the concept, if any at all, and there is too limited expertise that can be used. Furthermore, there is a lack of a legally binding framework that also eliminates "free riders" from the competition. It is important to understand the meaning of CSR so that the often intuitive pattern of action is broken and gives way to a professional realisation of the "triple value". The state, trade chambers and companies (industry standards...) must become active here, otherwise high transaction costs will inevitably arise, which can have macroeconomic damaging potential. Managerial accounting can play a central role in this process in order to responsibly control risk management, among other things.

1.5 CSR within the Construction Business

Since approx. 30% of all employees in Germany work in the construction business as a whole, the focus will be on this economic sector. Medium-sized companies (50 up to 249 employees) and large companies (> 249 employees and annual sales of > € 50 million) should not be included in the study, as they either already have reporting obligations or currently appear to start introducing CSR measures. The focus will therefore be on small companies (1 < number of employees < 49 and turnover < 10 million € p.a.), which account for 11.8% of all employees in Germany and thus provide sufficient momentum to implement CSR measures on a broader scale, as shown in the Chapter 1.5.1.

1.5.1 Statistics

Table 2 shows the number of employees of all German companies, whereby the selected sectors and company sizes relevant for this work are shown in "bold type". Of the approximately 30.4 million

employees, about 3.6 million people are employed in the considered area in the construction industry and the manufacturing sector ("Construction Business"), who can be mobilized in this sector with regard to sustainable management by means of CSR.

Table 2: Employees in German Companies by Company Size and Economic Sector

Number of Employees in Companies in Germany by Company Size and Economic Sector in 2019					
	Microenterprises	Small Companies	Medium Sized Companies	Large Companies	Total
Construction Business	1.438.055	2.145.083	1.690.476	3.869.444	9.143.058
Mining and Quarrying	3.399	12.075	11.741	28.225	55.440
Energy Supply	407	4.388	26.058	196.990	227.843
Water Supply, Disposal and Remediation of Pollution	5.152	45.725	83.123	103.123	237.123
Trade, Maintenance and Repair of Motor Vehicles and Motorcycles	1.330.472	1.565.609	1.368.227	3.131.483	7.395.791
Traffic and Storage	221.490	482.982	495.207	1.142.235	2.341.914
Hospitality Sector	609.474	1.037.524	439.373	214.442	2.300.813
Information and Communication	225.555	249.971	270.773	494.417	1.240.716
Real Estate and Housing	267.602	102.349	57.411	59.005	486.367
Professional, Scientific and Technical Services	976.207	722.391	396.988	637.774	2.733.360
Other Economic Services	418.417	524.988	1.221.191	2.018.033	4.182.629
Repair of Computer Equipment and Consumer Goods	26.440	8.727	6.139	4.338	45.644
Total	5.522.670	6.901.812	6.066.707	11.899.509	30.390.698

Source: Self-elaboration according to (Statista, 2021).

1.5.2 Sustainability Aspects

In the following the sustainability aspects will be explained by means of the Sustainability Balanced Scorecard (SBSC) (Jassem et al., 2021). The implementation of an SBSC will be presented on the basis of a practical case from the construction industry of Bau GmbH. In the first step the strategic business unit is to be selected.

- Selection of the Strategic Unit

For the sake of simplicity it is assumed that Bau GmbH is active in only one business segment which means that the company level and the strategic unit level coincide. Bau GmbH is active in the field of concrete rehabilitation of buildings. The enterprise regards itself as a supplier of high-quality products in the field of refurbishment and is primarily active in the German market. In the so far only rudimentarily formulated strategy of the micro enterprise aspects of the environment and the social played rather a subordinate role.

The management wants to increase the current return on capital employed from 4% to 6% and gives itself two years to do so. The market for concrete refurbishment in Germany is expansive but is under great margin pressure not least due to the EU's eastward expansion with inexpensive suppliers from these areas. The aim is to raise the return on capital employed (ROCE) mainly by increasing sales by 25 %. The current market share is approx. 5 % and, with market growth of 5 % per annum, must be doubled in order to achieve the targeted increase in turnover. Furthermore, an improvement in the return on sales of 0.6 % points should also contribute to achieving the financial target.

The management as "top and first sales representative" is very well informed about the market needs due to its proximity to the stakeholders - especially customers. Above all, customers demand a relationship of trust that is characterized by legality and legitimacy. Since one sees the anchoring of a CSR strategy as, among other things, the solution for the institutionalisation of legality a focus of work has been identified that can contribute to consolidating and increasing market shares (sustainable protection of the "licence to operate"). Furthermore, improvements are aimed for in the HR area which should ultimately lead to productivity increases through training and motivation measures. The R & D area also offers potential for optimisation and growth which is to be realised through cooperation with universities, among

others (leads to higher eco-efficiency). However, the key activity identified is the HSE - area in which there is great potential for improvement. Modern working aids and suitable training measures - including for subcontractors - can create a working environment characterised by low accident rates and thus contribute directly to increasing the return on sales through reduced costs and increased revenues through higher activity rates (leading to higher socio efficiency). Bau GmbH's strategy will therefore be to optimize internal processes through a suitable CSR strategy and to ensure a transparent and sustainable quality standard for external stakeholders. The price-performance ratio should at least remain constant or be slightly increased through these measures. The vision and the strategy derived from it form the basis for the definition of an SBSC and can be summarised as follows: Bau GmbH, which does not compromise on integrity and safety, is the market leader in Germany in the field of refurbishment of buildings and offers high-quality, durable and health-compatible "state of the art" products at fair prices.

- Identification of Environmental - and Social Exposure

In this step it is a question of determining the environmental and social aspects which directly affect Bau GmbH. Figure 11 lists the most important aspects that have an impact on the environment (Figge et al., 2001 a, p 43 f). As can be seen there is an environmental exposure which is primarily characterised by energy consumption, waste (solid and liquid) and toxic emissions.

Figure 11: Environmental Exposure of Bau GmbH

Environmental Exposure of Bau GmbH	
Energy Consumption	Air compressor, stirrer, electricity buildings, fuel vehicle fleet
Waste (solid/liquid)	Packaging material, solvents, paint residues; wooden pallets
Material Use	Water for paints, dispersions, cement materials
Emissions (Gas, Liquid, Noise)	Toxic vapours from solvents, sludges; noise compressor

Source: Self-elaboration.

Figure 12: Social Exposure of Bau GmbH

Social Exposure of Bau GmbH					
Direct Stakeholders			Indirect Stakeholders		
Internal	Along Value Chain	Local Environment	Along Value Chain	Local Environment	Social
Employees	Clients	Residents	Employees Client	Fire Brigade	State
Job Security	- Contract fulfilment in T/C/Q - Compliance (corruption...)	Compliance with working hours	Compliance with tender conditions *	Close cooperation in emergency cases	- Dealing with minimum wage remuneration and social insurance for all employees - Compliance conformity
Fair Remuneration	Innovative products which are healthy and durable	Low odour and noise emissions	Employees Suppliers		Taxes
	Flexibility		Job security		Development of region
Safe working conditions	Suppliers	Community	Fair Remuneration		Consumer protection groups
Development Opportunities	Stable business relationship	Sponsoring	Safe working conditions		Qualitative work
	Compliance with payment schedule		Research institutes		Lowest emissions
	External experts		Transparent collaboration		"Zero Accidents"
	Fees in line with the market				

* Public client

Source: Self-elaboration.

In contrast to environmental aspects social demands are based on communicative interactions rather than physical impacts. The stakeholder approach (Freeman, 1984) can be used to determine these aspects. In comparison to indirect stakeholder groups direct stakeholders have a direct exchange relationship with

the company, such as employees, customers or residents. Their demands on Bau GmbH are shown in Figure 12 above.

In connection with the strategy and the success factors described therein the basis for the formulation of the SBSC of Bau GmbH is created by determining in the next step the strategic relevance of the environmental and social aspects related to the 5 perspectives explained below.

- Determining Strategic Relevance

For each perspective the goals, indicators, targets and measures are derived from the vision and strategy and causally linked to the financial perspective ("top down"). In contrast to a typical Balanced Score Card the SBSC takes into account the environmental and social aspects identified and integrates them according to their relevance. The goals and KPI's of the following perspectives must be able to explain conclusively how the goals and KPI's of the higher-level perspectives are causally related.

Financial Perspective

For Bau GmbH the following key figures and targets have been determined by the management:

- Increase of the return on capital from 4 % to 6 % within the next 2 years.
- This is to be achieved by:
 - Sales increase of 25 %.
 - Increase in return on sales by 0.6 %.

Customer Perspective

In order to be able to generate the targeted sales growth it is primarily important to achieve a high level of customer satisfaction with outstanding customer loyalty. As performance drivers product characteristics are identified by the management which have a high durability at a fair price-performance ratio and corresponding health compatibility. An impeccable reputation on the market is indispensable for business success and should be ensured by an environmentally and socially compatible image. In order to intensify customer relations cooperation agreements will have to be concluded which can also be manifested in the area of joint R & D - activities (like field tests).

Process Perspective

From the superior goals of the financial and customer perspective the key elements result in the following lagging indicators as "Production costs", "Toxicity", "HSE" (Safety), "Patents" and "Compliance". The production costs have a direct influence on the return on sales and are indirectly related to the socially specific aspects where the customer demands fair contract fulfilment in terms of costs, time and quality. The consideration of health-compatible products is represented by the lagging indicator "Toxicity" and has strategic relevance for Bau GmbH via the environment - (see Figure 11) and social aspects (see Figure 12). Similar to compliance HSE is a "must" at Bau GmbH in order to obtain the "licence to operate" from customers and society. By complying with the safety standards both productivity and reputation on the market and within the company can be increased which is essential for fulfilling the criteria defined in the customer and financial perspective. In the area of compliance the demands of indirect stakeholders are also reflected who expect the employees to be remunerated according to the minimum wage. This fulfilment serves an important social aspect of Bau GmbH. Last but not least patent applications are

important in the area of innovations in order to expand the market position and increase the market share and sales figures. Quality management" (QM), "pollutant usage", "energy - water - material efficiency" and "legal" are identified as central leading indicators. QM has to ensure that costs, toxicity and safety are monitored and adhered to in production while energy - water - material efficiency has a direct influence on production costs and thus on the return on sales. Legal has a strong social dimension and influences the entire business model and thus the revenue development via the sales area, as non-compliance with legality is an exclusion criterion and must be avoided at all costs especially for public clients.

Learning - and Development Perspective

As with the previous perspectives the goals and indicators in this area must be causally linked to the higher-level goal definitions as well. Employee satisfaction and employee productivity can be identified as key strategic parameters. Fairly remunerated, well-trained - also in the area of compliance - employees who also work in a "healthy" working environment with "state-of-the-art equipment" form the basis of Bau GmbH and thus the foundation for achieving the financial goals. By means of a transformational management style it can be ensured that the working atmosphere contributes to increasing the productivity of the motivated employees who have been with the company for many years. This is done by the participatory involvement of all persons concerned in the "sense and purpose" of the business activities.

Non - Market - Perspective

Here it is shown to what extent the formulation of a non-market perspective is essential for the achievement of the strategy's objectives. To support decision-making the previously defined environmental and social aspects can be examined in terms of the following questions (Figge et al., 2001 a, p 56 f):

- Are there topics that affect strategic success via non-market mechanisms?

Three categories are given:

- a) "Legality" of corporate activities (Hahn, 2001).
- b) "Legitimacy" (Dyllick, 1989).
- c) "Autonomy of Action" (Schaltegger, 1999).

- Are they strategic elements or hygiene factors?

If it is not possible to fulfil the environmental and social aspects "sufficiently", but excellence is necessary to guarantee strategic success, these are not hygiene factors but core elements to be taken into account.

Bau GmbH regards the social aspect of "Legality" as a central non-market success factor. This applies in particular to public sector which has a major influence on the successful business activities of Bau GmbH. Only those companies can take part in public tenders which orient themselves according to the relevant laws and are not "black-listed". This aspect of sustainable integrity is gaining particular attention especially in view of the growing competition from foreign market competitors with corresponding price pressure. Customers from the private sector also pay close attention to the reputation of the companies they commission, including their subcontractors, who also have to meet integrity requirements. The legal

department which is led by the management in personal union is seen as a performance driver and has to ensure compliance with "law and order".

- Strategy – and Road Map

Once all five perspectives have been defined and causally linked the SBSC can be presented as a strategy map in the result, as shown in Figure 13. The illustration shows the main paths (red) for achieving the sustainable financial targets which are briefly explained as follows:

1) Employees who fit into the corporate culture and are motivated through participation by appropriately dispositioned managers lead to a value-oriented orientation and working method of the company. Compliance oriented work is not backed up but lived automatically and efficiently. In this way the company receives the "licence to operate" via society and customers (customer satisfaction high), which in turn represents the basis for (increased) market shares. This enables an increase in turnover that can contribute to an increase in the return on total capital employed.

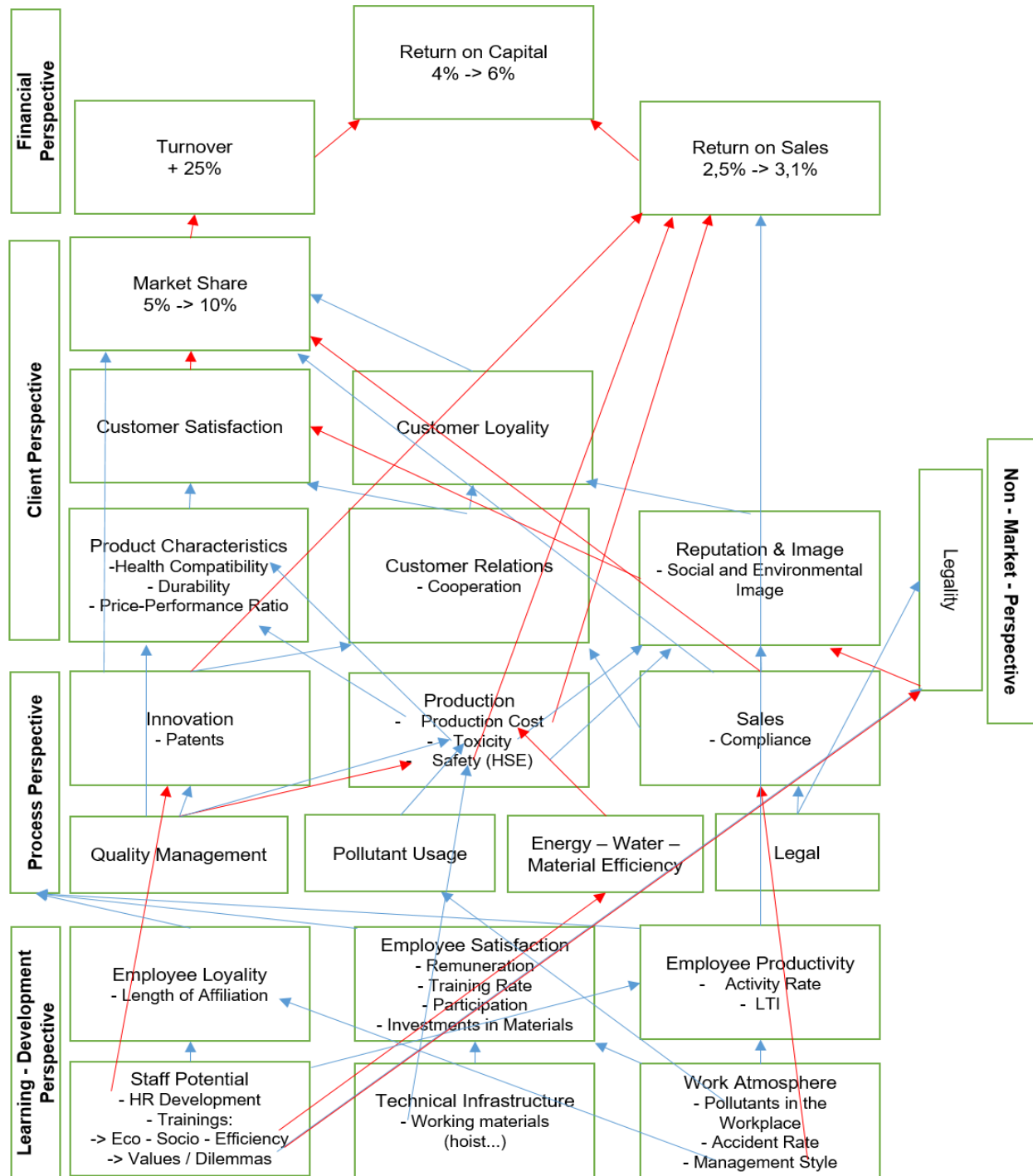
2) Trained and skilled personnel can be eco- and socio-efficiently aligned which can materialize synergies and improvements in resource consumption. Through these savings in the area of production costs the targeted increase in the financial ratio "return on sales" can be achieved.

3) Experts - in particular from the R&D area - enable the use of innovative products or working methods that promise the customer health-compatible and durable products at a low price-performance ratio. This enables sales increases and cost savings to be achieved which contribute to the key figures "return on sales" & "increase in sales".

4) Safety is a top priority in the construction industry. If appropriate quality management and control measures are in place to ensure that trained and instructed personnel (including subcontractors) are deployed with suitable working materials (hoists, etc.) the accident rate (LTI) can be kept low which can manifest itself, among other things, in increased productivity figures (capacity utilisation, etc.), increasing sales and minimising costs.

In order to derive specific actions/measures from the "Strategy Map" a "Road Map" can be prepared which provides the defined goals ("SMART") for each perspective with key figures which in turn are clearly assigned to those responsible. As "owners" these persons should have the appropriate authority including the necessary budget so that the measures of the SBSC can be initiated and implemented in a binding and transparent manner in terms of time, costs and quality. How such a road map could look like is shown in Figure 14 (the KPI's are not assigned with concrete figures here and serve only for illustration purposes. The same applies to the columns "Budget", "Dates" and "POC").

Figure 13: SBSC of Bau GmbH as "Strategy Map"



Source: Self-elaboration.

Figure 14: Road Map of Bau GmbH

Priorities	Topics	Initiative	KPI	Budget	Responsibility	Start	Finish	Percentage of Completion
1	Return on Capital + 2 %	Increase	- ROC Actual 4% - ROC Target 6 %		N.N.	Q 1 20xx	+ 2 years	0 %
1	Turnover + 25 %	Growth through : Differentiation, Market Penetration, Market Expansion and Product Expansion	- Relative Market Share vs. Market Growth - Turnover / Existing customer vs. New Customer - Contribution Margin / Customer		N.N.	Q 1 20xx	+ 2 years	0 %
1	Return on Sales + 0.6 %	Increase sales + Cost reduction	Refer to Production					
1	Customer Satisfaction & Loyalty	Increase through: More effective & efficient cooperation, improved image and optimized product features	- Number of framework agreements - Joint R & D - Budget - Ratings (Top AG, Eco - Label...) - No. of Customer satisfaction surveys - Punctual delivery Rate (Just in Time) - Price Performance Ratio	xyz €	N.N.	Q 1 20xx	Q 4 20xx	0 %
1	Production	Enhance Production Conditions	- Production Costs (Specific) - Material - Energy - Water - Costs (m3, kwh,t) - Waste Quantities/ Recycling Rate / t pa - Toxicity Rate (ppm)	xyz €	N.N.	Q 1 20xx	Q 4 20xx	0 %
1	Sales	Ensure Compliance	- Number of Conducts - No of Arbitration / Accruals for Pending Issues - Number of Supervised FTE & Subs (Corruption...)	xyz €	N.N.	Q 1 20xx	Q 4 20xx	0 %
1	Innovation	Increase No. of Patents	- No Patents - Budget R & D / Turnover - Budget for Trainings & Development / Turnover	xyz €	N.N.	Q 1 20xx	Q 4 20xx	0 %
1	Employee Satisfaction	Maintain & Increase Eco - Socio - Efficiency	- Fair Remuneration (Minimum Wage, Benchmarking) - Training Rate (h per FTE pa) - Investments in Equipment / Turnover - Risk Analysis (Toxicity ppm...)	xyz €	N.N.	Q 1 20xx	Q 4 20xx	0 %
1	Employee Productivity	Increase Eco - Socio - Efficiency	- Activity Rate (%) - LTI (200Th)		N.N.	Q 1 20xx	Q 4 20xx	0 %
1	Legality	Ensure Compliance	Establish CSR - Concept including SBSC	xyz €	N.N.	Q 1 20xx	Q 4 20xx	0%

Source: Self-elaboration.

The vision of sustainable development is not a mayfly and is a topical issue for more than 70 % of large companies and more than 30 % of all companies in Germany (BMU/BDI, 2002, p 13), whereby according to a study by Accenture (2018) even 88% of the interviewed CEO's said they believe that greater integration of sustainability issues in financial markets will be essential to making progress.

The challenges facing our society and the companies operating in it can be identified ecologically in the reduction of raw material and energy consumption, socially in the demands for transparency and accountability to stakeholders and economically in the growing need for value orientation in environmental and social management. Here the validity of an SBSC as an integrative concept comes to light which overcomes the previous deficits by identifying environmental and social aspects relevant to success and establishing causal links with the company's performance. Furthermore the management of the allocated aspects according to relevance is made possible and an integration of environmental and social management into general management is feasible. This can be manifested in improvements related to environmental- and social- effectiveness and enhancements in environmental- and social- efficiency. The openness of the SBSC also makes it possible that sustainability is not limited to a small number of companies that are primarily active in ecologically and socially oriented industries. The concept is therefore well suited for all companies that want to improve their performance in all three dimensions of sustainability regardless of size.

2 Research Objectives

2.1 Formulation of the Scientific Problem

There already exist numerous international and national papers, studies and recommendations on how CSR can also be introduced in smaller companies (OECD, 2011; respect, 2010). In the author's experience, however, CSR has so far only been introduced systematically and sustainably in very few micro and small enterprises, so that it seems urgently necessary to close this "gap". The challenge will therefore focus on which steps are to be taken in which sequence and in what depth, and with which project management tools CSR can be introduced and anchored in the corporate culture as part of a transformation process. With the use of surveys in the area of the "construction business" of German small enterprises, information on the state of knowledge regarding CSR is to be determined quantitatively. Subsequently, the essential criticalities for the introduction of CSR are to be researched qualitatively on the basis of expert interviews. The focus will be on the determination of key performance indicators that can be used to create internal and external transparency and to make performance visible and controllable by means of an SBSC. In summary, the "Development of a model for the planning, implementation and control of CSR – Measures" can close the research gap. In order to achieve maximum acceptance, it is important to develop an easy-to-use tool and procedure that is cost and time efficient to implement and service and also offers the opportunity to create a compact sustainability report to meet the demands of larger companies in their supplier management.

2.2 Global Objective

The goal is to identify, diagnose, and evaluate the current state of CSR theory and practice in the construction industry and to develop a model for microenterprises (< 49 FTEs) in the construction sector that will enable CEOs/owners of SMEs to implement appropriate CSR strategies in their businesses and to present suggestions and recommendations for improvement the current state of CSR.

2.3 Partial Objectives

2.3.1 *Partial Objectives in Theoretical Area*

- Determination and evaluation of the status quo on CSR worldwide with focus on Germany by means of literature searches.
- Mapping, identification and classification of legal requirements for compliance with ethical minimum requirements in general and SMEs in particular.
- Classification and categorisation of existing standards and norms in the field of CSR, which are useful for the application of ethical behaviour of SMEs in the construction business.
- Mapping and classification of instruments, method assessment systems including certification and auditing.

- Derivation of categorizations including materiality matrices of typical company strategies in approaching sustainability issues.
- Development and institutionalization of appropriate project management procedures for implementing CSR into SME's with associated documents to be attached to a typical sustainability report (DNK, Canvas)
- Evaluation of the results with conclusions and recommendations for the theory (Qualitative modelling of CSR Influence within the Market Diagram).

2.3.2 *Partial Objectives in Practical Area*

- Mapping of relevant macroeconomic indicators for the survey of CSR behaviour in SMEs in the construction industry.
- Selection of representative SMEs from the construction business in order to survey their CSR behaviour-
- Determination of the ethical behaviour respectively comprehension of CSR of SMEs within the Construction Business.
- Development of an easy-to-implement model for the introduction of CSR including reporting standard for SMEs in the form of a practical guide
- Conducting a mock-up test to verify the suitability of the developed model including reporting standard with selected KPI's.
- Classification and evaluation of the results with conclusions and recommendations for the practice.

In Table 3 the previously described objectives are illustrated in tabular form and cascade down from the global objective to the partial objectives by dividing into the respective areas of theory and practice. The methods with the generic objectives and the concrete results of the partial objectives can then be found here. In order to be able to answer the specific research question, the issues listed in Table 3 need to be investigated and explored at the three levels (macro - mezzo - micro).

Table 3: Research Objectives

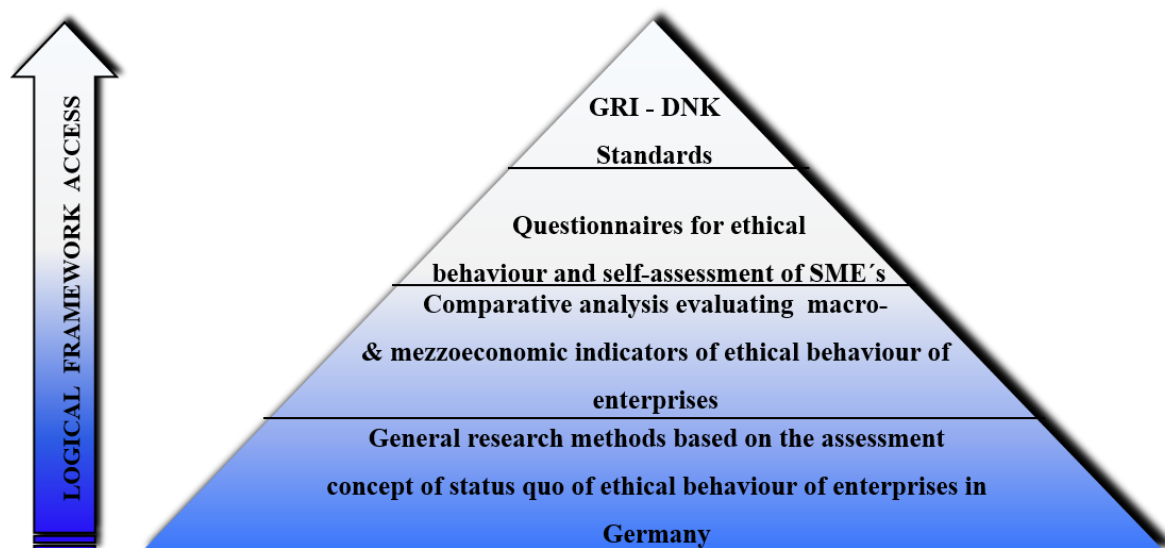
Objectives and Research Questions			
Global Objectives	To identify, diagnose, and evaluate the current state of CSR theory and practice in the construction industry and to develop a model for microenterprises (< 49 FTEs) in the construction sector that will enable CEOs/owners of SMEs to implement appropriate CSR strategies in their businesses.		
Global Research Questions	What is the status quo regarding strategically implemented CSR in general and at SMEs within the construction sector in particular? How should a model be designed that enables the practicability of CSR at SMEs?		
Areas	Theoretical Area	Practical Area	
Method	Literature Research	Expert Interviews (6 CSR experts from Germany; telephone interviews) - Semi-standardized guideline with focus on 4 theses	Questionnaire (selected German SMEs) - questions discussed with CEO partly on site or by phone
Generic Part Objectives	Identification of the general (worldwide) status quo on CSR.	Determination of the general status quo regarding implemented sustainability aspects & derivation of measures for the strategic anchoring of CSR at German SMEs from the construction industry.	Determination of the specific status quo on "strategic CSR" among representatively selected German SMEs (1 FTE < company size <= 49 FTE).
Specific Research Questions	What is the general global status quo on CSR?	- What is the general status quo with regard to implemented sustainability aspects and what measures are to be taken to strategically anchor CSR at German SMEs from the construction industry? - What statements are available on the following theses: -> Theses 1: CSR is largely unknown among SMEs - Effects are not used strategically! -> Theses 2: CSR concept can be implemented effectively and efficiently at SMEs through CSR - strategy! -> Theses 3: GRI - DNK - standards are acceptable methodology for managerial accounting tools in SMEs! -> Theses 4: Implementation of CSR becomes mandatory (in the mid term) for all companies!	- What is the specific status quo with regard to the strategic implementation of CSR among a representative selection of German SMEs from the construction industry? - Is it possible to derive findings within the framework of a taxonomy for the purpose of specific type classifications within SMEs?
Samples/Sources	- Global guidelines: -> Eurostat = 143 KPI's; -> Statistisches Bundesamt = 169 KPI's; -> GRI = 144 KPI's; -> DNK = 28 KPI's. - Best-in-Class-Companies: -> Hochtief; Fischbacher; Billfinger Berger; Boll; Holcim; real General Contracting GmbH; Grimm GmbH; Rinn.	- 6 German experts from the field of CSR with focus on German SMEs (refer to Chapter 4.2.3.1.2). - Interview guidelines refer to Annex 3. - Evaluation of 923 coded elements from MAXQDA; - Selection of 80 anchor examples (assigned to the "macro - meso - and micro levels" in 9 sub and 27 sub - sub categories. The anchor examples from the in-depth interviews are taken from the expert assessments and reflect the most important statements on the corresponding topics, which were assigned based on the 7 core topics of ISO 26000 and 4 DNK criteria (refer also to Figure 40).	- 21 selected SME's from the German construction business represent a crowd in miniscule (in total 200 companies were approached - due to the outbreak of the Corona pandemic, the general consensus was that 21 entrepreneurs were finally motivated to work intensively with the author on the questionnaire). - Selection criteria (refer to Table 4). - Evaluation of 1900 response options with SPSS 27 (refer to Annex 1 -> Questionnaire and Table 5 -> Extract from questionnaire). - Specification of 18 variables to answer the specific research questions (Chapter 4.2.2.1.B.I); -> Selection of 5 variables relevant for conducting a cluster analysis with the aim of categorizing types of companies for the purpose of precisely fitting approaches to the introduction of CSR (see Chapter 4.2.2.1.B.II) & formulation of 15 research questions assigned to the ESG criteria (see Chapter 4.2.2.1.B.III).
Concrete Results of the Part Objectives	-> World : KPIs at macro level based on the 17 SDGs/GRI/DNK. -> Germany : KPIs on mezzo - level based on "Best-in-Class - Companies". -> Selection of the most important KPIs for SMEs (refer also to Figure 24): - Sales/FTE; - Energy - water consumption; - CO2-emissions; - Waste consumption; - Fluctuation rate; - Sickness rate; - Number of Employees regarding compliance-training; - No. of apprentices & Take over rate.	- Results (refer also to Chapter 4.2.3.2): - Development of an easy-to-implement model for the introduction of CSR including reporting standard for SMEs in the form of a practical guide: -> 3 - phase - model "CIC" structuring the change process (refer also to Chapter 4.3.7 and Figures 46, 55-58). -> Reporting standard with recommended KPIs (refer also to results from "Literature Research") based on DNK standard (refer to Annex 6). - Verification of the suitability of the developed model including reporting standard with selected KPIs by conducting a mock-up test (refer also to Chapter 4.3.7.1.C.I). The originally planned implementation of the developed model for the introduction of CSR at SMEs could not be realized due to the pandemic. However, the general suitability of the model was checked with one company to the extent that the model steps were discussed virtually with the CEO and, after minor suggestions for change on his part, the present prototype "CIC" was created, which can now be rolled out on a larger scale (refer also to Chapter 4.3.7.2). - Derivation of recommendations of a generic nature at the macro - mezzo and micro levels (details refer to Chapter 6).	- Determination/exploration of a typology with regard to attitude/orientation to CSR-relevant aspects including associated materiality matrices (refer to Chapter 4.2.2.1.B.IV and Figures 33 to 35).
Merging of the Partial Results	The findings obtained from the literature research and empirical analysis (expert interview & questionnaire) can be transferred into a model ("CIC"), which can contribute by application to closing the research gap formulated in the research questions. In this way, CSR can be implemented processually in SMEs which, due to their structure and typology, have not (yet) developed an affinity for sustainability issues to be anchored strategically. Depending on the typology of the SME, adapted action patterns for the introduction of strategic CSR can be implemented by applying this simplified phase model analogous to transformation processes. In this way, a significant contribution can be made to a tailored approach to the four typical German entrepreneurial types identified - in terms of their fundamental attitude to CSR - with the result of an effective and efficient implementation of CSR. In the process flow, various standards are offered (DNK - reporting, selection of KPIs, managerial accounting to SBSC...) and the derivation of accompanying measures on macro - and micro level is made possible by means of the results of the empirical analysis.		

Source: Self-elaboration.

3 Research Methodology

Various methodological approaches are to be used in the processing of the dissertation. These will be structured into systematic research groups with typical logical framework access as follows (Figure 15):

Figure 15: Logical Framework Access



Source: Self-elaboration.

3.1 Specific Scientific Methods

In this part, we will find the completed list of specific scientific methods as follows: Relevant scientific methods for economy and specific methods for the dissertation thesis.

3.1.1 *Special Methods for Economy*

A/Simulation Modelling: Is an experimental scientific method of developing a functional model: in the material and immaterial form → for example, creating, testing and implementing the functional model for a responsible enterprise.

B/Mathematic-statistics Methods: Effective combination of mathematics methods and statistical methods and procedures to investigate economic phenomena, such as probability theory, regression and correlation analysis, time series analysis, definite integrals, etc. → for example, evaluation of trend development of indicators, e.g. GRI/DNK.

C/Methods ICT: Applying of software, hardware and communication technologies for data elaboration, gathering, storage and usage the information for continuing processes during realisation of dissertation thesis → for example, design of model variances.

D/Graphic Methods: Methods we use in form of various tables, schemes, pictures and figures for better understanding, simpler visibility of theory and stated results → for example, frequented usage of pictures for better understanding.

E/Expert Interviews: The method “Pen-and-Paper Personal Interview” is a type of survey where the initial dataset is collected using direct communication (with pen-and-paper) rather than electronic devices.

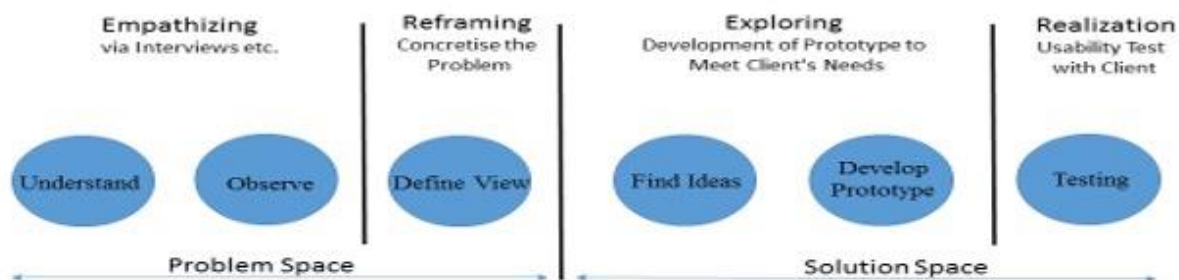
While many large-scale surveys now use computer-assisted personal interviews methods, applying direct communication (with pen-and-paper) has several key advantages over electronic methods that may be important to the researcher → for example, it is planned to conduct 6 interviews with German experts to analyse and evaluate ethics behaviour of small construction enterprises (refer also to Chapter 4.2.3).

F/Questionnaire: List of a research or survey questions asked to respondents, and designed to extract specific information. It serves four basic purposes: to collect the appropriate data, make data comparable and amenable to analysis, minimize bias in formulating and asking question, and to make questions engaging and varied → for example, at the micro-level of German SMEs the questionnaires will be used to provide insights into the status quo in the form of a self-assessment and questions about CSR (refer also to Chapter 4.2.2).

G/Qualitative Content Analysis: The generic procedure is explained in detail in Chapter 4.2.3. It commences with the determination of the material to be analysed, finds its core with the formation of a category system and leads, after interpretation of the results, to the application of prioritised content-related quality criteria.

H/Design Thinking Approach: This method enables an agile way of identifying the needs of the customers, who in this case should be the users of CSR in their companies. This "understanding" (via interviews) and "reframing" (concretising the "problem"), which takes place in the "problem space", leads into the "solution space" by enabling the development of a prototype through the synthesis of both "spaces", which is ultimately to undergo its applicability in "usability testing" in practice. Figure 16 shows the procedure graphically.

Figure 16: Design Thinking Approach

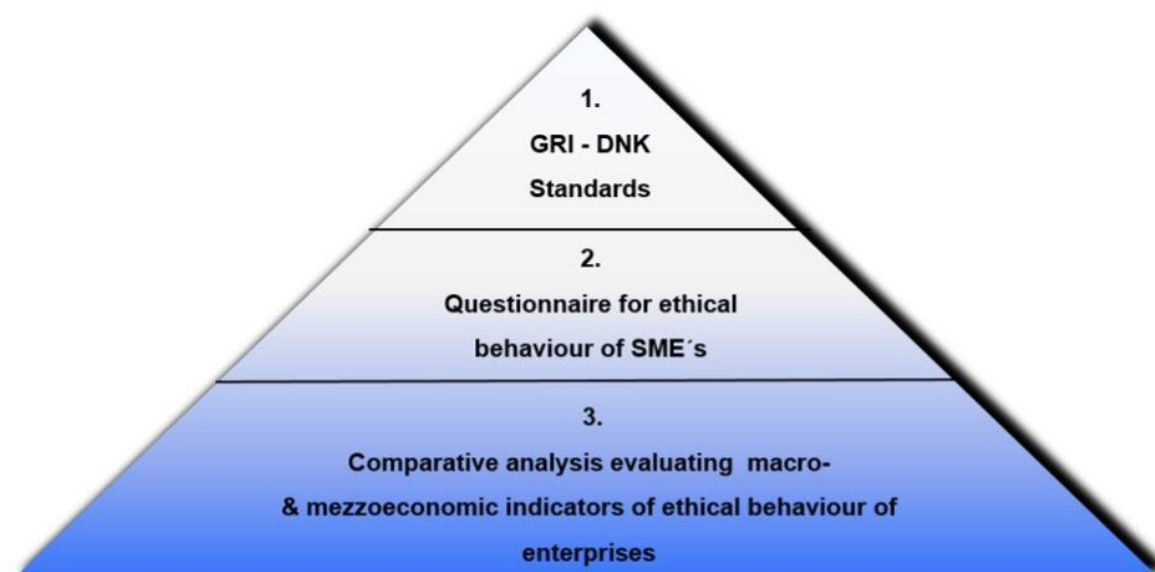


Source: Self-elaboration.

3.1.2 Special Methods for Dissertation Thesis

We will apply the following combination of special methods for the dissertation thesis as shown in Figure 17.

Figure 17: Special Methods for Dissertation Thesis



Source: Self-elaboration.

Figure 18 illustrates the 3 dimensions previously shown in Figure 17 with their special methods and assumed resources for information generation and gathering respectively.

Figure 18: Dimensions with Special Methods for Dissertation Thesis

No.	Dimension	Special Methods for Dissertation Thesis	Resources
3.	Comparative analysis evaluating macro-economic indicators of ethical behaviour in enterprises	Macroeconomics data about responsible/ sustainable/ ethical behaviour of SMEs in construction business (for example: social indicators, environmental indicators, economical/financial indicators)	Eurostat: https://ec.europa.eu/eurostat/home Statistisches Bundesamt https://www.destatis.de
	Comparative analysis evaluating mezzo-economic indicators	Relevant data about responsible/ sustainable/ ethical behaviour of SMEs in construction business form mezzo-level via expert interviews (6 representative VIP experts)	Experts from German-speaking countries (see also Chapter 4.2.3)

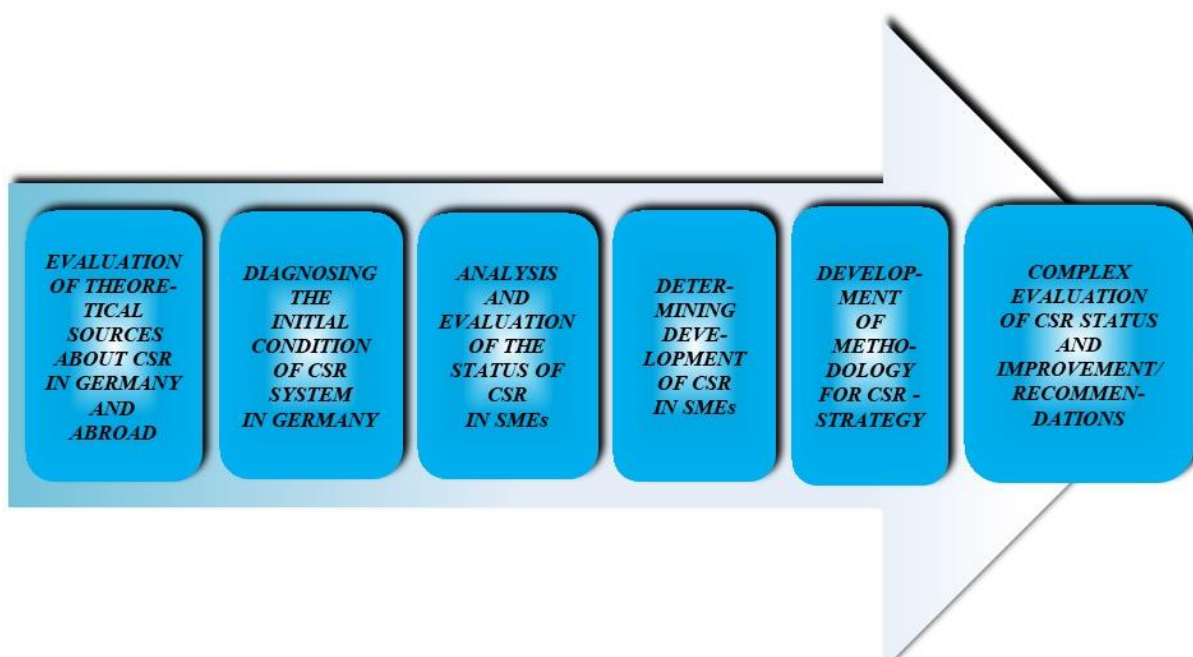
	of ethical behaviour in enterprises		
2.	Questionnaire for ethical behaviour of SMEs in construction associations & companies	Direct testing responsible/ sustainable/ ethical behaviour of SMEs in construction business via questionnaire with SME members of construction associations and companies	Owners or CEOs of German SMEs (see also Chapter 4.2.2)
1.	GRI-DNK-Standards	The diagram illustrates the GRI standards structure. It is divided into 'Universal Standards' and 'Topic-specific Standards'. Under Universal Standards, there is 'Foundation' (GRI 101) which is the starting point for using the GRI Standards, 'General Disclosure' (GRI 102) for reporting contextual information about an organization, and 'Management Approach' (GRI 103) for reporting the management approach for each material topic. Under Topic-specific Standards, there are 'Economic' (GRI 200), 'Environmental' (GRI 300), and 'Social' (GRI 400). A note indicates to 'Select from these to report specific disclosures for each material topic'.	https://www.globalreporting.org/standards https://www.deutscher-nachhaltigkeitskodex.de/

Source: Self-elaboration.

3.2 Scientific Research Procedures

The application of the appropriate solution approach takes place by combining the methods in such a way that the given global aim and the partial objectives of the dissertation thesis are achieved effectively. Figure 19 shows a declarative illustration of the chosen effective procedures for the elaboration of the dissertation thesis.

Figure 19: Scientific Research Procedures



Source: Self-elaboration.

3.3 Substantiation of the Innovativeness

The findings from the theoretical and practical areas are as follows:

- Enabling of a precisely fitting approach to the implementation of strategic CSR in accordance with the explored typology of the SMEs studied.
- For this purpose, the application of the materiality matrix of the respective company typologies is also helpful in order to reliably and transparently design the transformation process of the introduction and development of "Good Corporate Governance" in the sense of a suitable project management in the phase model "CIC".
- The explored new findings of the thesis are complemented by a smart reporting system, which is able to meet the special requirements of SME's as well as to inform the involved stakeholders.
- According to the author, such a combined tool kit is not yet available on the German market and can help SME's to overcome their concerns regarding the introduction of CSR and to contribute to a sustainable economy.
- Also new are the findings that, in addition to government incentives for the implementation of CSR, flanking support measures are seen by local chambers of trade as a "conditio sine qua non" to ensure that CSR is implemented across the board in microenterprises, which account for approximately 99% of all companies in Germany.
- The realization of the importance of implementing sustainable business practices in the business model at an early stage, as part of the initial registration of the business, contributes to the fact that all start-ups should have internalized this CSR strategy or should have already addressed it. By means of an extended canvas model, this insight gained from the expert interviews can be implemented in practice and can contribute to a sustainably organized business world from the very beginning (start-up).
- In terms of theory, the qualitative model of a market diagram was designed to illustrate the influences of sustainable production and consumption patterns. Here, the influences of CSR on growth in terms of producer and consumer surplus can be graphically depicted and the expected trends on the macro level can be visualized.

In further studies, these findings are to be expanded and validated, with extensive research work building on and consolidating the insights gained (refer also to Chapter 5.2).

4 Achieved Results of the Research

4.1 Diagnosing the Initial Condition of the CSR System Enterprise Economy in Germany

For our next steps to analyze the mezzo and micro levels regarding the ethical behavior of companies in Germany, it is important to diagnose the basic parameters of the generating conditions of the macro level for CSR in enterprises in Germany.

Many national and international actors were involved in the development process of the indicator framework of the United Nations Sustainable Development Goals; their good and intensive cooperation led to an agreement in a very short time. The framework itself is intended to take into account as many aspects of the United Nations 2030 Agenda as possible; as a result, it is very extensive with its 231 indicators.

In the following, some relevant indicators are presented by enumerating global and, where available, German macro indicators.

For example, Goal 8 describes sustainable, inclusive and sustainable economic growth, full and productive employment and the promotion of decent work for all.

Indicator 8.1.1 shows the annual growth rate of real GDP per capita. It was 2.1% in 2017, 1% in 2018, reduced to 0.3% in 2019 and amounts to -5% in 2020. This negative development reflects the impact of the Corona pandemic.

If we look at the gross domestic product per German inhabitant, we get a value of approx. 40 K€ for 2019. With regard to the employment rate, indicator 8.5 indicates that 76% of the employed will be in employment subject to social security contributions in 2020.

Indicator 8.4.1 defines the raw material footprint per capita and raw material footprint in relation to GDP. It amounted to approx. 16 t/capita in 2014 and has remained constant until today (2020). Accordingly, an increase in efficiency in resource consumption cannot yet be determined.

Indicator 8.5 stands for the average hourly earnings of employees, by gender, age, occupation and persons with disabilities. In 2014, it was €17.78/hour and experienced an increase of about 10% to €19.66/hour by 2018.

Indicator 8.5.2 captures the unemployment rate, by gender, age and persons with disabilities. In 2010, it was 7% and was more than halved to 3% in 2019.

Regarding fatal and non-fatal accidents at work, indicator 8.8.1 gives the following figures per 100000 employed persons:

2010 = 2000 non-fatal accidents and 1.2 fatal accidents at work. Within 8 years, improved accident management (HSE) has reduced the figures to 1721 non-fatal and 0.8 fatal occupational accidents in 2018. In Goal 9, reference is made to infrastructure. Build resilient infrastructure, promote inclusive and sustainable industrialisation, and support innovation.

Indicator 9.2.1 refers to value added in the manufacturing sector in relation to GDP and per capita. It amounted to 20% in 2010 and has slightly decreased over the last 10 years to the current value of 17.5%.

Indicator 9.3.1 measures the share of small industrial enterprises in total industrial value added. It amounted to 9% in 2010 and decreased to 6.2% in 2018. This is due to the increasing "value creation power" of larger companies and indicates, among other things, that SMEs have to fight for their market position, also by implementing sustainable production mechanisms.

Indicator 9.4.1 shows CO₂ emissions per unit of value added (CO₂ emissions to real GDP), which was 325 grams per € in 2010 and reduced by about 25% to 250 grams in 2018. Sustainability measures that contribute to the global goal of achieving climate neutrality are evident here.

The share of R&D in relation to GDP is reflected in indicator 9.5.1. For example, R&D expenditure was 2.7% in 2010 and could be increased to 3.2% by 2019. This is particularly important for Germany as a technology location to be among the leading innovators and to contribute to the sustainable orientation of industry through R&D activities. This is also expressed by the indicator 9.5.2, which defines the number of people working in research and development (in full-time equivalents) per million inhabitants. In 2010 this was 4000 persons, in 2019 5300.

Ensuring sustainable consumption and production patterns is targeted through Goal 12.

Indicator 12.5.1 describes the national recycling rate in tonnes of recycled material. In 2010, this value was 69% and has moderately increased to 70% by 2018. As a country that is poor in raw materials, it is important for Germany to pay particular attention to recycling processes and to stringently pursue the principle of "zero waste".

Indicator 12.6.1 shows the number of companies that publish sustainability reports. In particular, large and transnational companies should also encourage SMEs to introduce sustainable practices and to include sustainability information in their reporting (yet to be implemented). In 2010, approx. 1300 companies were engaged in sustainability reporting, whereas in 10 years (in 2020) the number has dropped to approx. 1100. This is a negative trend that must be countered if the global and local goals of Agenda 2030 are to be achieved.

Sustainable procurement values are recorded for the Federal Republic of Germany in indicator 12.3.a. Based on 2015 (value =100), the activity has doubled to 200 by 2019 and indicates the importance of this type of procurement.

Climate protection measures are mentioned in Goal 13. Indicator 13.2.2, for example, records the total greenhouse gas emissions per year. In 2010, it was 941 million tonnes of CO₂ equivalents and could be reduced to 809 million tonnes of CO₂ equivalents in 2019. This approx. 15 % reduction shows the strong efforts of industry, which must also be further fuelled by regulatory measures (CO₂-tax) in order to achieve the common goals of CO₂ neutrality (2050 or earlier). Indicator 13.1.a records the greenhouse gas emissions for the Federal Republic of Germany - in relation to the base value of 1990 (100), they could be reduced by approx. 40 % to the value of 59.2 in the last 30 years.

Goal 16 aims to contribute to a peaceful and inclusive society and the promotion of sustainable development, to provide access to justice for all and to build effective, accountable and inclusive institutions at all levels. Indicator 16.5.2 records the percentage of companies that had at least one contact with a public official in the previous 12 months and made a bribe payment to them or were asked to do

so by them. For example, in 2015, 3.6% of companies were confronted with compliance issues, with a low of 2.4% in 2017 and a rebound to 4% in 2019. This V-shaped progression of figures reflects that there is still a great need for action with regard to compliance, which is also true for the construction sector.

A stable value of the CPI is very important, i.e. German companies have visibly anti-corruptive behavior according to the public appreciation. At the mezzo level, this is the basis for the ethical conduct of the companies in the branches and business segments, but above all at the micro level, it is the explanation for the individual ethical conduct of the employees and their activities within the unique original enterprises.

4.2 Analysis and Evaluation of the Status and Determining the Development of CSR within SME's

4.2.1 Research of Methodical Instruments

In order to answer the research task "To identify, diagnose and evaluate the current state of theory and practice of CSR in the construction business and to develop a model for micro-enterprises (< 49 FTE) in the construction sector, which permits the implementation of suitable CSR strategies", the thesis will be divided into three parts. The macro perspective will be covered by a literature review, while the other two levels will be investigated at the mezzo and micro level through questionnaire analysis (see section 4.2.2) and the qualitative evaluation of expert interviews (see section 4.2.3).

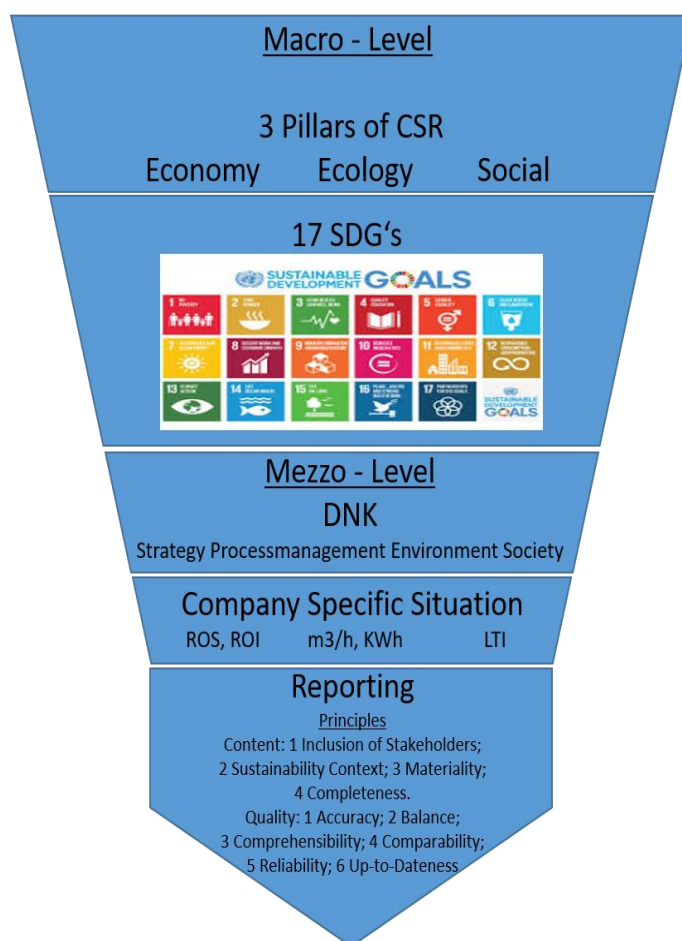
The identification of the general (worldwide) status quo on CSR is intended as a generic partial objective of the literature research. Eurostat and the Federal Statistical Office provide various indicators at the macro level with reference to the 17 SDGs. MNEs usually relate their selected KPI's to the SDGs. From this it can be hypothesized that these are the SDGs or KPI's that are important for all residual companies and that are then expected - at least partially - by KMU's and small enterprises (to a limited extent). Consequently the large "Best – in – Class – Companies" are to be selected and on a literature research a basis of pre-selected indicators will be defined (refer to Figure 24).

4.2.1.1 Combination of Indicators

In Figure 20 the selection process of the indicators will be illustrated graphically to clarify the previous description of the procedure.

The basis is given by global guidelines like UN Global Compact, OECD-Guidelines - 143 KPI's (Eurostat) & 169 KPI's (Statistisches Bundesamt) & 144 (GRI) (same basis, some are more detailed than others). In the DNK 28 KPI's based on GRI are distributed to the areas Strategy, Process Management, Environment and Society. The GRI Standards create a common language for organizations and stakeholders, with which the economic, environmental, and social impacts of organizations can be communicated and understood. Created by the Global Sustainability Standards Board (GSSB) they are globally-accepted sustainability reporting standards for all types of enterprises. The detailed structure of these standards will be used as shown in Chapter 4.2.1.1.A, Figure 21.

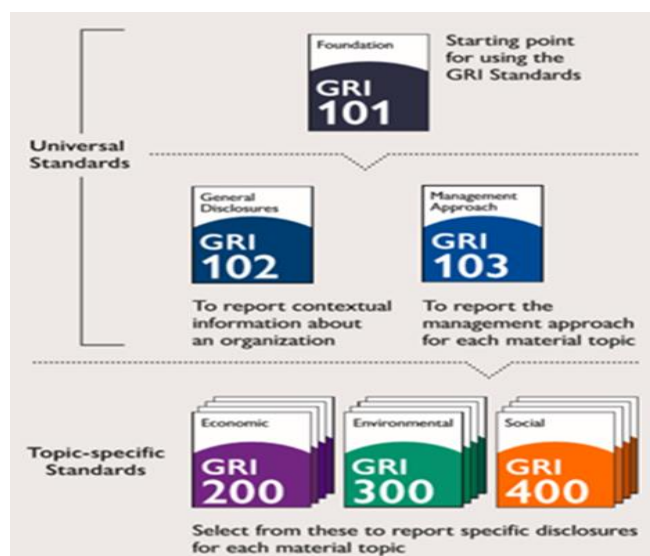
Figure 20: The Combination of Indicators



Source: Self-elaboration.

4.2.1.1.A GRI – Standards & Characteristics

Figure 21: System of GRI -Standards



Source: Self-elaboration according to (GRI, 2020).

The structure of the 144 indicators for CSR Reporting is shown in Figure 22.

Figure 22: Indicators for CSR- Reporting

100 Universal Standards:	
GRI 101	Foundation
GRI 102	General Disclosures
GRI 103	Management Approach
200 – Economic:	
GRI 201	Economic Performance
GRI 202	Market Presence
GRI 203	Indirect Economic Impacts
GRI 204	Procurement Practices
GRI 205	Anti-corruption
GRI 206	Anti-competitive Behavior
300 Environmental:	
GRI 301	Materials
GRI 302	Energy
GRI 303	Water
GRI 304	Biodiversity
GRI 305	Emissions
GRI 306	Effluents and Waste
GRI 307	Environmental Compliance
GRI 308	Supplier Environmental Assessment
400 Social	
GRI 401	Employment
GRI 402	Labor/Management Relations
GRI 403	Occupational Health and Safety
GRI 404	Training and Education
GRI 405	Diversity and Equal Opportunity
GRI 406	Non-discrimination
GRI 407	Freedom of Association and Collective Bargaining
GRI 408	Child Labor
GRI 409	Forced or Compulsory Labor
GRI 410	Security Practices
GRI 411	Rights of Indigenous Peoples
GRI 412	Human Rights Assessment
GRI 413	Local Communities
GRI 414	Supplier Social Assessment
GRI 415	Public Policy
GRI 416	Customer Health and Safety
GRI 417	Marketing and Labeling
GRI 418	Customer Privacy
GRI 419	Socioeconomic Compliance

Source: Self-elaboration according to (GRI, 2020).

The selection of the GRI Standards must accept the following 10 basic principles as explained in the lower part of Figure 20 and shown in more detail in Figure 23.

During the selection process it must be accepted that the evaluated enterprises within the construction industry is demanding on:

- Organisational and management procedures.
- Environmental, social and economic conditions.
- Huge relation networking.
- Public control, especially to public procurement and anticorruption conduct.

Finally it is intended to select about 10 KPI's which can be instantly utilized by SME's (refer also to Figure 24).

Figure 23: Reporting Principles of GRI - Standards

REPORTING PRINCIPLES OF GRI STANDARDS	
I. RINCPLES FOR DEFINING REPORT CONTENT	
1. Principle STAKEHOLDER INCLUSIVENESS	▪ The organization should identify its stakeholders, and explain how it has responded to their reasonable expectations and interests.
2. Principle SUSTAINABILITY CONTEXT	▪ The report should present the organization's performance in the wider context of sustainability.
3. Principle MATERIALITY	▪ The report should cover aspects that: ➢ Reflect the organization's significant economic, environmental and social impacts; or ➢ Substantively influence the assessments and decisions of stakeholders.
4. Principle COMPLETENESS	▪ The report should include coverage of material aspects and their boundaries, sufficient to reflect significant economic, environmental and social impacts, and to enable stakeholders to assess the organization's performance in the reporting period.
II. PRINCIPLES FOR DEFINING REPORT QUALITY	
5. Principle BALANCE	▪ The report should reflect positive and negative aspects of the organization's performance to enable a reasoned assessment of overall performance.
6. Principle COMPARABILITY	▪ The organization should select, compile and report information consistently. The reported information should be presented in a manner that enables stakeholders to analyze changes in the organization's performance over time, and that could support analysis relative to other organizations. Comparability is necessary for evaluating performance: ➢ For the previous period ➢ With data published by other organizations.
7. Principle ACCURACY	▪ The reported information should be sufficiently accurate and detailed for stakeholders to assess the organization's performance.
8. Principle TIMELINESS	▪ The organization should report on a regular schedule so that information is available in time for stakeholders to make informed decisions.
9. Principle CLARITY	▪ The organization should make information available in a manner that is understandable and accessible to stakeholders using the report.
10. Principle RELIABILITY	• The organization should gather, record, compile, analyze and disclose information and processes used in the preparation of a report in a way: ➢ That they can be subject to examination and that establishes the quality and materiality of the information ➢ Stakeholders should have confidence that a report can be checked to establish the veracity of its contents and the extent to which it has appropriately applied reporting principles.

Source: Self-elaboration according to (GRI, 2020).

4.2.1.1.B Selected Key Figures

Figure 24 illustrates the process described above by listing important key figures of "Best-in-Class Construction Companies" from the German construction sector (medium-sized companies). The respective reference to GRI and DNK is evident, which gives the SMEs an initial indication of which key figures should be determined in their company and also controlled accordingly. As shown in Section 4.2.3, these KPI's were also considered important by the CSR experts and have also been able to demonstrate their suitability for use and practical relevance in an initial usability test with a selected construction company (see Chapter 4.3).

Figure 24: Selected Key Figures from Industry Leaders in the German Construction Sector

SDG	GRI	DNK	Best – in- Class
8	102		Number Employees
8	201	X (Economic Performance)	Sales
12	302	X	Energy Consumption
12	303	X	Water Consumption
13	305	X	CO 2 - Emissions
12	306	X	Waste (Solid/Liquid)
8	400		Number of Permanent Employees
8	401		Fluctuation Rate
3	403	X	Days Lost due to Occupational Accidents
8	404		Number of Apprentices
4	404	X	Training Hours
4	406	X	Number of Employees Compliance - Training
12	414	X	Number of Audits of New Suppliers/Measures in the Event of "Negative" Audits

Source: Self-elaboration.

Possible ratios to be defined can be, for example, the following, which will be reflected in managerial accounting:

- Sales/FTE.
- Energy Consumption/FTE.
- Water Consumption/FTE.
- CO2- Emissions/FTE.
- No. of Permanent FTE/Total No. of People Employed (also part-time employees).
- No. of Apprentices/ Total No. of People Employed.
- Training Hours/FTE.
- No. of Compliance Training/Total No. of People Employed (including part-time employees).
- Audits/New Suppliers.

Further indicators recommended by the DNK are listed and explained in Annex 6 (Typical DNK - Declaration of Conformity). Quantitative Analysis

4.2.1.2 Questionnaire

4.2.2.1.A Structure & Characteristics

Public opinion surveys and sociological surveys can provide accurate analyses of social and entrepreneurial issues. They can reveal links between the perception and rating of selected social phenomena and the attitudes taken by the social actors based on their personal experience, biographies, value orientation etc. This type of survey used within the thesis reflects the following characteristics:

1. The questionnaire is created and focused on all types of SMEs (according to the various enterprise typology: size, ownership, legal form, subject of business).
2. It is prepared in the cooperation with the FOCUS agency (one of the leading Slovak research companies <http://www.focus-research.sk/>) and has already been used successfully for researches in Slovakia.
3. The achieved results will be applied for comparative evaluation of the existing level of the CSR in SMEs from the construction business within Germany.
4. Some of the interviews were conducted by telephone or face to face. The average duration of the interviews was 60 minutes, with the longest interview lasting over 2 hours.
5. The questionnaire is structured as follows (the detailed version is shown in Annex 1):
 - General part: Questions about company size; industry; location; function of the person answering the questionnaire.
 - Introductory questions on CSR: Degree of awareness; what do you imagine under this term? Suggest a catalogue of topics from which the interviewee should prioritise and comment on 3 aspects each - economics, ecology, and social issues.
 - In - depth questions on CSR: Which drivers do you see for your company to use CSR? What advantages do you expect from this? What risks do you expect? What obstacles do you see for the introduction of CSR? What requirements would be necessary to implement CSR?
 - Conclusion: What future CSR measures are you pursuing? Is there a need for further information on CSR?

Compared to this approach with regard to interviewing owners or CEO's of SME's, larger companies (MNE) reveal higher levels of complexity, which will be briefly outlined below for the sake of completeness and direct comparison with small entities. MNE's expect more complex questions and not introductory questions, as they are expected to deal with CSR (since 2017 MNEs based in the European Union must comply with the respective national implementation of the EU Non-Financial Information Directive, which requires sustainability reporting). Furthermore reference of KPI's to SDG's is expected (GRI - KPI's = 144 - as of 2018) whereas SMEs will define significantly fewer KPI's (approx. 5 - 10). MNEs will report along the entire value chain ("cradle to cradle"), and SMEs are usually positioned at the end of this chain. Integrated reporting or separate reports (Non - Financial vs. Financial Reporting) are standard for MNE's respectively is mandatory, most of the SMEs have to generate them for the first time (volume: few pages only). Information from sustainability reports is important for investors (MNEs) with increasing tendency. Rating agencies (econsense, oekom Research...) evaluate MNEs with regard to

their CSR activities, with their ratings increasingly being consulted by investors for investment decisions. For example, various pension funds are invested exclusively "sustainably", as evidenced by the following figures: U\$23 trillion have already been invested in sustainably produced products and services, which corresponds to a quarter of all total assets under management worldwide. MNEs are asked for data on research & development, risk management, compliance, externality costs (desired), materiality, stakeholder management, etc., which is not (yet) established in SMEs. MNEs are increasingly fulfilling policy tasks within the framework of so-called voluntary commitments, which in the case of SMEs is reduced to local support campaigns / donations. Statement on this are expected in reporting and usually coordinated by marketing (communication strategy). The up-to-dateness of the data is important, the trend is towards "Real - Time - Assessment of Data", which means that smaller companies can be expected to be included in the future due to digitalisation ("Big Data").

6. The selection criteria can be taken from the following Table 4.

Table 4: Selection Criteria for Companies

Selection Criteria for Companies	
Company Foundation	> 5 Years
Number of FTE	Approx. 7 companies each from a (FTE ≤ 9), b (10 < FTE ≤ 19), c (20 < FTE ≤ 49)
Geographic German Average	N ↔ S
Website	X
CEO - German Citizenship	X
Construction (service)	X
Recommendations IHK; Contractor portal craftsman rating (min. 4 stars out of 6)	X
Personal contact	to 6 CEO's/owners

Source: Self-elaboration.

In total, 200 companies were approached directly to determine their willingness to participate. The target figure was initially defined as approximately 50 %, which, according to the initial feedback from the direct telephone calls with the primarily owner-managed executives, also appeared to be achievable. However, due to the outbreak of the Corona pandemic, the general consensus was that 21 entrepreneurs were finally motivated to work intensively with the author on the questionnaire. In the author's view, the selected companies provide in principle a representative "picture of the overall market situation" in the German construction industry in the context of SMEs, which was also confirmed at the meta level in the expert interviews (see Chapter 4.2.3). However, future research would require further efforts to broaden the sampling and validation of the findings, see also Chapter 5.2.

4.2.2.1.B Data Evaluation

The data set of the questionnaire includes a set of data points of about 1900 (extract of the questionnaire refer to Table 5). The statistical analysis was performed with SPSS 27. The research questions were statistically analyzed using Kendall's τ (for correlation research questions) and Mann – Whitney - U Test (for difference research questions with two groups), respectively Kruskal - Wallis Test (for difference research questions with more than two groups).

Table 5: Extract from Questionnaire

No. of Questions	Company 1 Interview: On Site	Company 2 Interview: Phone Call
1	Owner	CEO
2	mbH	GmbH
3	5 (FTE)	7 (FTE)
4 a	Sales = 1,4 Mio € ; Profit = 380 K€; Equity Ratio = 30 %; Average Contract Volume = 120 K€; Company since 2015	Sales = 1,5 Mio € ; Profit = 300 K€; Equity Ratio = 20 %; Average Contract Volume = 500 K€; Company since 1990
4 b	Reconstruction of concrete.	Execution of construction work as General Contractor.
4 c	Crisis management of critical building. Renovations with expert opinions.	Fixed price guarantee for clients. No additional claims.
4 d	Private Sector approx. 90 % Public Sector approx. 10 %	Private Sector: 100 %
4e	Germany	Regional
4 f	Solid technical expertise without additional claims (reliable pricing/plannability of cost structures).	Voluntary activities.
5 a	0	0
5 b	0	X (know basics of CSR)
5 c	X (already heard of CSR, but don't know details)	0
5 d	0	0
6	Deliver quality (but has its price). Reliability. Professionalism Integrity (no undeclared work / corruption...). Support social projects (laptops for school...).	Respect, Fairness.
7 a	0	0
7 a i	0	0
7 b	X	X
8 I	a	a
8 II	b	g
8 III	f	i
9 1	All 3 areas.	All 3 areas.
9 2 a	German laws. SOKA – Construction.	German laws.
9 2 b	0	0
9 2 c	X	X
9 2 d	Setting an example and being a role model on a daily basis (especially on construction sites).	Daily example through CEO.

9 2 e	X	0
9 2 f	0	0
9 2 g	X	X
9 2 h	X	X
9 2 i	X	X
9 2 j	X	X
9 2 k	Waste Disposal Costs. Fluctuation. Sick days.	Fluctuation.
9 3	0	0
10 a	0	0
10 b	10 (sick days)	16 (sick days)
10 c	X	X
10 d	1	1
10 e	100%	100%
10 f	0	0
10 g	0	0
10 h	0	0
10 i	X	X
10 j	0	X
10 k	0	0
10 l	10%	25%
10 m	4 years	10 years
10 n	0	X
10 o	X	X
10 p	X	X
10 q	X	X
10 r	0	0
11 a	0	0
11 b	X	X
11 c	X	X
11 d	X	X
11 e	X	X
11 f	0	X
11 g	X	X
11 h	0	0
11 i	0	0
12	Occasionally	Occasionally
13 I	a	b
13 II	c	h
13 III	f	l
13 m	0	0
14 I	a	a
14 II	b	c
14 III	d	d
14 j	Risk Management implemented including better coping Strategies in Crises such as the current Corona Pandemic.	0
15 I	a	a
15 II	g	d
15h	0	0
16 I	a	b
16 II	e	c
16 III	i	h
16 j	Lack of Support from Chambers like IHK...	0

17 I	a	e
17 II	b	g
17 III	c	j
17 k	j	0
18 a	X	0
18 b	0	X
18 c	0	0
18 d	0	0
18 e	0	0
19	Globalization: Requirements are increasing from large customers, who must guarantee CSR compliance by their subs in their supplier assessment, otherwise they themselves face penalties. Anyone who cannot meet this requirement as a sub will be removed from the supplier list. Digitalization: Automatic generation of important KPI's in the sustainability report.	Digitalization: Changes will occur in the area of marketing, but these will be taken over by partners.
20 a	Not concerned	Not concerned
20 a I	0	0
21	Simply start with the basics and report concisely on strategy, important stakeholders and core data relevant to the business model and use this to continuously control the company. For this, a responsible person (at least part-time) must be appointed and supervisors (external) must manage the introduction.	CSR activities are only implemented strategically when regulatory measures are taken, not before.
22 a	0	0
22 b	X	0
22 c	X	0
22 d	0	X

Source: Self-elaboration.

The following steps are performed to analyse and statistically evaluate the resulting data points from the data set: creation of "descriptive statistics" (Chapter 4.2.2.1.B.I), performance of a "cluster analysis" (Chapter 4.2.2.1.B.II), realization of research question tests (Chapter 4.2.2.1.B.III) and a final derivation of findings from statistical analysis (Chapter 4.2.2.1.B.IV).

4.2.2.1.B.I Descriptive Statistics

Before defining the relevant variables for answering the research question formulated at the micro level, the interview respondents' general company information (for selection criteria, see Table 4) is presented in Table 6. In Tables 7 and 8, the parameters of the variables are divided into metric, ordinal and binary and tabulated in absolute values. The findings from this are presented in section 4.2.2.1.B.IV, in which recommendations for action can be derived for the respective company types investigated and their contributions to the ESG criteria can be identified.

Table 6: General Company Information

Descriptive Statistics			
	N	Mean	Std. Deviation
Total Revenue In M. €	21	3,58	3,10
Profit In Thousand €	20	352,72	357,06
Equity Ratio In %	18	24,50	6,78
Mean Size Of Projects In Thousand €	9	110,00	148,83
Age Of Company In Years	21	44,62	27,14

Source: Self-elaboration.

- Variables (V)

The relevant variables selected from the entire data set to determine the status quo with regard to "strategically implemented CSR" and its impact on business conduct are listed below (Notes: Score distribution: The higher the number, the higher the respective category score. E.g. for V6 = 15: Highest identified level of social company engagement; Criteria: E = Environment; S = Social; G = Governance):

- V1 = Fluctuation (specified in % from 3 – 25 %) - Criterion S.
- V2 = Number of employees (specified in FTE's from 1 - 49) - Criterion G.
- V3 = CSR strategy implemented (yes/no) - Criterion G.
- V4 = Business share "public sector" (specification in % from 0 – 100 %) - Criterion G.
- V5 = Customer satisfaction survey (yes/no) - Criterion G.
- V6 = Level of social commitment (specified in points from 3 - 13) - Criterion S.
- V7 = Years of employment (specified in points from 3 - 15) - Criterion S.
- V8 = Number of trainees (specified in FTE from 0 -5) - Criterion S.
- V9 = Takeover rate of trainees (specified in % from 0 – 100 %) - Criterion S.
- V10 = Increased employee satisfaction as a result of CSR (yes/no) - Criterion S.
- V11 = Interest in CSR (indicated in points from 0 -5) - Criterion G.
- V12 = Degree of Familiarity with CSR (indicated in points from 0 -5) - Criterion G.
- V13 = Environmental Activity Level (indicated in points from 3 - 13) - Criterion E.
- V14 = Energy savings & Reduction in CO2 Emissions (Indication in points from 0-2)-Criterion E.
- V15 = Number of working days lost due to sickness (specified in days from 2 - 22) - Criterion S.
- V16 = Tax Incentives (indicated in important/unimportant) - Criterion G.
- V17 = Regulatory Measures (specify in important/unimportant) - Criterion G.
- V18 = Training on CSR - Topics (specify in important/unimportant) - Criterion S.

- Total metric, ordinal and binary of the selected variables

Refer to Table 7 for the listing of these categories with the average values analysed and the standard deviation (for dimensions, range, and assignment to ESG - criteria, see the "Variables" section in this Chapter).

Table 7: Metric and Ordinal Variables (Total)

Descriptive Statistics			
	N	Mean	Std. Deviation
Fluctuation	21	11,95	6,77
Number Of Employees	21	22,90	16,46
Share Of Public Sector	21	23,81	29,58
Social Commitment Of The Company	21	7,05	3,07
Years Of Employment With The Company	21	9,14	3,61
Number Of Trainees	21	1,76	1,48
Trainee Takeover Rate	21	68,10	36,42
Interested in CSR	21	3,24	1,89
Degree Of Familiarity With CSR	21	1,62	1,60
Environmental Activity Level	21	7,29	2,33
Energy Savings And Reductions In CO2 Emissions	21	0,71	0,72
Number Of Working Days Lost Due To Sickness	21	11,19	5,10

Source: Self-elaboration.

Table 8 shows the binary variables V3, V5, V10, V16, V17 and V18 with their criteria and analysed data.

Table 8: Binary Variables (Total)

Descriptive Statistics			
		Frequency	Percent
Implemented CSR Strategy	No	18	85,7
	Yes	3	14,3
	Total	21	100,0
Customer Satisfaction	Not Recorded	8	38,1
	Recorded	13	61,9
	Total	21	100,0
Higher Employee Satisfaction	Not Increased	6	28,6
	Increased	15	71,4
	Total	21	100,0
Tax Incentives	Not Important	11	52,4
	Important	10	47,6
	Total	21	100,0
Regulatory Measures	Not Important	7	33,3
	Important	14	66,7
	Total	21	100,0
Training On CSR Topics	Not Important	7	33,3
	Important	14	66,7
	Total	21	100,0

Source: Self-elaboration.

4.2.2.1.B.II Cluster Analysis

From the presented catalog of variants, the most meaningful criteria for answering the research question are extracted for the purpose of clustering the data set. Here, criticality is best expressed by the five variables V3 (CSR strategy implemented?), V11 (Interest in CSR?), V16 (Fiscal (extrinsic) incentives to implement CSR important?), V17 (Regulatory measures required to enforce CSR?), and V18 (Interest in competent training measures to implement CSR available?). The method chosen is Ward's squared

Euclidean distance method, which is well suited as a hierarchical cluster analysis for mixed scale levels and small data sets - as here with $N = 21$. Alternatively, K-Mean could also be used, but ideally the data sets should be larger for this. This method should be applied in further scientific research with larger data sets (> 200 companies) (see also Chapter 5.2).

Table 9: Cluster of Companies

Typology	Company	Cluster
Observer	Fa 01	1
Refuser	Fa 02	2
Brakeman	Fa 03	3
Observer	Fa 04	1
Refuser	Fa 05	2
Pioneer	Fa 06	4
Brakeman	Fa 07	3
Observer	Fa 08	1
Brakeman	Fa 09	3
Pioneer	Fa 10	4
Observer	Fa 11	1
Refuser	Fa 12	2
Observer	Fa 13	1
Pioneer	Fa14	4
Observer	Fa15	1
Refuser	Fa16	2
Brakeman	Fa17	3
Brakeman	Fa18	3
Observer	Fa19	1
Brakeman	Fa20	3
Observer	Fa21	1

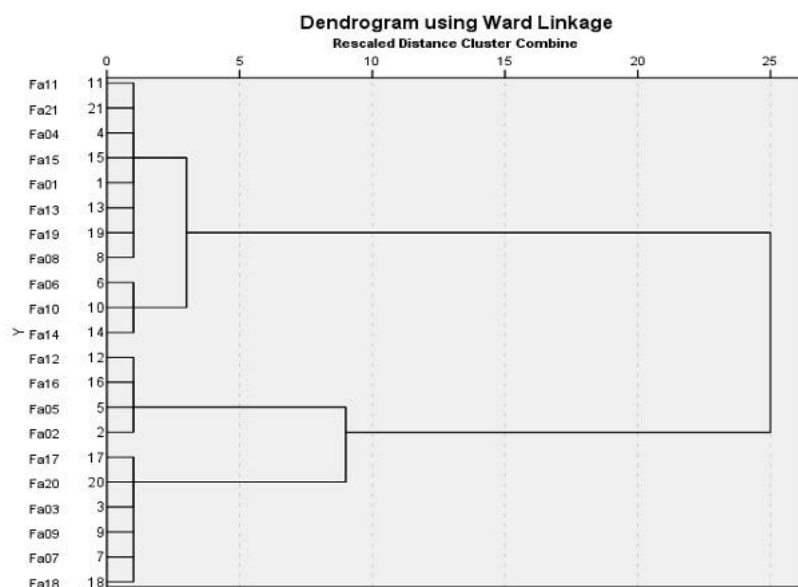
Source: Self-elaboration.

Table 9 shows the identified clusters with company assignments. It was possible to identify 4 clusters, which can be seen graphically in Figure 25. As can be seen from the dendrogram, the first group can be configured from the companies of the designations 01, 04, 08, 11, 13, 15, 19 and 21. The 2nd group consists of the companies 06, 10 and 14 and has an affinity to the first group in terms of mindset, which can be easily seen in the dendrogram by the scaling of the cluster distances. The third grouping is found in firms 02, 05, 12 and 16, with cluster four composed of firms 03, 07, 09, 17, 18 and 20.

Again, due to the cluster points being relatively close to each other, groups 3 and 4 are similar in terms of the evaluation of the variables with the accompanying characteristics. The first group is subsumed under the description "Observer" and finds its entrepreneurial type in the expression of an "Honourable Businessman". In principle, he is open to all aspects that serve society, but he is not familiar with CSR or knows too little about it, respectively, to use "good corporate governance" strategically as a business case. He needs training and information on CSR and will therefore transform his company accordingly. Group 2, as the analysis of the variables shows, takes a pioneering role with regard to CSR and is consequently called a "Pioneer". This entrepreneur is socially and entrepreneurially active as a Visionary and can take

on a lighthouse function for all other companies. Group 3 of the "Refusers" is characterized by the fact that they are not interested in CSR topics and have no intention whatsoever of strategically anchoring sustainability aspects in their corporate culture. The Refuser corresponds most closely to the "Taylorist" who, as a company patriarch, determines what occurs and can only be persuaded to make changes by force. Group four is called the "Brakeman" and can be outlined with the classic "Homo Economicus". He pays attention to the efficient design of business processes and will only transform the business model if it pays off immediately, e.g., through tax incentives for the implementation of strategic CSR.

Figure 25: Dendrogram



Source: Self-elaboration.

The Kruskal-Wallis test presented below once again clarifies the explanations and characteristics of the four clusters and typologies of the companies examined. The test analyses whether there are differences between the clusters within a variable. For the significant differences (coloured green), the respective boxplots are presented individually in the following illustrations, with an overview of the metric and ordinal variables provided beforehand in Table 10.

Table 10: Cluster Research Question Test Summary

Research Question Test Summary				
Variables	Neutral Answer	Test	Sig. ^{a,b}	Decision
V1	The distribution of Fluctuation is the same across categories of Type Num.	Independent-Samples Kruskal-Wallis Test	0,000	Reject the neutral answer.
V2	The distribution of Number Of Employees is the same across categories of Type Num.	Independent-Samples Kruskal-Wallis Test	0,843	Retain the neutral answer.
V4	The distribution of Share Of Public Sector is the same across categories of Type Num.	Independent-Samples Kruskal-Wallis Test	0,174	Retain the neutral answer.
V6	The distribution of Social Commitment Of The Company is the same across categories of Type Num.	Independent-Samples Kruskal-Wallis Test	0,001	Reject the neutral answer.
V7	The distribution of Years Of Employment With The Company is the same across categories of Type Num.	Independent-Samples Kruskal-Wallis Test	0,466	Retain the neutral answer.
V8	The distribution of Number Of Trainees is the same across categories of Type Num.	Independent-Samples Kruskal-Wallis Test	0,116	Retain the neutral answer.
V9	The distribution of Trainee Takeover Rate is the same across categories of Type Num.	Independent-Samples Kruskal-Wallis Test	0,005	Reject the neutral answer.
V11	The distribution of Interested in CSR is the same across categories of Type Num.	Independent-Samples Kruskal-Wallis Test	.c	Unable to compute.
V12	The distribution of Degree Of Familiarity With CSR is the same across categories of Type Num.	Independent-Samples Kruskal-Wallis Test	0,001	Reject the neutral answer.
V13	The distribution of Environmental Activity Level is the same across categories of Type Num.	Independent-Samples Kruskal-Wallis Test	0,004	Reject the neutral answer.
V14	The distribution of Energy Savings And Reductions In CO2 Emissions is the same across categories of Type Num.	Independent-Samples Kruskal-Wallis Test	0,006	Reject the neutral answer.
V15	The distribution of Number Of Working Days Lost Due To Sickness is the same across categories of Type Num.	Independent-Samples Kruskal-Wallis Test	0,002	Reject the neutral answer.

a. The significance level is ,050.

b. Asymptotic significance is displayed.

c. The test field is not continuous.

Source: Self-elaboration.

In the following tables and figures, the test statistics of the significant variables are presented individually.

- V1 – Fluctuation

Table 11: Pairwise Comparison “Fluctuation”

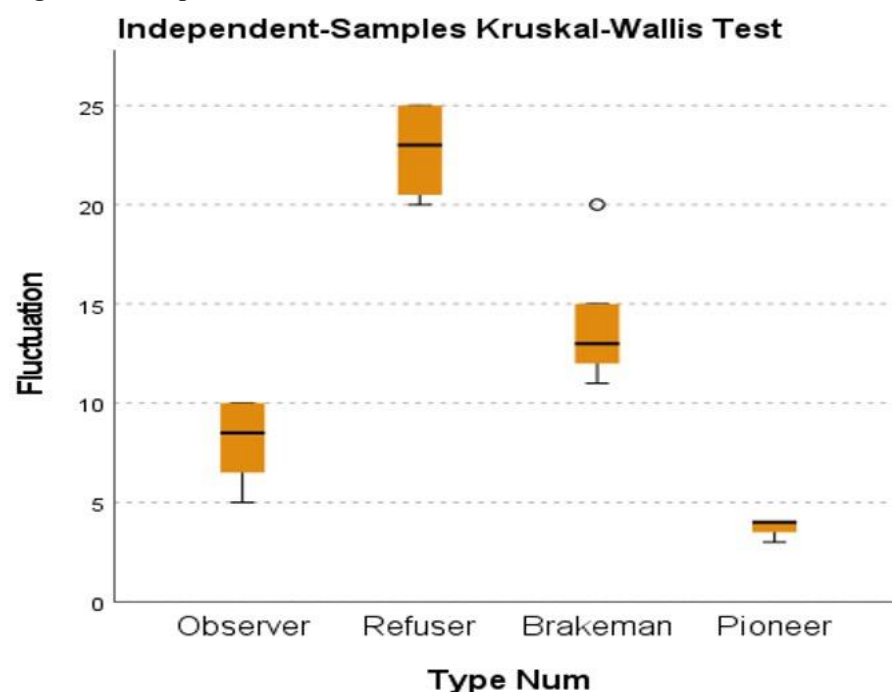
Pairwise Comparisons of Type Num					
Sample 1-Sample 2	Test Statistic	Std. Error	Std. Test Statistic	Sig.	Adj. Sig. ^a
Pioneer-Observer	5,500	4,190	1,313	0,189	1,000
Pioneer-Brakeman	12,583	4,376	2,875	0,004	0,024
Pioneer-Refuser	17,375	4,727	3,676	0,000	0,001
Observer-Brakeman	-7,083	3,342	-2,119	0,034	0,204
Observer-Refuser	-11,875	3,790	-3,133	0,002	0,010
Brakeman-Refuser	4,792	3,995	1,199	0,230	1,000

Each row tests the null hypothesis regarding the distributional equality of Sample 1 and Sample 2. Asymptotic significances (2-sided tests) are displayed. The significance level is ,050.

a. Significance values have been adjusted by the Bonferroni correction for multiple tests.

Source: Self-elaboration.

Figure 26: Boxplot “Fluctuation”



Source: Self-elaboration.

As can be deduced from both Table 11 and Figure 26, there are differences within the clusters with regard to the distribution values related to the variable "fluctuation". These differences are significant for the cluster representatives "Pioneer - Brakeman", "Pioneer - Refuser" and "Observer - Refuser". There are also differences between the other comparisons, but these are not severe enough to be shown as "significant". As shown in Figure 31, the fluctuation values range between 3 to 4% for the Pioneer, 5 to 10% for the Observer, 11 to 20% for the Brakeman (dot plot demonstrates "one company's value of outliers" at 20%) and 20 to 25% for the Refuser.

- V6 – Social Commitment

Table 12: Pairwise Comparison “Social Commitment”

Pairwise Comparisons of Type Num					
Sample 1-Sample 2	Test Statistic	Std. Error	Std. Test Statistic	Sig.	Adj. Sig. ^a
Refuser-Brakeman	-3,167	3,967	-0,798	0,425	1,000
Refuser-Observer	10,188	3,764	2,707	0,007	0,041
Refuser-Pioneer	-15,500	4,694	-3,302	0,001	0,006
Brakeman-Observer	7,021	3,319	2,115	0,034	0,206
Brakeman-Pioneer	-12,333	4,346	-2,838	0,005	0,027
Observer-Pioneer	-5,313	4,161	-1,277	0,202	1,000

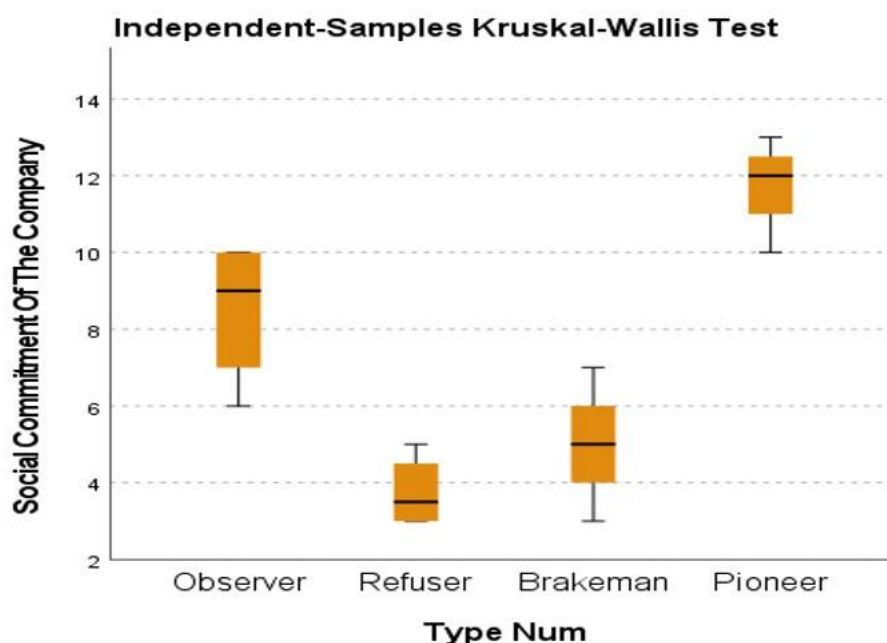
Each row tests the null hypothesis regarding the distributional equality of Sample 1 and Sample 2. Asymptotic significances (2-sided tests) are displayed. The significance level is ,050.

a. Significance values have been adjusted by the Bonferroni correction for multiple tests.

Source: Self-elaboration.

As can be seen from both Table 12 and Figure 27, there are differences within the clusters with regard to the distribution values related to the variable "Social Commitment". These differences are significant for the group representatives "Refuser - Observer", "Refuser - Pioneer" and "Brakeman - Pioneer". There are also differences in other comparisons, but these are not serious enough to be shown as "significant". As Figure 27 shows, scores range from 3 to 5 for Refuser, 3 and 7 scores for Brakeman, 6 and 10 for Observer, and 10 to 13 scores as the highest for the Pioneer.

Figure 27: Boxplot “Social Commitment”



Source: Self-elaboration.

- V9 – Trainee Takeover Rate

Table 13: Pairwise Comparison “Trainee Takeover Rate “

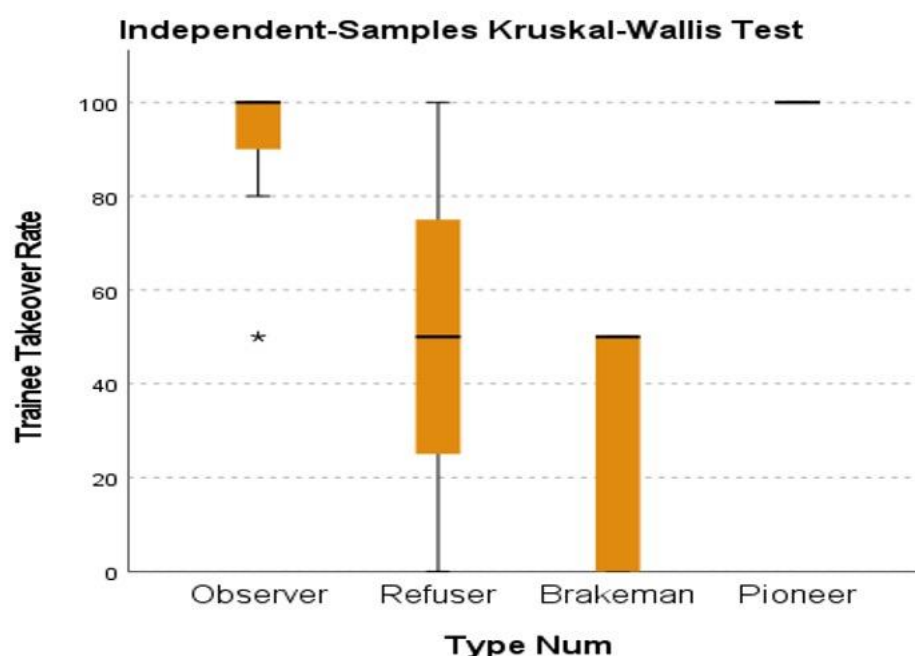
Pairwise Comparisons of Type Num					
Sample 1-Sample 2	Test Statistic	Std. Error	Std. Test Statistic	Sig.	Adj. Sig. ^a
Brakeman-Refuser	2,792	3,701	0,754	0,451	1,000
Brakeman-Observer	9,292	3,097	3,001	0,003	0,016
Brakeman-Pioneer	-11,167	4,054	-2,754	0,006	0,035
Refuser-Observer	6,500	3,511	1,851	0,064	0,385
Refuser-Pioneer	-8,375	4,379	-1,912	0,056	0,335
Observer-Pioneer	-1,875	3,882	-0,483	0,629	1,000

Each row tests the null hypothesis regarding the distributional equality of Sample 1 and Sample 2. Asymptotic significances (2-sided tests) are displayed. The significance level is ,050.

a. Significance values have been adjusted by the Bonferroni correction for multiple tests.

Source: Self-elaboration.

Figure 28: Boxplot “Trainee Takeover Rate”



Source: Self-elaboration.

As can be seen in both Table 13 and Figure 28, there are differences within the clusters with regard to the distribution values related to the variable "Trainee Takeover Rate". These differences are significant for the group representatives "Brakeman - Observer" and "Brakeman - Pioneer". There are also differences in the other comparisons, but these are not serious enough to be shown as "significant". As Figure 28 shows, the ratings range between 0 and 50% for the Brakeman, 0 and 100% for the Refuser, 50 and 100% for the Observer (50% unique to one company = *), and 100% (no distribution shown because all companies in this typology take over 100% of their trainees) as the top rating for the Pioneer.

- V12 “Familiarity with CSR”

Table 14: Pairwise Comparison “Familiarity with CSR”

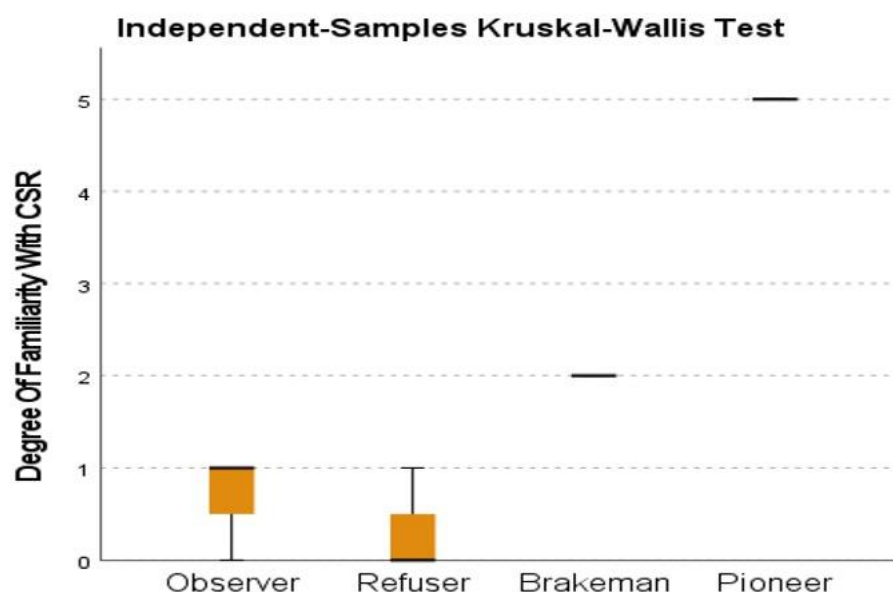
Pairwise Comparisons of Type Num					
Sample 1-Sample 2	Test Statistic	Std. Error	Std. Test Statistic	Sig.	Adj. Sig. ^a
Refuser-Observer	3,000	3,655	0,821	0,412	1,000
Refuser-Brakeman	-11,000	3,853	-2,855	0,004	0,026
Refuser-Pioneer	-15,500	4,559	-3,400	0,001	0,004
Observer-Brakeman	-8,000	3,223	-2,482	0,013	0,078
Observer-Pioneer	-12,500	4,041	-3,093	0,002	0,012
Brakeman-Pioneer	-4,500	4,220	-1,066	0,286	1,000

Each row tests the null hypothesis regarding the distributional equality of Sample 1 and Sample 2. Asymptotic significances (2-sided tests) are displayed. The significance level is ,050.

a. Significance values have been adjusted by the Bonferroni correction for multiple tests.

Source: Self-elaboration.

Figure 29: Boxplot “Familiarity with CSR”



Source: Self-elaboration.

Here, too, both Table 14 and Figure 29 reveal that there are differences within the clusters with regard to the distribution values for the variable "Familiarity with CSR". These differences are significant for the group representatives "Refuser - Brakeman", "Refuser - Pioneer" and "Observer - Pioneer". There are also differences in other comparisons, but these are not so serious that they are shown as "significant". As Figure 29 illustrates, the ratings range between 0 and 1 points for the Observer and Refuser (but with different distribution functions within the respective box), 2 points for the Brakeman, and find their maximum with 5 points for the Pioneer.

- V13 “Environmental Activity”

Table 15: Pairwise Comparison “Environmental Activity”

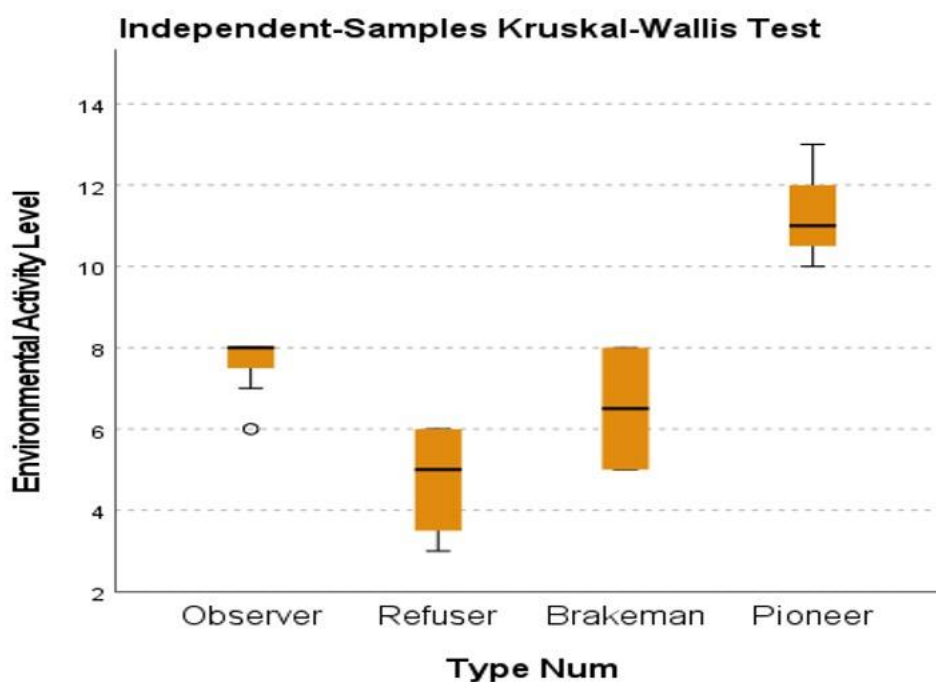
Pairwise Comparisons of Type Num					
Sample 1-Sample 2	Test Statistic	Std. Error	Std. Test Statistic	Sig.	Adj. Sig. ^a
Refuser-Brakeman	-4,750	3,835	-1,239	0,216	1,000
Refuser-Observer	8,250	3,638	2,268	0,023	0,140
Refuser-Pioneer	-15,750	4,538	-3,471	0,001	0,003
Brakeman-Observer	3,500	3,209	1,091	0,275	1,000
Brakeman-Pioneer	-11,000	4,201	-2,618	0,009	0,053
Observer-Pioneer	-7,500	4,022	-1,865	0,062	0,373

Each row tests the null hypothesis regarding the distributional equality of Sample 1 and Sample 2.

Asymptotic significances (2-sided tests) are displayed. The significance level is ,050.

a. Significance values have been adjusted by the Bonferroni correction for multiple tests.
Source: Self-elaboration.

Figure 30: Boxplot “Environmental Activity”



Source: Self-elaboration.

Here, too, both Table 15 and Figure 30 show that there are differences within the clusters with regard to the distribution values for the variable "Environmental Activity". These differences are only significant for the group representatives "Refuser - Pioneer". There are also differences in the other comparisons, but these are not so serious that they are shown as "significant". As Figure 30 shows, the ratings range between 3 and 6 points for the Refuser, 5 and 8 points for the Brakeman, 6 to 8 points for the Observer, and the maximum for the Pioneer is between 10 and 13 points.

- V14 – Energy Savings and Reductions in CO₂-Emissions

Table 16: Pairwise Comparison “Energy Savings and Reductions in CO₂-Emissions”

Pairwise Comparisons of Type Num					
Sample 1-Sample 2	Test Statistic	Std. Error	Std. Test Statistic	Sig.	Adj. Sig. ^a
Refuser-Brakeman	-4,500	3,674	-1,225	0,221	1,000
Refuser-Observer	6,750	3,486	1,936	0,053	0,317
Refuser-Pioneer	-15,000	4,347	-3,450	0,001	0,003
Brakeman-Observer	2,250	3,074	0,732	0,464	1,000
Brakeman-Pioneer	-10,500	4,025	-2,609	0,009	0,055
Observer-Pioneer	-8,250	3,854	-2,141	0,032	0,194

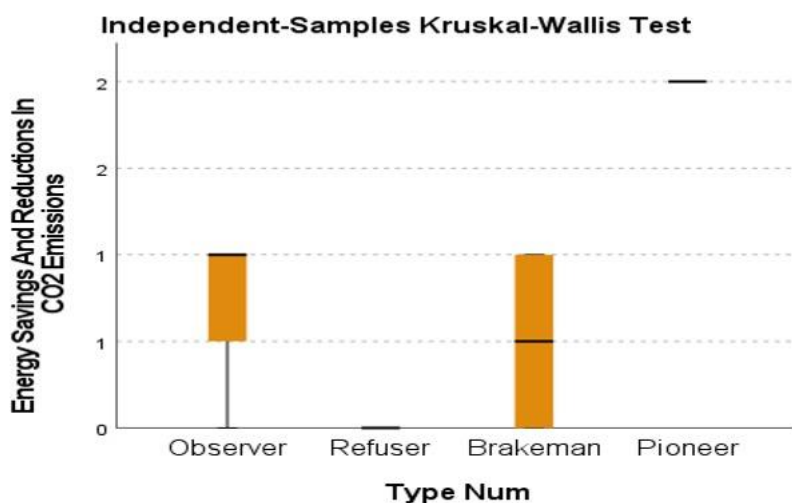
Each row tests the null hypothesis regarding the distributional equality of Sample 1 and Sample 2. Asymptotic significances (2-sided tests) are displayed. The significance level is ,050.

a. Significance values have been adjusted by the Bonferroni correction for multiple tests.

Source: Self-elaboration.

Again, Table 16 and Figure 31 show that there are differences within the clusters with regard to the distribution values for the variable "Energy Savings and Reductions in CO₂ Emissions". As with the environmental activities, these differences are only significant for the group representatives "Refuser - Pioneer". Although there are also differences in the other comparisons, these are not serious enough to be shown as "significant". As Figure 31 shows, the ratings range from zero points for the Refuser to a maximum of 2 points for the Pioneer.

Figure 31: Boxplot “Energy Savings and Reductions in CO₂-Emissions”



Source: Self-elaboration.

- V15 – Working Days Lost due to Sickness

Table 17: Pairwise Comparison “Working Days Lost due to Sickness”

Pairwise Comparisons of Type Num					
Sample 1-Sample 2	Test Statistic	Std. Error	Std. Test Statistic	Sig.	Adj. Sig. ^a
Pioneer-Observer	6,938	4,173	1,662	0,096	0,579
Pioneer-Brakeman	10,917	4,359	2,504	0,012	0,074
Pioneer-Refuser	17,000	4,708	3,611	0,000	0,002
Observer-Brakeman	-3,979	3,329	-1,195	0,232	1,000
Observer-Refuser	-10,063	3,775	-2,666	0,008	0,046
Brakeman-Refuser	6,083	3,979	1,529	0,126	0,758

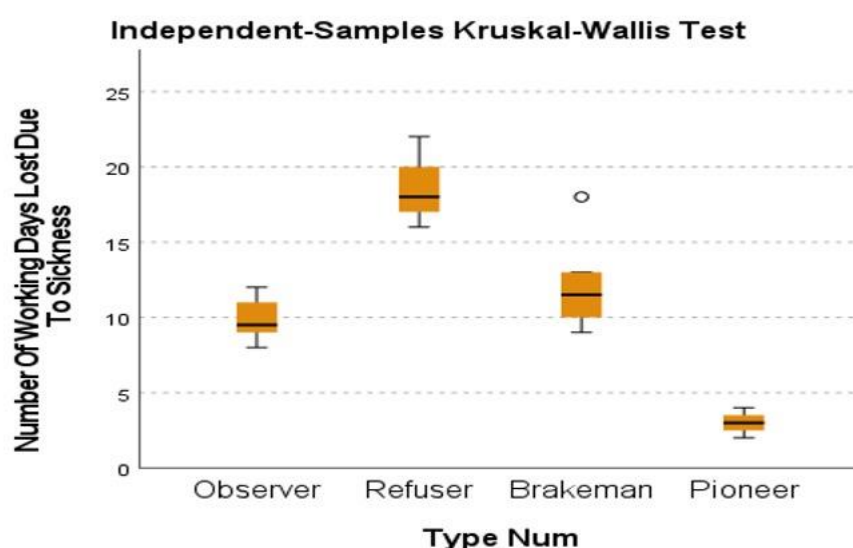
Each row tests the null hypothesis regarding the distributional equality of Sample 1 and Sample 2. Asymptotic significances (2-sided tests) are displayed. The significance level is ,050.

a. Significance values have been adjusted by the Bonferroni correction for multiple tests.

Source: Self-elaboration.

As can be seen from both Table 17 and Figure 32, there are differences within the clusters with regard to the distribution values for the variable "Working Days Lost due to Sickness". These differences are significant for the group representatives "Pioneer - Refuser" and "Observer - Refuser". Although there are also differences in the other comparisons, these are not as serious as to be shown as "significant". As Figure 32 shows, the figures range between 2 and 4 absent days for the Pioneer (top position), between 8 and 12 days of absence for the Observer type, between 9 and 18 days for the Brakeman, and between 16 and 22 days for the "negative" leader of the Refuser type with the highest number of illness days.

Figure 32: Boxplot “Working Days Lost due to Sickness”



Source: Self-elaboration.

In summary, the explored significant variables (V1, V6, V9, V12, V13, V14, V15) clearly indicate that the "Pioneer" type has a top position everywhere. This relates to all three areas of the ESG - criteria, with a strong expression in the social area (4 variables out of 7). Furthermore, the Pioneer fulfils a role model

function in the area of the environment with regard to variables V13 and V14, as well as in the criterion of variable V12, which describes the degree of familiarity and engagement with the topic of CSR. As can also be seen from the dendrogram, the Observer as Honourable Businessman follows the Pioneer in second place in the selected metric and ordinal variables. An exception is the variable V12 - here the Observer is not well informed about CSR topics and definitely needs further support in training measures for the purpose of implementing strategic CSR. The Brakeman ranks third in most social and environmental issues, followed by the Refuser, who ranks last in all critical social aspects and has the highest fluctuation figures and sick days. His environmental performance also ranks last, "crowned" with the statement that measures to save energy and reduce CO2 emissions (see Figure 31) do not seem important to him.

In the following Chapter, a research question test will be performed to examine 15 research questions for answering the research objective with subsequent recommendations for action at the mezzo - micro level. For this purpose, the variables V1 to V18 listed in Chapter 4.2.2.1.B.I are analysed in the total group of 21 companies surveyed and subjected to an additional correlation test with the 4 clusters (typology) explored previously.

4.2.2.1.B.III Research Question Testing

Table 18 shows 15 research questions and their neutral answer including the variables defining them. The selected procedures are listed according to research question type (correlation or difference) and the results are determined by means of the p-value. Additionally, the research questions are assigned to the ESG- criteria (E = 2, S = 7, G = 6). The Mann-Whitney U Test is the parameter-free equivalent of the T test for independent groups. The p - value must be < 0.05 for a significant difference to exist, with the effect strength $r = |z/\sqrt{n}|$ then being calculated. Kendall's τ is the parameter-free equivalent of Pearson's correlation coefficient. If $p < 0.05$, there is a correlation between the independent and dependent variables. The individual research questions are examined in more detail below. According to Table 18, significant research questions exist for H05, H06, H07, H09, H10, H11, H12 and H15 while the remaining research question appear as neutral answer. In Annex 2, the corresponding statistical evaluations of all 15 research questions can be found, which are differentiated according to the total group of 21 examined companies and the clustered 4 typologies.

Table 18: Research Question Testing

		Research Question, Wording	Neutral Answer, Wording	U	A	Method	Result	Propability p
H01	S	The smaller the company, the lower the fluctuation.	Fluctuation does not depend on the size of the company.	V02	V01	Kendall's rank Correlation τ	No Correlation! Neutral Answer applies.	>0.05
H02	G	The smaller the company, the less CSR is strategically anchored.	It does not depend on the size of the company whether CSR is anchored strategically.	V02	V03	Mann-Whitney-U-Test	No Significance! Neutral Answer applies.	>0.05
H03	G	The percentage of orders from the public sector is higher among companies which have implemented CSR strategically than among those which have not.	The percentage of orders from the public sector does not depend on whether companies have implemented CSR strategically.	V04	V03	Mann-Whitney-U-Test	No Significance! Neutral Answer applies.	>0.05
H04	G	Companies that record customer satisfaction are bigger than those that do not.	Companies that record customer satisfaction are not any different in size from those that do not.	V02	V05	Mann-Whitney-U-Test	No Significance! Neutral Answer applies.	>0.05
H05	S	The more socially engaged the company, the longer the employee stays with the company.	The period of company employment is independent of the social mindset of the company.	V06	V07	Kendall's rank Correlation τ	Observer strongly positively correlated with V07: $\tau = 0.9$; Rest not; Overall positively correlated with V07: $\tau = 0.433$.	Observer: 0.004; Total: 0.01
H06	S	The larger the company, the more trainees they have.	The number of apprentices is independent of the size of the company.	V02	V08	Kendall's rank Correlation τ	Observer strongly positively correlated with V08: $\tau = 0.694$; Rest not; Overall positively correlated with V08: $\tau = 0.443$.	Observer: 0.021; Total: 0.011
H07	S	The more social the company, the higher the rate of apprentices retained.	The takeover rate of apprentices is independent of the social mindset of the company.	V06	V09	Kendall's rank Correlation τ	Total correlates strongly positive with V09: $\tau = 0.524$; Cluster not.	Total: 0.004; Cluster: >0.05
H08	S	Companies with increased employee retention and satisfaction are more social than companies with no increased employee retention and satisfaction.	Employee retention - and satisfaction - is independent of the company's social mindset.	V06	V10	Mann-Whitney-U-Test	No Significance! Neutral Answer applies.	>0.05
H09	G	The more social the company, the greater the interest in further information on CSR topics.	The interest in information regarding CSR is independent of the social attitude of the company.	V06	V11	Kendall's rank Correlation τ	Total correlated positively with V11: $\tau = 0.483$; Cluster not.	Total: 0.006; Cluster: >0.05
H10	E	The greater the familiarity with CSR, the more activities are undertaken in the environmental field.	The environmental activities carried out by the company are independent of the familiarity with CSR.	V12	V13	Kendall's rank Correlation τ	Total correlated positively with V13: $\tau = 0.401$; Cluster not.	Total: 0.029; Cluster: >0.05
H11	E	The greater the familiarity with CSR, the more significant are issues such as reducing CO2 and saving energy.	The priority given to ecological issues is independent of the familiarity with CSR.	V12	V14	Kendall's rank Correlation τ	Total correlated positively with V14: $\tau = 0.488$; Cluster not.	Total: 0.013; Cluster: >0.05
H12	S	The more socially minded the company is, the fewer number of days of sick leave occur.	The number of sick days is independent of the social mindset of the company.	V06	V15	Kendall's rank Correlation τ	Total strongly negatively correlated with V15: $\tau = -0.563$; Cluster not.	Total: 0.001; Cluster: >0.05
H13	G	Companies that show less interest in CSR place more emphasis on tax incentives to implement CSR.	Tax incentives do not result in greater interest regarding the implementation of strategic CSR.	V11	V16	Mann-Whitney-U-Test	No Significance! Neutral Answer applies.	>0.05
H14	G	Companies that perceive regulatory measures by the state to be essential for the introduction of CSR demonstrate a lower level of interest in the introduction of CSR.	Regulatory measures do not contribute to strategically implementing CSR.	V11	V17	Mann-Whitney-U-Test	No Significance! Neutral Answer applies.	>0.05
H15	S	Companies that perceive competent training measures for the introduction of strategic CSR as beneficial indicate a higher level of interest in the introduction of CSR.	Competent training measures do not enhance interest in CSR.	V11	V18	Mann-Whitney-U-Test	Difference for overall group: Important > Not Important; Cluster: subgroups empty or not significant.	Total: <0.001; Brakeman >0.05; Residuals not calculable.

Source: Self-elaboration.

- H01 = “The smaller the company, the lower the fluctuation“.

According to Kendall's τ analysis, no correlation between company size and fluctuation could be demonstrated. The p - value is > 0.05, as can be seen in Tables 25/26 in Annex 2. Consequently, the neutral answer “Fluctuation does not depend on the size of the company“ applies. This result is valid for the whole group as well as for the clusters.

Interpretation: Due to the small amount of data, no correlation could be proven, although from empirical knowledge and practice, there may well be a correlation between company size and fluctuation. Smaller companies usually have a stronger bond and identification character between the employees and the often owner-managed management. People know each other personally and typically only leave the company in the event of serious differences, which can be the case more often in larger companies due to the anonymity involved. It is recommended that a larger amount of data be collected through more extensive sampling in order to subject research question H01 to another correlation analysis for the purpose of validating the result.

- H02 = “The smaller the company, the less CSR is strategically anchored“.

According to the analysis of H02 using the Mann-Whitney U Test, no effect could be detected between company size and the degree of embedding of CSR. The p - value is > 0.05, as can be seen in Table 27 in Annex 2. Consequently, the neutral answer applies that “the strategic implementation of CSR does not depend on the size of the company“, i.e. there is no significant difference. This result applies to both the overall group and the clusters.

Interpretation: Due to the small amount of data, no difference could be demonstrated, although from the empirical knowledge and the expert interviews conducted (see section 4.2.3) there may well be an effect between company size and CSR implementation. Smaller companies generally hesitate to invest in CSR because they are either unaware of the benefits of this strategy or do not experience them (competitors win contracts without practicing sustainable business practices). Large (listed) companies are already obliged since 2017 within the EU to provide CSR - reports, in order to prove their sustainable business strategy, but this can be associated with a not inconsiderable personnel expenditure, which SME's do not (yet) appear willing to shoulder. It is recommended that a larger amount of data be collected through more extensive sampling in order to validate the results of research question H02 by conducting a further significance analysis.

- H03 = “The percentage of orders from the public sector is higher among companies which have implemented CSR strategically than among those which have not“.

According to the analysis of H03 using the Mann-Whitney U-Test, no effect could be detected between the amount of shares from the public sector and companies with implemented CSR strategy. The p - value is > 0.05 , as can be seen in Table 28 in Annex 2. Consequently, the neutral answer applies “that the share of orders from the public sector is independent of the practiced company strategy with regard to CSR“, i.e. there is no significant difference. This result applies to both the overall group and the clusters.

Interpretation: Due to the small amount of data, no difference could be proven, although there should definitely be an effect from the requirements of the public sector on the companies and the number of placed orders to sustainably operating companies. According to the experience of the author and the expert opinions, despite so-called mandatory CSR criteria within the tender documents, the weightings of the degrees of fulfillment of these criteria are often not consistently used as award criteria and ultimately the "cheapest" is awarded the contract - regardless of the fulfillment of the degrees of compliance with the "required" CSR standards. It is recommended that a larger amount of data be collected through more extensive sampling in order to subject research question H03 to another significance analysis for the purpose of validating the result. Furthermore, attention should be paid to compliance with the required minimum CSR standards on the part of the public sector awarding the contracts, although this would have to be done exclusively on the part of the state, see also section 5.2.2 Recommendations.

- H04 = “Companies that record customer satisfaction are bigger than those that don't“.

According to the analysis of H04 using the Mann-Whitney U-Test, no effect between company size and customer satisfaction assessment could be detected. The p - value is > 0.05 , as Table 29 in Annex 2 shows. Consequently, the neutral answer applies “that companies that record customer satisfaction do not differ in company size from those that do not“, i.e. there is no significant difference. This result applies to the overall group as well as to the clusters.

Interpretation: Due to the small amount of data, no difference could be demonstrated, although it is known from practice that SME's tend to collect data on customer satisfaction situationally rather than strategically, compared to larger companies that usually have a larger customer pool to manage. Often,

feedback is also collected in the form of complaints in direct personal exchanges between microentrepreneurs and customers, without collecting this feedback statistically. It is recommended that a larger amount of data be collected through more extensive sampling in order to subject research question H04 to another significance analysis for the purpose of validating the result.

- H05 = “The more socially engaged the company, the longer the employee stays with the company“.

According to Kendall's τ analysis of H05, a correlation between length of company membership and social mindset of the company could be demonstrated. The p - value is 0.01 in the group and 0.004 in the cluster for the Observer, as can be seen in Tables 30/31 in Annex 2.

Interpretation: A strong positive correlation between social activities and company affiliation was found for the Observers, but not for the other clusters. Independent of the clusters, the effect was also found, albeit in a weakened form. It should be noted here, however, that the effect is very strong for Observers, so the effect in the overall group may only be attributable to Observers and applies to the other groups only to a limited extent. It is therefore recommended to collect a larger amount of data through more extensive sampling in order to subject research question H05 to a further correlation analysis for the purpose of validating the result. This applies in particular to the typologies/clusters, as possible correlations may not have been statistically evident in this dissertation due to small data volumes.

- H06 = “The larger the company, the more trainees they have“.

According to Kendall's τ analysis, a correlation between company size and number of trainees could be demonstrated. The p - value is 0.011 in the group and 0.021 in the Observer cluster, as can be seen in Tables 32/33 in Annex 2.

Interpretation: A strong positive correlation between the size of the company and the number of trainees was found for the Observers, but not for the other clusters. Independent of the clusters, the effect was also found, albeit in a weakened form. It should be noted here, however, that the effect is very strong for Observers, so the effect in the overall group may be owed only to Observers and applies to the other groups only to a limited extent. It is therefore recommended to collect a larger amount of data through more extensive sampling in order to subject research question H06 to a further correlation analysis for the purpose of validating the result. This applies in particular to the typologies/clusters, as possible correlations may not have been statistically evident in this dissertation due to small data volumes.

- H07 = “The more social the company, the higher the rate of apprentices retained”.

According to Kendall's τ analysis of H07, a correlation between the social mindset of the company and the takeover rate of its trainees could be evidenced. The p-value is 0.004 in the group and > 0.05 in the cluster, as can be seen in Tables 34/35 in Annex 2.

Interpretation: Regardless of the clusters, a strong positive correlation between the social activities of the companies and the takeover rate of the apprentices was found. It is recommended that a larger amount of data be collected through more extensive sampling in order to subject research question H07 to a further correlation analysis for the purpose of validating the result. This applies in particular to the

typologies/clusters, as possible correlations may not have been statistically evident in this dissertation due to small data volumes.

- H08 = “Companies with increased employee retention and satisfaction are more social than companies with no increased employee retention and satisfaction“.

According to the analysis of H08 using the Mann-Whitney U-Test, no effect between employee retention and social orientation of the companies could be proven. The p - value is > 0.05 , as can be seen in Table 36 in Annex 2. Consequently, the neutral answer that “the degree of employee satisfaction is independent of the social characteristics of the company“ applies. This result applies to the overall group as well as to the clusters.

Interpretation: Due to the small amount of data, no difference could be proven, although it is known from practice that companies with appropriate employee programs such as employee training, physical education, flexible working hours (in the construction industry, this only makes sense in the office), canteen, positive feedback, etc. are able to attract new employees and retain existing employees more easily, especially in times of the "war of talents", than is the case with companies in which the employees are merely a means to an end (profit maximization). It is recommended to collect a larger amount of data through more extensive sampling in order to subject research question H08 to a further significance analysis for the purpose of validating the result.

- H09 = “The more social the company, the greater the interest in further information on CSR topics”.

According to Kendall's τ analysis of H09, a rank correlation between a company's social behavior and its interest in CSR subjects could be demonstrated. The p - value in the group is 0.006, in the cluster > 0.05 , as can be seen in Tables 37/38 in Annex 2.

Interpretation: Irrespective of the clusters, it was found that there is a strong positive correlation between the social activities of the companies and their interest in further information on CSR. However, it is recommended that a larger amount of data be collected through more extensive sampling in order to subject research question H09 to a further correlation analysis for the purpose of validating the result. This applies in particular to the typologies/clusters, as possible correlations may not have been statistically evident in this dissertation due to small data sets with a large spread.

- H10 = “The greater the familiarity with CSR, the more activities are undertaken in the environmental field”.

According to Kendall's τ analysis of H10, a rank correlation between the familiarity of CSR and company activities in the environmental field could be demonstrated. The p - value is 0.020 in the group and > 0.05 in the cluster, as shown in Tables 39/40 in Annex 2.

Interpretation: Independent of the clusters, a strong positive correlation between familiarity with CSR and environmental activities was found. This finding underlines one of the functions of CSR, namely to raise awareness of the issue of ecology as one of the pillars of the 3 columns of CSR (economy, ecology, social). However, it is recommended to collect a larger amount of data through more extensive sampling in order to subject research question H10 to further correlation analysis for the purpose of validating the

result. This applies in particular to the typologies/clusters, since in this dissertation possible correlations may not have been statistically evident due to small data sets with a large spread.

- H11 = “The greater the familiarity with CSR, the more significant are issues such as reducing CO₂ and saving energy”.

According to Kendall's τ analysis, a rank correlation between familiarity with CSR and company activities in the area of energy savings and reductions in CO₂ emissions was demonstrated. The p - value is 0.013 in the group and > 0.05 in the cluster, as shown in Tables 41/42 in Annex 2.

Interpretation: Regardless of the clusters, a strong positive correlation was found between familiarity with CSR and the importance of topics such as CO₂ reductions. As with H10, this finding underscores one of the functions of CSR, namely raising awareness of the issue of ecology as being one pillar of the 3 columns of CSR. Again, it is recommended to collect a larger amount of data through more extensive sampling in order to subject research question H11 to further correlation analysis for the purpose of validating the result. This applies in particular to the typologies/clusters, as possible correlations may not have been statistically evident in this thesis due to small data volumes with a large spread.

- H12 = “The more socially minded the company is, the fewer number of days of sick leave occur”.
- According to Kendall's τ analysis of H12, a rank correlation between the social orientation of a company and the number of lost working days of its employees could be proven. The p - value is 0.001 in the group and > 0.05 in the cluster, as can be seen in Tables 43/44 in Annex 2.

Interpretation: Regardless of the clusters, it was found that there is a strong negative correlation between the social mindset of the company and the number of sick days. The correlation coefficient τ is - 0.563, indicating that as companies increase their social activities, the sickness rate of their employees' decreases. This finding significantly underlines the importance of the function of CSR to contribute, among other things, to enhancing employees' motivation and keeping them healthy, making CSR a supporting and elementary factor in terms of obtaining the "license to operate". Here, too, it is recommended that a larger amount of data be collected through more extensive sampling in order to subject research question H12 to further correlation analysis for the purpose of validating the result. This applies in particular to the typologies/clusters, since in this dissertation possible correlations may not have been statistically evident due to small data sets with a large spread. For example, the "top function" of the Pioneer (highest social commitment with lowest number of sick days) could not be made evident because too few data were available in this cluster for statistical evaluation.

- H13 = „Companies that show less interest in CSR place more emphasis on tax incentives to implement CSR“.

According to the analysis of H13 using the Mann - Whitney U - Test, no effect between tax incentives and implementation of strategic CSR could be detected. The p - value is > 0.05 , as shown in Table 45 in Annex 2. Consequently, the neutral answer that “tax incentives do not lead to higher interest of CSR adoption“ applies. This result applies to the overall group as well as to the four clusters.

Interpretation: Due to the small amount of data, no difference could be proven, although some explicitly highlighted this extrinsic incentive during the survey of the CEOs. It is particularly striking that all firms

assigned to the Brakeman typology mentioned tax incentives by the state as an urgent measure to make the introduction and practice of regular CSR worthwhile for them. As "Homo Economicus" they pay attention to every additional investment (ROI) and do not (yet) see CSR as a "conditio sine qua non" for maintaining their future license to operate. It is recommended that a larger amount of data be collected through more extensive sampling in order to subject research question H13 to a further significance analysis for the purpose of validating the result.

- H14 = „Companies that perceive regulatory measures by the state to be essential for the introduction of CSR demonstrate a lower level of interest in the introduction of CSR“.

According to the analysis of H14 using the Mann - Whitney U - Test, no effect between (required) regulatory measures by the government and (resulting) introduction of CSR could be proven. The p - value is > 0.05 , as shown in Table 46 in Annex 2. Consequently, the neutral answer applies that „regulatory measures for mandatory implementation of CSR do not help to increase the interest of owners of enterprises to adopt CSR“. This result applies to the overall group as well as to the four clusters.

Interpretation: Due to the small amount of data, it was not possible to prove a difference, although in the interview many of the CEOs would like to see a regulating hand in the form of state power. Thus, 50% of the Brakemen and over 60% of the Pioneers and Observers said that the introduction of CSR should be imposed by the state in order to establish uniform "rules of the game" in the market ("levelling the playing field"). It is noticeable that the type of Refuser is the only one to hold regulatory policy 100% responsible for implementing CSR. Voluntary implementation was categorically rejected by him, so that the Refuser is only prepared to change his business practices to sustainability via this obligation. It is recommended to collect a larger amount of data through more extensive sampling in order to subject research question H14 to a further significance analysis for the purpose of validating the result, also in order to be able to further investigate the categorical rejection attitude of the type Refuser.

- H15 = „Companies that perceive competent training measures for the introduction of strategic CSR as beneficial indicate a higher level of interest in the introduction of CSR“.

According to the analysis of H15 using the Mann-Whitney U -Test, it was found, regardless of the clusters, that with respect to the variable (V18) "CSR training", there is a significant difference between the groups that show interest and those that do not show any interest in the introduction of CSR. In other words, the companies that express interest in CSR also have a greater interest in training courses with CSR - character. The p - value is < 0.05 (0.0002), as shown in Table 47 in Annex 2. The r - value to be determined with present significance is 0,802 and proves a strong effect, which becomes valid in the group consideration.

Interpretation: Due to the small amount of data, no difference could be calculated within the clusters. However, in the survey of the managing directors, 100% of the Observers stated that they required training measures in order to learn about the characteristics and modes of action of CSR. Due to their previous biography, they have not yet explicitly dealt with CSR, but as Honourable Businessmen they are open to all topics that are beneficial to society. This means that this type of entrepreneur should definitely receive support in terms of substance (e.g. from the Chamber of Industry and Commerce) in

order to anchor CSR strategically as a business case in his company. To the Refuser, training is to 100% unimportant, whereas the Brakeman is to 50% interested in it, in order to be able to obtain further possible knowledge to increase the efficiency of his production process. The Pioneer considers further training measures with regard to CSR to be urgently essential, so that he can permanently exchange and benchmark himself with other "Best in Class - Companies". It is recommended that a larger amount of data be collected through more extensive sampling in order to validate research question H15 by means of a further significance analysis based on a broader data base.

4.2.2.1.B.IV Findings from Statistical Analysis

Based on the evaluation of the questionnaire (refer also to Chapter 4.2.2.1.B.I to 4.2.2.1.B.III), four typical German entrepreneurial types can be classified in terms of their fundamental attitude towards CSR. The "Visionary" type has already recognised and implemented the necessity and opportunities of strategic CSR in his company, partly out of conviction and also due to market requirements. In contrast, there is the "Refuser" type who, as a "Taylorist", runs his company in a relatively patriarchal way and is not willing to implement CSR as long as it is not obligatory. The "Brakeman" type, acting as "Homo Economicus", at least knows the basic characteristics of CSR, but is not willing to implement it strategically in his company as long as it does not pay off directly. He looks for extrinsic incentives such as tax incentives (state), which can then allow CSR to be taken into account in his business model. Otherwise, he fears that the "honest" person will be the "loser" in the end, since competition is able to generate economic advantages without investing in CSR activities. The "Honourable Businessman" of the "Observer" typology is open in his attitude to all aspects that are beneficial to society. This also includes sustainability issues, which can find resonance through the implementation of strategic CSR in the respective company. However, he lacks the know-how on what CSR can achieve and how it can best be implemented in the company and anchored in the business strategy. He needs special support and information on the topic of CSR, where e.g. the Chamber of Industry and Commerce could intervene in a supportive manner. All four types have in common that they would welcome a state regulation for the obligatory introduction of CSR, but due to different motives - the "Refuser" as a "conditio sine qua non" and the others as a measure to achieve a fair market environment in the sense of "levelling the playing field". It is to be expected that in the medium term a fifth category will emerge, which will be on the transformation path towards CSR. This should ultimately be the goal, so that all companies not only develop an awareness of sustainability issues, but also benefit from it through their lived business strategy in the sense of "Good Corporate Governance", as is also qualitatively illustrated in Chapter 4.4 by means of a "Sustainability - Market Diagram".

The insight gained from the typology also results from the fact that, as explained in Chapter 4.3, a CSR implementation model ("CIC") developed through expert statements can be addressed on a type-by-type basis. Thus, the "Observer" must be trained in the introduction and use of the "CIC" model and supported by external experts, the "Brakeman" will pay special attention to the economic efficiency of CSR through tax incentives and define and control corresponding KPIs, while the "Refuser" must be taken by the hand so that he leaves his "comfort zone" and faces the necessary change measures. The "Pioneer" will continue

to try to improve and needs a network that connects him with like-minded people for benchmarking. In transformation processes such as the introduction of CSR, special attention must be paid to ensuring that the employees accompanying the change process are taken seriously with their concerns and fears - otherwise the change threatens to fail, which is also addressed in Chapter 4.3.6.

Figure 33 shows the graphical representation of the typology with its characteristics and necessary measures for the implementation of CSR. The present percentage distribution appears to be too high for the Pioneer with 14%, since with the small sample, obviously more companies were consulted for the survey that have a CSR affinity. According to experts, approximately 4% (up to 20 FTEs) to 10% (up to 49 FTEs) of SMEs have already strategically anchored CSR in their company, so that there is a need for further research here to validate the data obtained with a larger sample. The remaining distribution values are broadly in line with practical experience, but should also be consolidated through further surveys (see also Chapter 5.2).

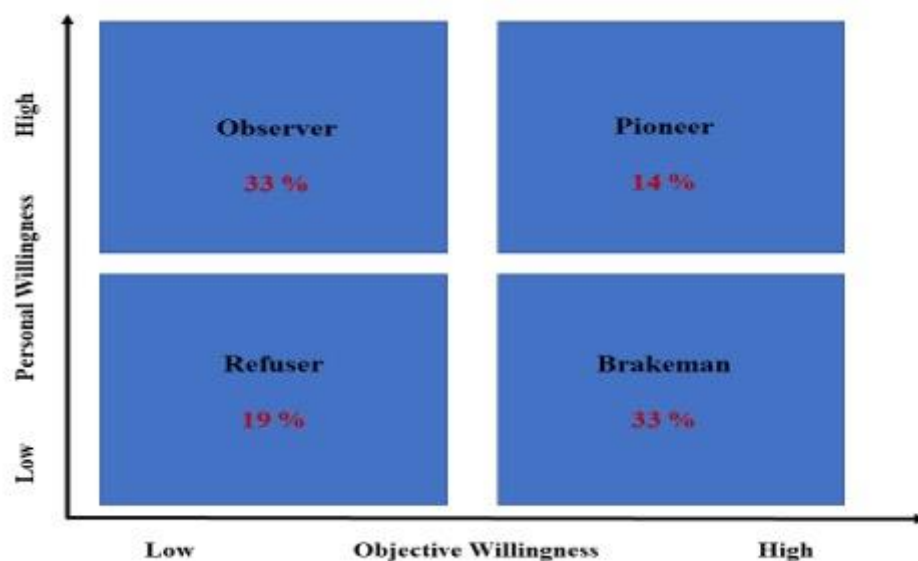
Figure 33: CSR-Typology

CSR - Typology			
Categories	Criteria	Measures	Distribution %
CSR - Refuser	Only with regulations... CSR achieves nothing... CSR only costs... CSR serves what purpose?	Convince of CSR factually/substantially - > present business case. Regulatory measures.	19
CSR - Brakeman	Is convinced of CSR or open to it (knows the basics of the concept or has already heard of it), but does not see himself rewarded in the company for making an effort with regard to CSR aspects. Recognizes the necessity of CSR for the (future) retention of the "licence to operate".	Connect CSR activities with the business model in a way that, for example, salary components are linked to CSR achievement levels. Seek government incentives (taxes...). Product preference. Raise awareness of the necessity of CSR for "Licence 2 Operate".	33
CSR - Observer	Yes, of course, but... In principle, CSR fits into the value system (honorable businessman...), but there is a lack of in-depth information on CSR.	Inform, instruct, benchmark, show best practices, mentoring by guild or "pioneer".	33
CSR - Pioneer	CSR "strategically implemented". Is personally and professionally convinced of CSR.	Making them "ambassadors" and "multipliers".	14

Source: Self-elaboration.

In Figure 34, the 4 types of entrepreneurs are located in a coordinate system, with the axis designations on the abscissa "Objective Willingness" and the ordinate "Personal Willingness". According to this, for example the "Pioneer" is characterised by his conviction of both the mindset and the importance of CSR. As can be seen in Table 19, it was also made possible to derive opinions on the formulated theses 1-4 from the interviews with the entrepreneurs. As is evident, the "Pioneer" consequently rejects Thesis 1 (as he already lives CSR) and the "Refuser" dismisses Thesis 2 (as he will only introduce CSR under mandatory obligations), whereas Thesis 3 is also logically not supported by the "Refuser", as he does not need standards such as the DNK, unless the state decrees it.

Figure 34: CSR- Matrix of Typology



Source: Self-elaboration.

Table 19: Typology Statement Theses

Typology	References to Theses	
Refuser: Confirms T1 Brakeman: Confirms T1 Observer: Confirms T1 Pioneer: Reject T1	T1	CSR is largely unknown among SME's - Effects are not used strategically
Refuser: Reject T2 Brakeman: Confirms T2 (BC required) Observer: Confirms T2 (Training courses important for strategy development) Pioneer: Confirms T2 (Concept still applied)	T2	CSR- concept can be implemented effectively & efficiently at SME's through CR - strategy
Refuser: Confirms T3 (only with governmental force CSR will be implemented) Brakeman: Confirms T3 (needs incentives) Observer: Confirms T3 (needs Infos) Pioneer: Confirms T3 (already fulfills T3 - DNK...)	T3	Standards like GRI (or deflected from GRI like DNK...) are acceptable methodology for managerial accounting tools in SME's
Refuser: Confirms T4 (requires external force) Brakeman: Confirms T4 (can support T4) Observer: Confirms T4 (with Infos) Pioneer: T4 confirmed through "Necessity". "Mandatory" not relevant, as he already practices CSR	T4	Implementation of CSR becomes necessary & mandatory (in the mid term) for all companies

Source: Self-elaboration.

Specific materiality analyses can also be derived from the typology, which were defined by the entrepreneurs surveyed with regard to the importance of the criteria "Business Needs" and "Stakeholder Needs". This clustering of materialities also supports the implementation of CSR, since the main areas of action of the respective typology are already generically identified, which, however, require further company-specific adjustments to the individual company structure. Figure 35 shows the determined materiality matrix and is further explicated in Chapter 4.3.7 on the basis of the "CIC - model".

Figure 35: Materiality Matrix

Materiality - Matrix				
CEO - Typus	Taylorist	Entrepreneur	Honourable Businessman	Homo Economicus
Type	Refuser	Pioneer	Observer	Brakeman
Stakeholder Categories				
Society	3 - Donate	1 - Active Involvement	2 - Sponsoring	2 - Sponsoring
State	1 - Governance	1 - Levelling Playing Field	2	1 - Tax Incentives
Chambers	3	2 - Multiplier "Best Practices"	1 - Mentoring (Introduction)	1 - Funding support through grants, cost absorption
Residents	1	1	1	1
Successor	3 Succession Planning	1 Part of risk management within the framework of a strategic CSR	2 No awareness yet	2 No awareness yet
Employee	1 Working force	1 Human being in the center	1 Know-how - acquisition necessary about CSR	1 Incentivization required for "CSR as a business case"
HR / PE	2 Worker Recruitment	1 Seeking like-minded people in the "War of Talents"	1 Training / PE	1 Recruitment of skilled workers
HSE	2 Meet minimum requirements	2 BGM - Expansion / 0 - Accident - Philosophy	2 Compliance with legal requirements	2 Compliance with legal requirements
Client	1 Satisfaction	1 Satisfaction	1 Satisfaction	1 Satisfaction
Supplier	1 Obey supply chain	1 Anchor supplier ratings in general terms and conditions	1 Obey supply chain	1 Obey supply chain
Competitor	2 Observation	2 Cooperation	2 Benchmarking Utilize Best Practices	2 Motivation through "Best Practices"
Bank	1 Loan -> Aggravation due to pandemic	3	3	3
Media	3	2 "Do good and report on it"	3 reactive	3
Environment	3	1 Integration into business case	1 Openness to environmental aspects	1 If it pays off
R & D	3	1 Actively promoting R&D through cooperations...	2 Open minded but reactive	2 Only if it pays off in the business case
IT / Digitalisation	3	1 Utilization of possibilities - Restrictions = Internet connections	2	2
CSR	Reject CSR without "force"	CSR ist strategically anchored Utilization as multipliers & ambassadors for "observer" and "brakeman"	Open for CSR - need facts for strategic implementation	At least know the theory of CSR - but fear disadvantages due to "free riders"
Legend				
Prioritisation				
1 - Highest Priority	2 - Middel Priority	3 - Lowest Priority		
Measures urgent	Be prepared	Observe		

Source: Self-elaboration.

4.2.2 Qualitative Analysis

In Chapter 4.2.3.1 "Method", the chosen research design and methodological procedure are presented, explained and justified, and the selection procedure of the interview subjects as well as the methodology of data collection and processing are explicated. Subsequently, the findings generated from the empirical analysis are presented in Chapter 4.2.3.2. The presentation is based on the category system developed and, as a result of the evaluation of the expert interviews, leads to recommendations for deriving a model for the strategic introduction of CSR in SMEs ("CIC", see Chapter 4.3).

The qualitative content analysis is concluded in Chapter 4.2.3.3 with a critical evaluation in order to reflect on the selected methodology in the context of this review using various quality criteria.

4.2.2.1 Method

4.2.3.1.A Research Design

Since this part of the dissertation is subordinate to qualitative research, the method of content analysis according to Mayring, which is considered appropriate within this field of research, was chosen (Flick; Kardorff; Steinke, 2017). In the following, the procedure will therefore first be presented in general with its strengths, which led to the selection of the methodology, in order to subsequently focus on the form of "qualitative content analysis" applied here.

4.2.3.1.A.I Content Analysis

The aim of a content analysis is to analyse material that has been obtained from some kind of communication. A generally applicable definition cannot be found in the literature, which is why a list of the specifics of social science content analyses according to Mayring will be given here for explanation. The object of content analysis is communication in the form of language, images, music, symbols, etc. It is the analysis of fixed communication, since the material to be analysed is available in some recorded form (e.g. texts).

A systematic and rule-governed procedure enables all observers to comprehend and verify the analysis carried out, thus complying with social science methodological standards.

A theory-led approach is also important. This means that the underlying question is derived from the theory and the subsequent analysis and interpretation is done in relation to the basic theory.

The aim is to draw conclusions from certain aspects of communication (Mayring, 2015, p 13f). It can therefore be stated that content analysis systematically analyses fixed communication in a rule- and theory-based manner in order to derive implications from it. A distinction can be made between two forms of content analysis, quantitative and qualitative analysis. A differentiation of both forms can be realised by looking at the communication content to be analysed. The quantitative research approach aims at quantification, which is why representatives of this paradigm limit content analysis to manifest communication content that the sender obviously makes available to everyone. Accordingly, the attributes "objective, systematic, quantitative and manifest" characterise quantitative content analysis (Lamnek, 2010, p 494). In contrast, qualitative content analysis has an interpretative character. The qualitative paradigm also claims the attributes of objectivity and systematics, but it places the latent communication content at the centre of the analysis and does not, or at most only partially, resort to counting procedures. While qualitative research primarily resorts to classificatory terms, quantitative research refers to metric terms. That is, qualitative terms classify objects of observation and answer a "what-question", whereas quantitative makes the observed objects countable and thus answers "how-many-questions". Basically, Mayring states that any quantitative research must necessarily be preceded by a minimum of qualitative analysis. "This means that at the beginning of scientific procedure there is always a qualitative step. I must first know what I want to investigate, I must name it". Mayring emphasises, however, that qualitative research does not necessarily have to be followed by quantitative research, as it may be advisable to do without it for various reasons (e.g. because of the costs of quantitative analyses) (Mayring, 2015, p 19).

As already indicated, the qualitative research approach is pursued in the present work in order to initiate the processing of the research gap and to provide it with a foundation on which further research work of any approach can be based. Qualitative data material is therefore collected and analysed using qualitative content analysis, which is presented in more detail in the following Chapter 4.2.3.1.A.II.

4.2.3.1.A.II Qualitative Content Analysis

According to Mayring, qualitative content analysis is not an alternative to quantitative analysis, but rather serves to retain the strengths of quantitative content analysis and to develop a systematic, qualitatively oriented text analysis on the basis of these. Various positive aspects are therefore united by this approach and presented in summary in the following:

Embedding of the material in the communication context:

The interpreter always analyses the material in connection with the corresponding part of the text, which ensures that the context is included and the communication context is guaranteed.

Systematic, rule-guided procedure:

In contrast to free content analysis, qualitative content analysis adheres to a systematic, rule-guided procedure, which is guaranteed by a "process model" created in advance. It is important to note that content analysis is not a standard instrument, but is always adapted to the individual case. The systematic approach makes it possible for everyone to carry out the analysis in a similar way.

Categories at the centre of the analysis:

Like quantitative content analysis, qualitative analysis also uses a system of categories, which is the centre of the analysis. While the quantitative paradigm uses deductive category formation, qualitative analysis uses both deductive and inductive category formation. This also ensures that the intersubjectivity of the procedure is preserved. In addition, the results can be compared and the reliability can be assessed.

Object reference instead of technics:

The procedure developed in qualitative content analysis is not a generally applicable technique that can be transferred randomly to different situations, but must always be applied in relation to the object under investigation.

Theory-guided analysis:

In order to compensate for technical inaccuracies, theoretical arguments are used to guide the decisions of the basic procedure and individual analysis steps. Theoretical foundations are systematically used in all procedural decisions.

Quality criteria:

Although qualitative content analysis softens the hard methodological standards of quantitative analysis, this approach also meets scientific quality criteria. However, many researchers find that the classic quality criteria of quantitative research such as "reliability", "objectivity" and "validity" are not applicable or are poorly applicable (Lamnek, 2010, p 141f). Therefore, according to Mayring, genuine quality criteria of qualitative research are necessary, which are shown in Figure 36. It should be mentioned, however, that other definitions of quality criteria can be found in qualitative research, e.g. the seven "core criteria"

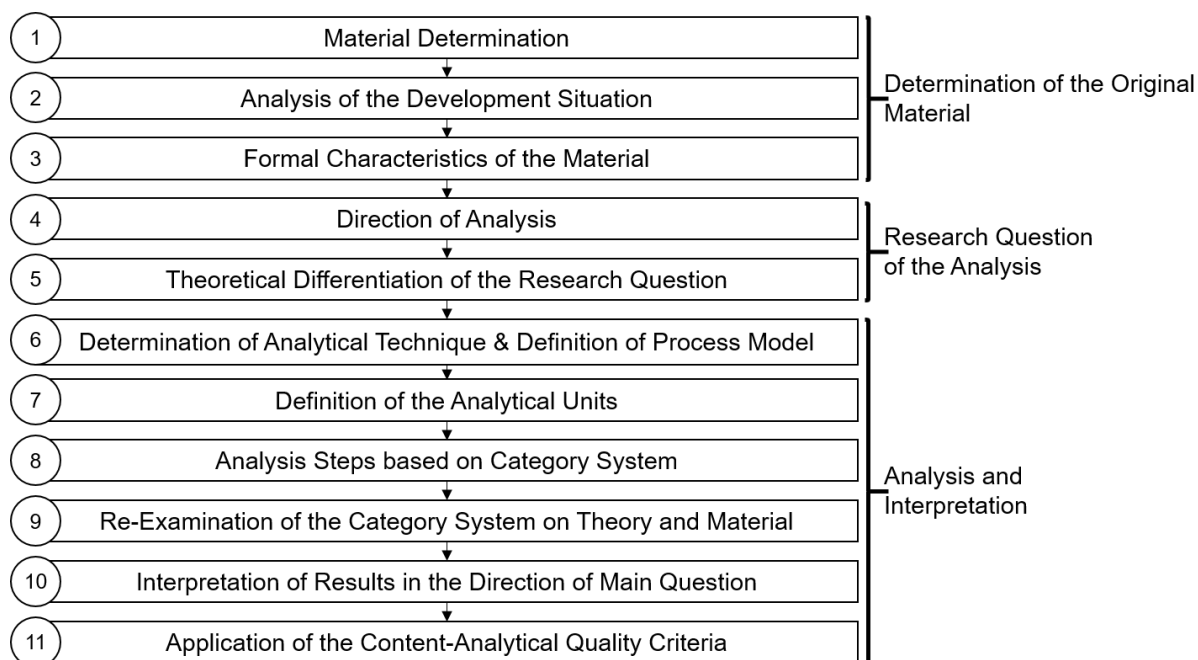
according to Ines Steinke (Steinke, 2017), which were not selected in this work, however, because the methodological guidelines of qualitative content analysis should be followed as strictly as possible.

Figure 36: Quality Criteria of Qualitative Research

Process Documentation
This quality criterion aims to increase the trustworthiness of data and interpretations by making the procedure transparent in all its individual elements (preliminary understanding, methods, implementation and evaluation) and thus ensuring traceability.
Argumentative Interpretation Validation
Since the qualitative approach is mainly characterized by interpretative procedures, the interpretations should be argumentatively justified by the interpreter in order to achieve intersubjective comprehensibility and verifiability. In this way, the interpretation becomes apparent to other researchers and can be criticized if necessary and supplemented via other alternative interpretations.
Rule-Governed
This criterion also supports intersubjective comprehensibility by fulfilling a minimum degree of systematicity. This can be ensured, for example, by using Mayring's process model (see Figure 37). Here, however, the dichotomy between rule-governedness and object appropriateness should be observed. On the one hand, the qualitative analysis must be adapted to the respective object, on the other hand, it must not result in a completely unsystematic procedure. Any deviation from the process model should therefore be disclosed and justified.
Proximity to Object
A strength and thus a quality feature of qualitative research is the closeness to the subject matter, which is achieved by being close to the day-to-day situation of the subjects to be researched. A central point here is to establish an open relationship and common interest between researcher and subject.
Communicative Validation
To comply with validity, it is checked how good the relationship between the actual correlations and the researcher's vision is. For this purpose, e.g. the interview participants can be presented with the results and requested to comment on them.
Triangulation
Triangulation validates the extent to which the object of research was viewed from different perspectives. In doing so, diverse types are classified: Data-T. (inclusion of different perspectives, etc.); researcher-T. (avoiding bias by using different interviewers, etc.); Theories-T. (testing the usefulness of theoretical perspectives by contrasting them with others); Within-Method-T. (use of different interview techniques); and Between-Method-T. (combination of questionnaire and guided interview).

Source: Self-elaboration according to (Mayring, P., 2015, p 123-129).

As already mentioned, qualitative content analysis uses a process model that divides the analysis into individual interpretation steps and thus establishes a strength of the method in contrast to other interpretation methods. In the following, the general procedural model will first be presented in order to then show how the individual sequences were applied and implemented in the present work.

Figure 37: Content-Analytical Procedural Model

Source: Self-elaboration according to (Mayring, P., 2015, p 61).

First of all, when determining the material (step 1), it is stated which material the analysis is to be based on and according to which criteria this selection was made. Next, the analysis of the situation in which the material was created (step 2) reveals the context in which the material was recorded. After that, the formal characteristics of the material (step 3) are determined, i.e. it is precisely determined how the preparation of the "basic text" (in this dissertation "sound recordings") for the interpretation is to take place. At this point, above all, rules according to which transcription was carried out must become clear. Subsequently, when determining the direction of analysis (step 4), it is determined under which aspect the material is to be considered. This is followed by a theoretical differentiation of the research question (step 5) in order to meet the requirements of rule- and theory-guidedness. Subsequently, the analysis technique (step 6) is determined, whereby one can choose from the following three procedures: "summarising", "explicating" and "structuring". Before the actual analysis begins, the unit of analysis (step 7) must first be defined. This determines which units of measurement of the material will be made the subject of the analysis. Units of measurement to be determined are defined as follows: "The coding unit determines what "is the least material component that may be evaluated" and what is the minimum text component that may fall under a category. The context unit determines the largest textual component that may fall under a category. The evaluation unit determines which parts of the text are evaluated in succession" (Mayring, 2015, p 63).

The analysis now takes place by means of the category system (step 8), which is differentiated according to the choice of analysis technique in step 6 (see more detailed information on this in Chapter 4.2.3.1.A.III). After the analysis has been completed and a system of categories has been created, back-checks of the created system of categories against theory and material as well as interpretations of the

results take place in steps 9 & 10. Finally, the interpreter should take a critical look at the chosen methodology using the quality criteria shown in Figure 37 (Step 11).

Figure 38 provides an overview of the application of the procedural model described above, taking into account the present research context.

Figure 38: Overview of the Application of the Content-Analytical Procedural Model

Phase	General Explanation	Overview of the Application of the Presented Thesis
1.	Which material should the analysis be based on?	Six expert interviews. Experts are familiar with requirements in the area of CSR and represent the current state of knowledge in this area throughout Germany. For more details, see also Chapter 4.2.3.1.B "Sample".
2.	Author and interpreter of the material	Graduate engineer and business ethicist as a doctoral student at EUBA in the Department of Economics and Management of Businesses.
	Objectives	Global Objective To identify, diagnose and evaluate the current state of theory and practice of CR in the construction business and to develop a model for micro-enterprises (< 49 FTE) in the construction sector, which permits the implementation and application of suitable CSR strategies. Generic Part Objective Determination of the status quo regarding implemented sustainability aspects & derivation of measures for the strategic anchoring of CSR at German SME's from the construction industry. Expected results - Development of a procedure including recommended reporting standard for SME's in the form of a practical guide/model with a selection of recommended KPI's to be used based on standards like GRI/DNK. - Classification and evaluation of the results with conclusions and recommendations for the theory and practice. For more details refer to Chapter 2 "Research Objectives".
	Target group	SME's with an employee structure of 1 to 49 permanent employees from the German construction industry. In the next step the findings can be extended to other industries and countries with specific adjustments(KPI's...) to be made.
	Special situation of origin	Conducted voluntary & confidential interviews, for more details see Chapter 4.2.3.1.C "Data Collection".
	Socio-cultural background: a) Of the author and interpreter b) of the experts interviewed	a) Self-employed engineer and business ethics & PhD student at the EUBA in the field of "Economics and Management of Enterprises". b) Refer to details in Chapter 4.2.3.1.B "Sample".
3.	In which form and with which characteristics is the material available?	Six audio recordings are available, which were transcribed using standard orthography based on the rules of written language. Concrete transcription rules, see Annex 4, were used.
4. & 5.	How is the material analyzed and which research question is pursued?	In order to determine the status quo with regard to implemented sustainability aspects at German SME's from the construction industry and to enable the derivation of concrete measures for the strategic anchoring of CSR at these micro enterprises, the findings obtained from the experts' perspective are evaluated in a mixture of deductive and inductive approaches by first deductively forming categories and then inductively categorizing text components that are not represented by the deductively generated categories (for more details see also Chapter 4.2.3.1.A.III "Content Structuring" and Chapter 4.2.3.1.D "Data Analysis").
6.	Which analysis technique should be used?	Content structuring, see Chapter 4.2.3.1.A.III.
7.	Which measures of the material (the interviews) are the subject of analysis?	- Coding unit: Sentence. - Context unit: Sentence passages. - Evaluation unit: All interviews are evaluated in sequence. The order is determined by the date of the interview.
8.	By means of which steps was the analysis carried out / the category system formed?	See Chapter 4.2.3.1.D "Data analysis" & Chapter 4.2.3.2 "Results".
9.	Re-examination of the category system on theory and material	See Chapter 5.1 "Results of Research".
10.	Interpretation of the results in the direction of the main question	See Chapter 5.2 "Recommendations of Research".
11.	Application of the content-analytical quality criteria	See Chapter 4.2.3.3 "Critical Evaluation".

Source: Self-elaboration.

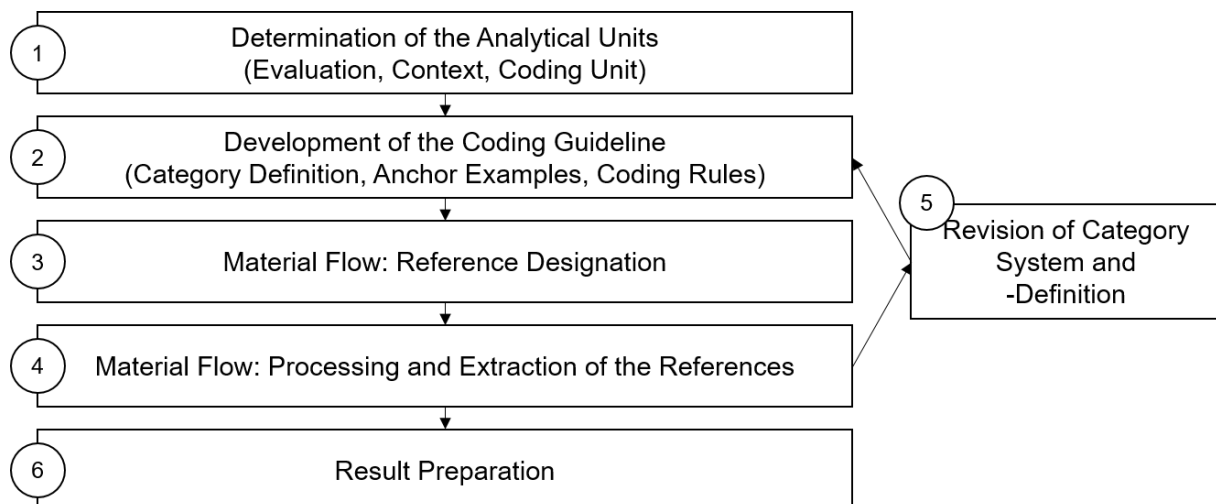
As shown in Figure 37 under step 6 "Determining the analysis technique", depending on the material and the research question, the latter was selected from the three analysis techniques "summary", "explication" and "structuring". While the analytical technique of "summarising" pursues the goal of reducing the existing material as much as possible so that the essential content is retained, "explicating" aims to expand understanding by adding additional material to individual incomprehensible parts of the text. The technique of "structuring" aims to order the material by creating a system of categories in order to systematically extract text components from the material. Therefore, this analysis technique is considered the most useful for the present work and will be presented in more detail in the next Chapter.

4.2.3.1.A.III Content Structuring

Among the four forms of structuring content analysis (formal, content-related, typifying and scaling structuring), content structuring is applied as an analysis technique in the context of this work, with the aim of extracting and summarising certain contents, aspects and topics of the material. A central component of the analysis is the precise definition of "categories" with the help of which the material - the transcribed expert interviews - is to be analysed.

Here, too, Mayring provides six concrete steps in the sense of systematics that determine the procedure of the analysis (see Figure 39).

Figure 39: Procedural Model of Content Structuring



Source: Self-elaboration according to (Mayring, P., 2015, p 103).

Before the material can be subjected to analysis, the units of analysis must be determined (see also step 7 in Figure 37/38). Then the category system is compiled by assigning definitions, anchor examples and coding rules to the individual (theory-based) categories as follows:

Category definition: the textual elements belonging to a category are defined.

Anchor examples: Specific textual examples are listed for the defined categories.

Coding rules: If there are demarcation problems between individual categories, rules are formulated there that allow an unambiguous assignment.

The material processing can then begin, in which first the sources are marked, processed and extracted. Mayring recommends checking the category system after about 25% of the material run and revising it if necessary. To complete the structuring of the content, the extracted results are processed and subjected to further necessary iteration cycles with the back-checking of the category system against theory and material (see also Figure 38, step 9) (Mayring 2015, p 65ff).

The application of this analysis technique is shown in Chapter 4.2.3.1.D of this thesis.

4.2.3.1.B Sample

In order to investigate the research questions of this thesis, N = 6 experts are consulted. Since qualitative studies focus on the representativeness of the content - in contrast to the statistical representativeness of quantitative research - the composition of the sample, the selection of the participants and the procedure for their recruitment will be outlined below.

As this work focuses on a content-related comprehensive acquisition of information, it was decided not to use random sampling. The form of deductive sampling seems to make more sense here, as the selection of individuals is made according to predefined criteria, thus identifying relevant key individuals who can contribute to comprehensive data generation (Reinders 2012, p 136 f). Since the selection of the sample focuses on representativeness in terms of content, the aim of sampling should be to obtain a group that is as heterogeneous as possible with many different perspectives in accordance with the principle of maximizing variance (Patton, 2009). This should minimize the probability that information relevant to the study is not collected (Reinders, 2012, p 134 ff). The relevant population for this work consists of selected experts who have already gathered extensive expertise in the field of CSR. Based on the following criteria, the research participants were selected with a focus on CSR:

- - Name recognition (books, publications),
- - Professional - managerial experience (even in small companies),
- - Seniority,
- - Network (politics, chambers),
- - Country (FRG).

The first selection criterion is defined by the "level of recognition". Since the research question focuses on CSR and sustainability topics, the primary experts selected are those who have already published papers in the subject area or have played a key role in coordinating sustainability forums or the like. This classification was made because the author hopes to gain important insights and impulses from these experts on the "first front", who can represent direct implementation vectors with regard to the implementation of strategic CSR at SMEs.

The criterion "professional and management experience" of > 15 years is intended to ensure that the interview participants themselves have already been responsible for CSR-relevant topics. This applies not only to MNEs and KMUs, but also to small companies. Industry knowledge from the plant engineering sector with a focus on "civil" is desirable, but not absolutely necessary in order to derive the required core statements for processing the dissertation topic.

To fulfill the previously mentioned principle of variance maximization, the criteria "seniority" and "network" are added. "Seniority" stands for the broadest possible coverage and validation of the statements expressed, which should contribute to the knowledge gain of the thesis with maximum objectivity. The criterion "network" is intended to ensure that the experts collaborate and exchange information with each other in multiple ways, and that they have not only national but also international expertise on the topic. Affiliations with political offices or chambers such as the DIHK ensure that legal and regulatory concepts are mentioned in the interview and that the expert opinions expressed there are at least "state of the art" in terms of content.

The last criterion chosen is "country" with the FRG, where (at least initially) CSR is to be introduced at SMEs. Country-specific aspects and legislation play a not insignificant role here, which are covered by the experts because they originate from Germany and have gathered relevant experience in the subject area there.

These criteria are the starting point for the recruitment of research participants. Participants are approached directly via the author in a personal interview with advance information about the topic of the dissertation. In doing so, the interviewer draws on his or her personal network or recruits specifically by direct approach. Regardless of the method of approach, care is taken to convey the most important information about the planned research and to emphasize the voluntary nature and confidentiality of the interview. The following participants have been selected for the expert interviews (anonymized):

- B1: "Head of German CSR – Forum" (former) - experience > 30 years.
- B2: "Head of Sustainability" (for Germany) at Chamber of Commerce - experience > 20 years.
- B3: CEO of MNE (reporting according GRI) from construction business - experience > 20 years.
- B4: "CSR – Officer for Gilde" (responsible for SME's & Medium sizes companies within Germany) – experience > 30 years.
- B5: CEO of SME (35 FTE) from construction engineering & industry spokesman for sustainability topics in the construction area – experience > 35 years.
- B6: Speaker "CSR - Corporate Social Responsibility" of Federal Ministry of Labour and Social Affairs / Germany – experience > 20 years.

4.2.3.1.C Data Collection

For data collection, guideline-based interviews were conducted with the experts presented in the previous Chapter. This type of interview was chosen in accordance with the object of the study, the "Determination of the status quo with regard to sustainability aspects & derivation of measures for the strategic anchoring of CSR in German SMEs from the construction industry", as relevant aspects can be picked up and analyzed in this way.

In the following, the structure of the interview guideline is presented first, in order to then look in more detail (refer to Chapter 4.2.3.1.C.II) at how the interviews were conducted.

4.2.3.1.C.I Interview Guideline

The interview guideline was constructed in a semi-standardized manner, i.e. question formulations were determined in advance, but not the timing and sequence. This allows the interviewer to decide situationally which question to use and when (Atteslander, 2008, p 125ff). Questions that have already been answered during the interview can thus be omitted, and depending on the development of the conversation, the interviewer can follow up in more detail and - in case of digression on the part of the interviewee - lead back to the guideline, since certain predetermined topic areas are to be addressed after all. The idea behind a relatively openly structured semi-standardized interview is that the views of the interviewees are more likely to emerge than in a fully standardized interview. Interviewer and interviewee operate within a framework that provides sufficient latitude to elaborate on aspects emerging from the interview. Nevertheless, a certain comparability between the interviews is ensured, because the flexible questionnaire, which serves as a central support for the interviewer, ensures that similar information is collected (Flick, 2017, p 194ff). Furthermore, the use of the guideline enables the interviewer to maintain objectivity. Moreover, open question formulations are used for the creation of the guideline, as these give the interviewee the opportunity to answer entirely according to his or her own opinion and imagination without answer alternatives. In this way, the influence of the questions on the content of the answers is kept as low as possible (Gläser, 2010, p 138ff). In addition to the guiding questions, sub-questions are formulated, which on the one hand provide thematic orientation and on the other hand serve as narrative stimuli for the respondent. The basis for the development of the guideline are the research objectives presented in Chapter 2. Taking into account Helfferich's (Helfferich, 2014, p 676) guidelines for creating such an interview guideline, the following structure was chosen for the present research:

1. Recommendation on how to use the interview guideline.
2. Introduction & familiarization:
 - Introduction of interviewer and dissertation topic,
 - Note on voluntariness and anonymity of participation,
 - Written consent form for audio recording,
 - Explanation of the interview procedure including time frame.
3. Questionnaire with guiding and sub-questions incl. objective per section of the questionnaire.
4. Conclusion of the interview:
 - Thank you and explanation of further procedure,
 - Space for answering questions,
 - Farewell.

In order to charge the constructed communication situation of an interview with a pleasant atmosphere, care was taken in the introductory and concluding sequences to provide the interviewees with as much information as possible in order to generate additional security among them. Furthermore, the first and last questions were designed to be as simple as possible, omitting any potentially sensitive topics. The order of the questions results from the thematic contexts and is intended to promote a natural course of

conversation. This both supports the memory of the interview participants and distracts from the constructed situation. In order to practice conducting guided interviews and to check the comprehensibility and usefulness of the questions, three "pretests" were conducted with participants outside the research program before the actual start of the interview phase. Thereupon, the guide could be adjusted and the official conduct of the interviews could commence. The complete interview guideline is attached in Annex 3.

4.2.3.1.C.II Conducting Interviews

To initiate the interview phase, the six participants in the research were invited to their interview appointment via an email. In doing so, the participants were informed that no further preparations were necessary for them for the telephone appointment. The interviews took place in German, the native language of all interviewees and the interviewer. The time frame of the interviews was 90 minutes on average (maximum 150 minutes). Since interview situations vary in principle, attention and sensitivity of the interviewer is of enormous importance, e.g. to avoid repetition of questions or to develop a feeling for his counterpart. To ensure this, the interviews were recorded using an audio recorder and only important aspects were subsequently recorded in writing. The interview situation in communication situations (interviews) determines the quality of data collection, which was ensured by considering the following four basic principles according to Helfferich (Helfferich 2011, p 22 f):

Principle of communication:

The interviewer interacted and communicated verbally (telephone call) with the interviewees and paid particular attention to conveying respect and appreciation due to the "remote - character" of the conversation. In order to clarify vague statements, the interviewer inquired more deeply. By briefly summarizing what was said ("paraphrasing"), the interviewer was able to ensure that what was said by the interviewee was correctly understood.

Principle of openness of the communication situation:

The interviewer gave the experts space and time for their own thoughts, words, etc., i.e., the interviewees were not interrupted during the storytelling in order to maintain the flow of the conversation. Conversation pauses were not filled too quickly with further questions on the part of the interviewer in order to give the interviewees a chance to remember and reflect. This ensured that interviewees were given the opportunity to express what was important to them.

Principle of dealing with familiarity and strangeness:

The interviewer acknowledged at all times that respondents had subjective ideas about each of the topic blocks.

Principle of reflexivity:

The interviewer permanently reflected on his role during the interviews in order to be able to make adjustments, if necessary, to his behavior affecting the interview situation and thus increase the quality of the interviews. At the end of the interviews, the interviewer gave the interviewees the opportunity to add any aspects that remained open from their point of view and to ask questions. Afterwards, the further procedure was explained and, finally, thanks were expressed for the participation and openness.

4.2.3.1.D Data Analysis

As already shown in Figure 38, six audio recordings were transcribed using standard orthography - following the rules of written language - and taking into account specific transcription rules (see Annex 4).

Following the "content structuring" analysis technique presented in Chapter 4.2.3.1.A.III, the units of analysis to be used were determined at the beginning of the analysis (see Figure 37, Step 7). Next, the coding guide (corresponding to the category system) including associated definitions and anchor examples was generated. The use of coding rules was not necessary, since a clear delimitation was already ensured by definitions and anchor examples and the mixed form of deductive and inductive formation of sub- and sub - sub - categories was applied. With the application of the software "MAXQDA 2020 (Release 20.4.0)" the coding of the transcribed interview material took place after the construction of the category system, which is shown in Figure 40. Each interview was coded individually, step by step, and the sentences were assigned to the categories. First, line-by-line coding was used, i.e. the interviews were worked through line by line and the respective core statements were filtered out. This was followed by focused coding, in which the core statements of the lines were summarized into the individual categories formed. The review of the coding guide recommended by Mayring after about 25% of the material run was carried out after coding of interview 2, and detected inaccuracies were corrected and adjusted.

Figure 40: Analysis Procedure including Category System

Category System						
Levels	Main-Categories	Sub-Categories	Definition Sub-Categories	Sub-Sub-Categories	Definition Sub-Sub-Categories	Selected Anchor Examples with Key Messages
Macro	Thesis	1.Thesis	CSR is largely unknown among SME's - effects are not used strategically	-	-	S: Agreement rate = 100%. Bl: "If you take a look around the workshops, there are quite a few companies that are also concerned with how ecological the paints they use are - to take a very crude example. For me, that is not yet a strategic CSR approach. But that doesn't make it any less bad. But this approach, to deal with it strategically, I think it often needs this impetus from the outside and that simply does not exist in many small, very small companies and in certain sectors". "How high would you estimate the percentage of SMEs that have strategically anchored CSR in Germany, namely in the business model, classified into company sizes from 1 to 20 and 21 to 49 employees?" Bl: "That's just an estimate, of course. So there are no reliable studies or anything like that. But for the smallest companies up to 20 employees, I would say that's less than one percent.... That doesn't mean that these companies are not responsible, but a strategic CSR approach, that's certainly lower than one percent. To be honest, it won't be much more than that in the second group. I do think we're in a range there that's above one percent, but certainly below ten". The average percentages are (4, see also Table A for figures): 1 - 20 employees = 4% 21 - 49 employees = 10%. Thesis 1 verified by experts!
		2.Thesis	CSR - concept can be implemented effectively and efficiently at SME's through CR - strategy	-	-	S: Agreement rate = 100 %. B: "We don't say that you have to completely change your entire business. Instead, our approach in the previous projects was always analogous to this very banal, simple control cycle: "First of all, look at what you are actually doing and then integrate new things in small steps, just get started. And you will notice a lot of positive things that you already have and try to combine them with goals and then derive the corresponding individual measures. You don't have to start from zero to 100, but you have to start the process really slowly and then afterwards you also have a possibility to communicate and to measure that and to start again from the beginning. So I think these strategic small

						steps, they are quite essential". Thesis 2 verified by experts!
		3.Thesis	GRI -/ DNK - standards are acceptable methodology for managerial accounting tools in SME's	-	-	S: Agreement rate = 100 %. S: "I'm ambivalent, but I would agree in principle, yes, I would just refine it. Little administration, what I said earlier. Small businesses and those with up to 50 employees need less administration, clear comprehensibility and, if possible, simple software solutions. Perhaps one can extend there over DATEV or pull out something or realize perhaps an integration for the existing IT software, now regarding the KPI's". U: "Generally recognized reporting standards such as GRI or DNK can serve as a basis for sustainability reporting. And here I made the restriction that the KPI's are just appropriate and also do not overburden the company. And GRI and DNK terms do not have to be available as a knowledge premise, because then most people would say, "No, I don't know what you mean by that. If you explain the core message of CSR....yes, so with the appropriate prerequisites....I can already imagine that". Thesis 3 verified by experts!
		4.Thesis	Implementation of CSR becomes necessary and mandatory for all companies including SME's	-	-	Expert mean: Agreement rate = 33% - Disagreement rate = 67%. D: "I would agree with this if the sense of it were explained - and not somewhere on some Internet page in the 47th submenu, but if the meaningfulness is explained in such a way that most people say, "ok, it's another 2 hours of work, but I realize that this will help me". Under no circumstances should you then approach people with instruments that can only afford Coca Cola and Siemens and so on, since they have recruited studied people anyway, who say, "here you go, now make a nice report, 80 pages minimum and nice and glossy and so on". U: "Well, I think that if things really go badly, then it could be at some point from 50 (employees). But I can't imagine with the best will in the world that the EU, Germany certainly can't, but that the EU will push through in this sense, because the resistance is simply too high. At that time, we were particularly afraid that this mandatory reporting obligation would create defiance, especially with regard to CSR issues, which also affects our own corporate governance, and the entire environmental standards". B: "I don't think that it will really become mandatory, especially for small companies, especially sustainability reports are simply a lot of effort that is behind it. I think that for Germany, if we really implement it as a fixed requirement, then it will also become a danger, also in international competition, because other countries are not yet ready, and actually we would have to make it EU-wide or internationally soon". P: "Because it's unrealistic in my opinion, so in the sense of it's a hell of an effort to get a lobby for it to be compulsory for everyone. Yes, I would of course be in favour of something like that happening (compulsory compilation). But I don't believe it will be realized". Bl: "Well, we're talking about a company size that is a long way from being covered by something like the "CSR Directive Implementation Act", i.e. the reporting obligation that also exists - we are simply miles away from that. None of these are capital market-oriented companies, they are not big enough. So in Germany at least, there is no obligation. I don't think it's foreseeable that this will happen at some point for such small companies, because of course it's also a political question. If you follow the media closely, we can see the discussions about the "Supply Chain Act" and its scope of application". Thesis 4 falsified by majority of experts (67%)!
		CSR - Fields of Activity	Society	Politics/ Government	Contributions that can be made by the state through policies and by associations/ chambers	-The governance is to be taken in the duty, otherwise the non-achievement of the 17 SDG's threatens including the failure of the CO2 neutrality (until 2050). -As a central indicator the registration of the CO2 - footprint of the company is to be determined. In order to make "free riders" ineffective, the policy must provide (ideally worldwide) for equal basic conditions, so that "levelling playing field" takes place! -Tax concessions should support the introduction process of CSR in SMEs, so that the costs incurred during implementation can be at least partially "cushioned". If necessary, the chambers can set up free events with mentoring programs to generate initial "pilots" that serve as 1st movers / pioneers for successor companies. -Chambers of crafts should accompany the process of introducing CSR and network companies within the framework of "best practice". The strategic introduction of CSR is to be considered as a transformation project (T/K/Q) and to be projected with "change - and project management competence". -Already at the foundation of companies (business registration) it has to be ensured that sustainability aspects are considered accordingly in the business plan (see also my suggestion of the extension of a standard - canvas) , otherwise there is a

					"reminder" from the IHK/ HWK, which are automatically informed by the trading office (Gewerbeamt) about the foundation of the business. -Tenders from the "public sector" should make compliance with CSR criteria a criterion for awarding contracts and give them a higher weighting accordingly (price is not the sole criterion for awarding contracts). Stochastic random checks (audits) at the contracting authorities should ensure that the sustainability award criteria are observed and complied with. Supplementary or confirming findings from the materiality analysis / CSR typology: For the "refuser" with a "Taylorist" as the CEO, political regulatory measures are required in order to implement CSR strategically - without this intervention, sustainability is seen as a competitive disadvantage which only costs money and is of no use. For the "pioneer" with a "visionary" as CEO, regulatory policy is important to make the competition environment fair - "Levelling the playing field". He already practices CSR strategically, but sees the danger of distortions of competition by "refuser" or low-cost suppliers who do not care about sustainability issues or practice "greenwashing". Chambers/DIHK should act as multipliers, communicating the "best practices" of the "1.st movers". The "observer" as a „honourable businessman" does not prioritize the use of a regulatory power with regard to the introduction of CSR - he is rather looking for training and further education opportunities on CSR topics, since he lacks the know-how in this regard. Adjustments regarding the curricula (school, apprenticeship, studies) are welcomed, in order to eliminate deficits regarding sustainability topics at an early stage. Chambers act as mentors who accompany the introduction and further training measures. The "brakeman" of the CEO type "homo economicus" primarily sees the creation of attractive framework conditions for the practice of CSR as the task of the state (tax incentives...). He theoretically knows the characteristics of CSR, but does not practice CSR because it costs money and he fears disadvantages compared to "free riders". Chambers should contribute to the activities associated with CSR through financial subsidies or cost absorption.
			Community	Contributions that affect the community in the region - from volunteerism and solidarity to philanthropy	-CSR (also) means social responsibility towards its stakeholders, which can be expressed through voluntary activities of the company's employees. -Sponsoring is also part of the sustainability concept. Often, employees from the region are tied to a company, e.g. by financially supporting the employee's local association. However, a distinction must be made here between the various degrees of CSR (CSR 0.0 = philanthropy to CSR 3.0 = company as creator of sustainability). -"Triple Value" of CSR refers to the area of "Social" in addition to the economy and ecology, meaning that only in combination the maximization and full effectiveness of CSR can be achieved. -Community activities also as a recruitment opportunity in the context of demographic change with the accompanying shortage of skilled workers, using the example of the streams of refugees.
			Public Relations	Contributions that campaigns, trade fairs, events may provide - in general PR - work	-Public relations work can contribute to the introduction and education of the sustainability concept in terms of campaigns. -Participation of CEO's of SME's in regional events is important, at which the topic of CSR and its positive effects are promoted towards stakeholders. Supplementary or confirming findings from the materiality analysis / CSR typology: The "pioneer" welcomes the use of media (refer also to "stakeholder") in such a way that the stakeholders involved are adequately informed about CSR activities, including their impact on the three pillars ("Do good and talk about it").
			Awareness for CSR - related Topics	Contributions with regard to curricular training and education	-Despite various sustainability management courses at universities, many SME's do not know CSR. There is a lack of knowledge, also with regard to the application of suitable tools (especially in the case of the "observer" type). -CSR sensitization in SMEs is a very important lever.
			Certifications	Contributions from certification programs	-Certifications confirm compliance with important CSR criteria that can lead to a competitive advantage. -A CSR label must be checked for plausibility in order to avoid greenwashing.
			Crisis / Pandemic	Insights and influences of crises on companies - in this case the Covid pandemic	-With regard to CSR, the crisis is forcing an awareness that goes beyond profit management - good corporate governance with consideration and the development of a positive corporate culture with resilience elements is becoming more important than ever. -The negative effects of the pandemic on the construction industry are not yet so serious, as construction work can

					continue. Nevertheless, collapsing markets with lack of demand threaten to have an increased impact on SME's. -Corona acts like a burning glass and magnifies grievances that already existed before - it is like a booster for social challenges and problems. -Companies with a good CSR strategy manage better through the crisis because they have already addressed challenges / risks in advance - e.g. their supply chains are more stable through regional sourcing.
		Market	Which megatrends are influencing companies in the "VUCA world" and how does this affect individual industries and products in the supply chain for the stakeholders involved under competitive conditions?	Megatrends	Contributions of globalization and digitalization with regard to relevant sustainability issues for companies -Megatrends such as globalization and digitalization are drivers for the topic of sustainability / CSR. -Digitalization may support the automatic generation of sustainability reports, for example, with the "just-in-time availability" of data. -The importance of digitalization is also expressed in the fact that there is a so-called Corporate Digital Responsibility (CDR) analogous to CSR. -Negative effects of digitalization can be identified through new business models such as the platform economy, where employees often find themselves in quite dire working conditions without a fixed salary at minimum wage. -New technologies are driving the reduction of resources because it is possible to manufacture completely different products in a resource-efficient way. -New methods such as the block chain are being applied in the context of supply chain management ("traceability") with increased transparency (also in the presentation of KPI's). The risk here is still to be seen in higher energy consumption, which nullifies the advantages through rebound effects. Newer tools such as BIM (Building Information Modelling) will increasingly affect micro-enterprises in the construction sector, enabling them to experience economies of scale and efficiency - even in the case of modifications of existing buildings. -Fulfillment expectations of the SDGs, driven by globalization, are successively accumulating pressure on society and politics.
				Products	Contributions to sustainable production - and demand - patterns -Increased demand for alternative and regionally produced building products to be noted, since awareness of the necessity of resource-conserving production and consumption is social consensus (SDG's). -Sufficiency, efficiency and frugality characterize the social paradigm of production and demand. Technical measures (in construction) such as thermal insulation can reduce costs, increase comfort and protect the climate.
				Branches / Sectors	Contributions that are specific to companies and can be reproduced with regard to strategically anchoring CSR -There are branch differences with regard to the maturity of strategic implementation of CSR. Companies currently in the public eye, such as the textile - wood industry or the energy sector, must be "more advanced" in terms of "CSR affinity" than companies that are not (yet) in the spotlight. -Suppliers of larger companies, where the topic of CSR is also important in the context of supply chains, are cascading the requirements of the market or stakeholders further down, also to SMEs, virtually forcing them to implement CSR strategically. -As a trend, the use of sector standards can be increasingly identified, which allow SMEs to enter company-specific parameters without "reinventing the wheel", enabling them to comply with the documentation obligation in the form of reports (e.g. according to DNK). -Barriers to the introduction of CSR can be caused by stigmatization by industries or associations wanting to maintain the status quo of "not practicing CSR".
				R&D	Contributions to sustainable product development -R & D can contribute to enhancing the level of sustainability (increasing efficiency, optimizing the use of resources, circular economy, etc.), but is rarely practiced by SMEs, as they are often financially incapable of doing so. Cooperation with research institutes is rather scarce and should be expanded, also through tax incentives... -Digitalization can provide a boost in the use of new technologies, such as 3-D printing (in construction) or the use of BIM (see also "Megatrends"). Supplementary or confirming findings from the materiality analysis / CSR typology: The "pioneer" pushes R&D activities, while the "observer" behaves in an openly reactive manner and the "brakeman" only invests in new technologies after he has determined the business case for himself as a "homo economicus". The "Taylorist" is more likely to be driven than to be proactive when it comes to the latest technologies.
				Supply Chain	Contributions that are relevant with regard to the sustainable product relevance -SMEs are also involved in global supply- and value chains and thus find themselves in a sandwich position - that they supply both upwards to someone, but also purchase primary products and raw materials themselves. As a trend, the commitment of their direct suppliers with regard to respect for human rights is emerging in such a way that they stipulate in their purchasing conditions corresponding compliance rules with monitoring of

				along the value chain with respect for human rights	the supply chain. -In addition, SMEs are often suppliers to larger companies and are sent questionnaires or codes of conduct to sign. Via this B2B channel, they must inevitably deal with the issue of supply chains if they want to maintain the "Licence to Operate". -Currently, it is still to be finalized politically how the liability should look like within the framework of the Supply Chain Act (NAP). Supplementary or confirming findings from the materiality analysis / CSR typology: "Pioneers" integrate supplier assessments into their GTCs and thus institutionalize the monitoring of the part of the supply chain that concerns them. Those other "types" ("refuser", "observer", "brakeman") monitor the supply chain, but without a strategic-systemic approach.
			Stakeholder	Contributions made or requested by the companies' stakeholders on sustainability issues	-Many stakeholders do not ask what social, environmental and other criteria are being applied; they only pay attention to the money. This is valid until this "more through CSR" is rewarded by the market. - State, associations and chambers must work to ensure that "CSR" is increasingly demanded by the markets and rewarded accordingly, or that negative behavior is sanctioned - free riders must not be the market winners by distorting competition "at no cost to CSR". -If there is no pressure from outside (politics, associations, customers), most SMEs will not move out of their comfort zone. -The public sector must pay more attention to compliance concerning sustainability aspects in its invitations to tender and awards of contracts. -In the private sector, more attention should be paid to ensuring that entrepreneurs can demonstrate appropriate CSR - relevant certifications - beware of "greenwashing!". -The employees should support "bottom up" the implementation of the sustainability process in the company and force the management (top down) to the strategic introduction of CSR - topics. Complementary or confirming findings from the materiality stakeholder analysis / CSR - typology: "Observers" attach particular importance to know-how - acquisition with regard to CSR - topics - this applies to the CEO as well as employees. "Brakeman", on the other hand, seek to use extrinsic incentives (bonuses, tax breaks, etc.) to make CSR a business case - they are aware (at least in principle) of the characteristics of CSR. With respect to the strategic anchoring of CSR, "refuser" and "pioneers" regard it as the state's duty to mandate CSR - "refusers" will not use CSR strategically without a regulatory policy, "pioneers" consider it a justice measure by "levelling the playing field". Banks as stakeholders, according to the analysis of the questionnaires, play a role among the group of "refuser" by being able to approve or deny loans. Corona has further aggravated the situation and can cause liquidity shortages for "refuser". The media play a rather subordinate role in 3 typologies, with "pioneers" seeking proximity to publications because of their model function, in line with the principle of "do good and talk about it".
			Competition / Fairness	Contributions which may influence sustainable practices in the competitive environment	-There is a competitive advantage if companies have already distinguished themselves in terms of sustainability while others have not yet done so. This must be made clear to the company owners by associations through training courses etc., in order for them to practice CSR strategically on their own - otherwise there is a risk of losing the "Licence 2 Operate". -In public tenders, only the cheapest bidder wins; corruption and the taking of advantages also play a role. -Benchmarking can help companies and, among other things, demonstrate where the competition is in terms of CSR. Associations can help to motivate other companies by showing positive examples ("best practices"). -The risk of implementing regulatory measures to introduce CSR in SMEs can lead to unfairness in international competition, because other countries are not yet ready and "externalities" are not yet fully recorded (starting with CO 2 taxes). -External incentive systems such as tax relief or cost subsidies for the introduction of CSR are lacking; the state should become effective here - especially for the "brakeman" type. -The "pioneer" tries to generate advantages through cooperation with competitors (win-win situation).
			Awards/ Labels	External contributions that may have effects on the imple-	-Labels such as the "Blaue Engel" can provide benefits for the company due to the sustainability-sensitized customer clientele. -The establishment of the "DAX-50" sustainability fund demonstrates the fact that no one can avoid the topic of CSR any longer.

					lighthouses, highlighting model companies and encouraging others to follow their example. Perfection is not essential here, but rather the demonstration of initial successes in the business model, so that other SMEs can and want to follow the 1.st movers. Furthermore, chambers of commerce such as the DIHK could offer checklists that enable a "hands on" introduction of CSR tailored to SMEs.
			Strategy / Mind Set / Vision	Contributions which should be made by the management level of the company in order to implement the idea of sustainability in the company and which "mind set" is required for this purpose	-The risk rests on the management's inaction if it does not introduce CSR in order to increase competitiveness and future viability. It is an investment in the continued existence of the often owner-managed company, which must be made and will pay off quickly (ROI). The introduction of strategic CSR is to be treated like a change project - taking into account methods from project management - and then to be permanently developed organizationally by means of agile methods. -Entrepreneurs should be curious (often lacking the knowledge of the advantages of CSR) and informative, be a source of impetus in the region through social commitment - holistic, socially minded, critical in reflection, trustworthy - entirely in the sense of an "honourable businessman" who is a symbol of a positive corporate culture. It is no longer the (personal) profit priority No. 1, but a new awareness, which also establishes a reference to the SDGs, on which one has an impact. An impact that can make a big contribution for all with small individual contributions. -To complement economy with ecology and social, to see no contradiction between profit and morality, is seen as a compelling need for the business. In this way, skilled workers can be motivated to produce better work with better products, which in turn makes it easier to position the company on the market and thus to attract skilled workers, all in the spirit of a good cycle that is self-sustaining and capable of withstanding crises in the form of increased resilience. -In order to deal strategically with CSR, an external impetus is often needed, which does not yet exist in many small companies and in certain sectors - here, politics and chambers of commerce are called upon to provide impulses. -An often underestimated aspect of "good corporate governance" is to be seen in the timely successor planning - here, the handover of the company is frequently organized effectively and efficiently far too late, with the final risk of the liquidation of the company. Supplementary or confirming findings from the materiality analysis / CSR - typology: The "refuser" categorically rejects CSR (without force), the "observer" is in principle open to it, but needs information (data, facts), the "brakeman" believes in CSR from the mind set, if CSR is promoted, pays off and the free riders are excluded from the market, and the "pioneer" already lives the sustainability idea in the form of strategically implemented CSR, but definitely sees the danger of market distortion through "greenwashing" and similar market behavior of defective competitors.
			HSE	Contributions required for safe operation of the company	-HSE is a very central field in the construction sector, which not only pays off economically. Dealing with it in the context of CSR is vital for the survival of all companies, especially SMEs. The use of SIGEKO's on construction sites is mandatory and the protection of employees from health hazards such as fumes from adhesives, noise, etc. is required by law. The goal for the SME's CEO should be to design the workplace in such a way that it is HSE-compliant and moves towards a "zero accidents strategy". Supplementary or confirming findings from the materiality analysis / CSR typology: Aspects of occupational health management (OHM) are particularly known and important to the "pioneer" type, so that health aspects (including those of psychological hazards) can be strategically recorded and controlled. The visionary manager of this type is aware that the health of the employees is the real capital of the company and that every day worked has a positive effect on the balance sheet. The other types (refuser, observers, brakeman) fulfil the legal requirements.
			Communication/Sustainability Report	Contributions of communicative character to the design, establishment, distribution and perpetuation of sustainability aspects in companies	-The report should provide structure internally as well as transparency for comparability with companies similar to the industry externally. The DNK is recommended as a framework - illustrating the various dimensions with the different facets of sustainability. -In the future, the "just-in-time availability" of data will take place via big data highways (with blockchain as the guarantor of data security) and enable virtually anytime access for stakeholders to current data (also KPI's) of micro-enterprises. -As a rule, the basic framework of the sustainability report is created once. So-called "Best Practices" can be used, which are adapted to the core data of the company. A complaint mechanism should also be installed in the report. -The report supports the initiation of internal processes by

Micro						setting goals and measuring their achievability - according to the PDCA cycle. -In the report, it is important to consider the following aspects (see also "CSR Tool"): A statement from the management is important for the credibility of the report and it must be shown which CSR strategy is being pursued. Conduct a "stakeholder analysis" as a preliminary step to the "materiality analysis". Goals - in the best case quantitative - ("SMART") must be included. It can be started with 2 - 3 goals, the next time one step further - analogous to "What you can't measure you can't manage". Furthermore, not only highlights but also so-called lowlights - such as occupational accidents, etc. - should be presented. -A sustainability report should not be a glossy brochure with which one improves one's reputation - the aim of the report is as a means to achieving the strategic anchoring of CSR. Supplementary or confirming findings from the materiality analysis / CSR typology: The "pioneer" already reports in principle according to the DNK and partially following the BSC.
				QM	Contributions from quality management to ensure the conformity of CSR processes	-QM means to critically accompany CSR processes and to check plausibility criteria for compliance.
				HR - Strategy	Contributions attributed to general employment policies, such as hiring, promotional programs, mentoring...	-The welfare principle regarding the employment of the employed staff is part of one of the three CSR sustainability pillars ("Social"). -Transformations such as the implementation of the CSR strategy also require the designation and empowerment of responsible persons by officially creating a job description with rights and duties. This is because more than 70% of change projects will not be successfully completed unless someone is given the necessary responsibilities for "time", "cost" & "quality"/"scope". - "War of Talents" plays an important role in the struggle for existence of many SMEs. A credible CSR strategy can support the self-oriented responsibility of employees (also with regard to sustainability issues) giving them a long-term perspective in the company through HR. -Mentoring during the introduction of strategic CSR or at least advice from chambers etc. is important in order to be able to use the appropriate knowledge effectively and efficiently in the company. -Decisive is the managing director of the SME, who is top - down responsible for the introduction of CSR and as an entrepreneur sets up the company sustainably. -Training and further education regarding CSR - topics is important (see also "Policy" & "Training/PE") especially for employees of the company type "observer". "Brakeman" and "pioneers" try to score points in the "war of talents" by increasingly recruiting specialists (also with regard to CSR know-how).
				Working conditions	Contributions dealing with remuneration systems, working hours and pension schemes	-Minimum wage and compliance with core working standards is a "hygiene factor" alongside topics such as work-life - balance, pension provision and diversity. What is required is the communication of meaning ("Purpose"), where the topic of CSR can have a major contribution. -The implementation of new working models (30 - hour week, increased "home - office - activities"...) has found general acceptance in society and the business world (also due to the pandemic). The basis for this is trust and the resulting acceptance of responsibility by all (internal) stakeholders involved.
		Work- place / Em- ployees	What measures are applied for employees to be an attractive and sustainably oriented employer?	Training/ Personal Develop- ment	Contributions that contribute to organizational development	-Personnel development with value identification is to be carried out so that employees can implement their „wills“. For this purpose sustainability topics including ethics training are to be prioritized. -A code of conduct is to be drawn up which, among other things, regulates the handling of conflictive aspects such as the acceptance of gifts in a binding manner. Politicians and associations should also provide assistance in the form of training programs (e.g. "Compliance Teaching Programs" with a "Compliance Check" for SMEs).

Source: Self-elaboration.

As can be seen in Figure 40 and the Tables 20, 21, 22 the category system consists of 3 levels (macro - meso and micro), 2 main categories (4 Theses & "CSR - Fields of Activity"), 9 sub - categories (4 Theses, Corporate Governance, Society, Market, Workplace, Environment) and 27 sub - sub - categories (without the 4 Theses). The sub-categories are structured in accordance with ISO 26000 and the DNK by assigning the core topics (ISO 26000) and criteria of the DNK.

These sub-sub - categories have been assigned to the sub - categories as follows:

- „Society“: Politics; Community; PR; CSR – Education; Certifications; Crisis.
- “Market”: Megatrends; Products; Branches; R&D; Supply Chain; Stakeholder; Competition; Labels.
- “Environment”: Emissions; Logistics; Resource Management; Recycling.
- “Corporate Governance”: Managerial Accounting (Tools, KPI's); CSR – Implementation Process; Strategy; HSE; Communication – CSR – Report; QM.
- “Workplace”: HR – Strategy; Working Conditions; Training.

In Table 20 the absolute parameters are shown whereas in Table 21 the parameter are subdivided into the respective sub-sub categories so that the frequency and importance of the nominations by the experts is evident.

Table 20: Structure of Category System

Category System		
3 Levels	Macro - Meso - Micro	Share %
2 Main Categories	Thesis - CSR - Field of Activity	
9 Sub - Categories	4 Thesis + S, M, E, CG, WP	
27 Sub - Sub Categories (without Theses)	Refer to Table 22	
Coded Segments by Subcategories		
Corporate Governance (CG)	376	40,74%
Society (S)	193	20,91%
Market (M)	190	20,59%
4 Theses	73	7,91%
Workplace (WP)	66	7,15%
Environment (E)	25	2,71%
Coded Segments	923	100%

Source: Self-elaboration.

Table 21: Coded Segments by Subcategories & Sub-Sub-Categories

Coded Segments by Subcategories and Sub - Sub - Categories			
Total of all Coded Segments (923)	No. of Segments	% in Sub-Sub- Categories	% Total
Corporate Governance (CG)	0	0,0%	0,0%
Strategy/Mind Set/Vision	136	36,2%	14,7%
Managerial Accounting/Tools/KPI's	113	30,1%	12,2%
Communication/Sustainability Report	87	23,1%	9,4%
CSR - Implementation Process (Tool)	32	8,5%	3,5%
QM	5	1,3%	0,5%
HSE	3	0,8%	0,3%
Total Corporate Governance	376	100,0%	40,7%
Society (S)	0	0,0%	0,0%
Politics	117	60,6%	12,7%
Crisis/Pandemic	25	13,0%	2,7%
Community	18	9,3%	2,0%
CSR - Training	17	8,8%	1,8%

Public Relations	11	5,7%	1,2%
Certification	5	2,6%	0,5%
Total Society	193	100,0%	20,9%
Market (M)	3	1,6%	0,3%
Stakeholder	42	22,1%	4,6%
Supply Chain	31	16,3%	3,4%
Competition/Fairness	29	15,3%	3,1%
Branches	27	14,2%	2,9%
Megatrends	24	12,6%	2,6%
Products	13	6,8%	1,4%
Awards	11	5,8%	1,2%
R&D	10	5,3%	1,1%
Total Market	190	100,0%	20,6%
Theses (without ranking)	0	0,0%	0,0%
4. T.	24	32,9%	2,6%
1. T.	23	31,5%	2,5%
3. T.	15	20,5%	1,6%
2. T.	11	15,1%	1,2%
Total Theses	73	100,0%	7,9%
Workplace (WP)	0	0,0%	0,0%
HR - Strategy	35	53,0%	3,8%
Working Conditions	18	27,3%	2,0%
Courses/PD	13	19,7%	1,4%
Total Workplace	66	100,0%	7,2%
Environment (E)	2	8,0%	0,2%
Emissions	7	28,0%	0,8%
Circular Economy	8	32,0%	0,9%
Mobility/Logistics	4	16,0%	0,4%
Resource Management	4	16,0%	0,4%
Total Environment	25	100,0%	2,7%

Source: Self-elaboration.

For example, the sub-category "Corporate Governance"(CG) shows that of the 923 segments coded in tota, 376 anchor examples can be assigned to this category, which corresponds to approximately 41%. Within CG, the corporate strategy with the associated orientation of the company (vision) accounts for approximately 15%, with managerial accounting in second place with about 12%. It is noticeable that QM and HSE are not highly prioritized by the experts (0.5 and 0.3% respectively), which can be explained by the fact that German legislation provides a comprehensive framework here which all companies must comply with and therefore does not have a high relevance in this complex of tasks. In the area of society, political topics were a major topic in the interview (12.7%), which also reflects the current debate in society and in the Bundestag (e.g. supply chain law, CO2-tax, achieving sustainability targets sooner than 2050). Thus, the experts surveyed are not unanimously agreed 100% on whether regulatory measures for the introduction of CSR in SMEs down to the smallest companies are the right approach. Here, the majority of respondents were of the opinion that SME's will not have to fulfil these sustainability reporting obligations in the foreseeable future; only one expert can imagine this "conditionally". In second place with a clear gap, the Corona pandemic finds the interest of the interviewees, which is not surprising due to the daily topicality and related entrepreneurial activities -

also with regard to CSR. It is "common understanding" that companies which have implemented CSR are better prepared for this and other crises, since they are sensitized to such events by practicing risk management, among other things, and are thus sounder in crisis situations.

At 20.6%, the market perspective is the third most frequent nomination in the ranking, although none of the individual subcategories stands out in particular and is therefore evenly distributed. With around 40 anchor examples, the topic of "stakeholders" represents one fifth of all statements and takes account of the importance, as also shown by the materiality matrix (see Chapter 4.3.7.1.B.III), in which the internal and external stakeholders are shown with the topics relevant to them. While a fair price-performance ratio coupled with reliability is high on the list of requirements for customers, a secure and well-paid job is important for employees, complemented by opportunities for further professional and personal development. R&D is at the bottom of the ranking, as SMEs are often unable to find the resources required for research, even though investments in this area are also expected to yield a high ROI in terms of sustainable products. Topics around the workplace are reflected with about 7% of all categories with over 50% in the area of HR - strategy. This is an important subject particularly in times of the fight for employees ("war of talents"), as employees are to be primarily intrinsically bound to the company with interesting jobs and the associated overall package. Providing a sense of purpose, flexible working hours, further training and the right to have a say in workplace design are just some of the important issues that SMEs must address. According to experts, a practiced sustainability strategy can act as a booster here, so that motivated and efficient employees are highly committed to the company. Environmental issues were the last to be mentioned by the experts interviewed, with only 25 nominations, or just below 3% of the total. Topics relating to emissions and recycling management are important to the experts and contribute to a sustainably oriented company. Otherwise, it can be stated that environmental issues are largely regulated by law and, from the experts' point of view, there seems to be no great demand for action on the part of SMEs. Here, the author's opinion differs from that of the experts, as very high waste costs are often incurred in the construction industry, which have to be disposed of at great expense. For example, one entrepreneur shows waste costs in his balance sheet amounting to approx. 15% of sales, which could have been reduced by 50% with simple measures after discussion with him (author's comment: In this particular case, the CEO was not "sensitized" with regard to this cost center; here, managerial accounting - also in the form of a tax advisor - should have intervened in a mitigating manner). The ranking including a clustering of the previously described findings is presented in Table 22. Accordingly, 5 groups can be formed with respective shares of < 1% up to > 10%, so that clear prioritization measures can be taken, which are explained in detail in Chapter 4.2.3.2.

Table 22: Ranking of References without Theses

Most Frequent References (without Theses)	Share x %	Cluster
Strategy/Mind Set/Vision	14,73%	x > 10%
Politics	12,68%	
Managerial Accounting/Tools/KPI's	12,24%	
Communication/Sustainability Report	9,43%	4% < x <= 10%
Stakeholder	4,55%	
HR - Strategy	3,79%	3% < x <= 4%
CSR - Implementation Process (Tool)	3,47%	
Supply Chain	3,36%	
Competition/Fairness	3,14%	
Branches	2,93%	1% < x <= 3%
Crisis/Pandemic	2,71%	
Megatrends	2,60%	
Working Conditions	1,95%	
Community	1,95%	
CSR - Training	1,84%	
Courses	1,41%	
Products	1,41%	
Public Relations	1,19%	
Awards	1,19%	
R&D	1,08%	
Circular Economy	0,87%	x <=1%
Emissions	0,76%	
QM	0,54%	
Certification	0,54%	
Mobility/Logistics	0,43%	
Resource Management	0,43%	
HSE	0,33%	

Source: Self-elaboration.

4.2.2.2 Results

As already shown in Figure 40, from the more than 900 coded elements identified, recommendations for the implementation of a CSR tool at SMEs were identified through further iterations and bundling, which are presented in the following. For the sake of clarity, only the most frequently cited findings of the experts will be discussed, with the first three clusters ($3\% < X < 15\%$) being presented analogously to the ranking according to Table 22.

- Strategy/Mind Set/Vision:

Contributions which should be made by the management level of the company in order to implement the idea of sustainability in the company and which "mind set" is required for this purpose are the following: The risk consists in inactivity on the part of the CEO, should he not introduce CSR in order to increase competitiveness and future viability, and is further to be seen as an investment in the continued existence of the often owner-managed company, which must be made without fail and will quickly pay off (ROI). The following characteristics of the company leaders should be pronounced: Entrepreneurship in the form of a "Servant Leader", curiosity (often the knowledge of the advantages of CSR is missing), communication skills.

It is no longer the (personal) profit priority No. 1, but a new awareness, which also establishes a reference to the SDGs, on which one has an impact - an impact that with small individual contributions can make a large contribution for all. In the business model, the economy should be complemented by the ecology and the social, which sees no contradiction between profit and morality. The results are motivated skilled workers, improved (more environmentally compatible) products, which in turn improve market placement and ultimately make it easier to recruit skilled workers, entirely in the sense of a cycle that is self-perpetuating and crisis-proof in the form of increased resilience with enhanced profitability.

An often underestimated aspect of "good corporate governance" is to be seen in a timely succession plan - here, the handover of the company is often designed effectively and efficiently far too late, with the final danger of the liquidation of the company.

- **Politics/Government:**

Contributions that can be made by the state through policies and by associations/ chambers are the following:

According to experts, regulatory measures must be taken more forcefully in order to comply with the global sustainability goals, which are also set out in the 17 SDGs and the definition of achieving CO2 neutrality (by 2050 or earlier). In order to make this possible and thereby render "free riders" ineffective, policy makers (ideally worldwide) must ensure the same framework conditions so that "levelling playing field" takes place - this also applies to the capture of externalities, such as the CO2-tax. Furthermore, tax concessions should support the introduction process of CSR at SMEs, so that the costs incurred during implementation are at least partially "cushioned", conversion costs for electric mobility are subsidized and activities of the circular economy ("zero waste") are financially promoted.

R&D activities should also be supported by taxation, so that SMEs have corresponding incentives to undertake more intensive activities with regard to R&D.

Chambers (like DIHK) should set up events with mentoring programs to generate initial "pilots" that serve as 1st movers / pioneers for successor companies, thereby connecting companies with each other within the framework of "best practice" and subsidizing or accompanying the process of introducing CSR with further training measures, also in the use of suitable KPI's as well as the creation of a code of conduct.

Already during the foundation of companies (business registration) it has to be ensured that sustainability aspects are considered accordingly in the business plan (see also suggestion of the extension of a "Standard – Canvas" in Annex 5), otherwise there is a "reminder" from the DIHK, which is automatically informed by the business registration office about the foundation of the company.

Stigmatizing behavior on the part of some industries is to be counteracted by defining sustainability goals through cooperation with chambers/DIHK and jointly realizing them from a macroeconomic perspective. Public-sector tenders should increasingly include compliance with CSR criteria as an award criterion and give them a correspondingly higher weighting (price is not the sole award criterion), with random checks (audits) ensuring compliance with sustainability award criteria.

According to the findings from the materiality analysis/CSR typology, regulatory measures are required for the "Refuser" with a "Taylorist" as CEO in order to implement CSR strategically - without this intervention, sustainability is seen as a competitive disadvantage which only costs money and yields nothing. For the "Pioneer" with a "Visionary" as CEO, regulatory measures are important to make the competitive environment fair. He already practices CSR strategically, but sees the danger of distortion of competition by "Refusers" or low-cost suppliers who do not care about sustainability issues or practice "greenwashing". The "Observer" as an "Honourable Businessman" does not prioritize the use of a regulatory power with regard to the introduction of CSR - he rather looks for training and further education opportunities on CSR topics, since he lacks the know-how in this regard. The "Brakeman" of the CEO-type "Homo Economicus" primarily sees the creation of attractive framework conditions for the practice of CSR as a task of the state (tax incentives...). He is at least theoretically aware of the characteristics of CSR, but does not practice CSR strategically because this costs money and he fears disadvantages compared to "free riders".

- **Managerial Accounting:**

Contributions that company controlling is able to make with regard to risk management, cost recording and thus control of a company by using suitable tools are as follows:

The following data/KPI's from large companies ("Best of its Class") in the construction industry can serve as an example to guide the determination of important ratios of SMEs (refer also to Chapter 4.2.1.1.B): Equity Ratio, Hit Ratio, Sales per Employee, Sickness Rate, Turnover Rate, Market Share, Inventories (early warning system), Wage Structure, Diversity, Co2-Equivalence, Donation Total/Turnover, Number of Accidents, Waste Volume Recycling Rate, Training Hours per FTE and Backloading (KPI = Reserves/Revenue) for times of crisis. In order not to overburden the SMEs in the beginning, no more than 5 - 10 KPI's should be determined. For the definition and maintenance of the KPI's, support from associations or tax experts is recommended (see also "Politics/Government"). As a trend, it can be expected in the medium term that the consequential costs of consumption will have to be priced in the form of external costs (see also "Competition").

Managerial accounting can work with traffic light systems, where e.g. in a dash board a larger number of projects are displayed transparently. Risk analyses are becoming increasingly important in the "VUCA-World" also for SMEs in order to be able to take controlling/mitigating measures in the course of business.

Blockchain technology can help in managing processes, making them (processes) simpler, more secure and more transparent.

The "SBSC" is recommended by the experts as a method to be utilised. It is suitable for planning and managing the earning of sustainable profit by interlinking employees and processes all the way to the customer and taking a systemic view.

- **Communication/Sustainability Report:**

Contributions of communicative character to the design, establishment, distribution and perpetuation of sustainability aspects in companies should be as follows:

The sustainability report is intended to provide structure internally and transparency externally for comparability with companies similar to the industry. The report supports the initiation of internal processes by setting targets and measuring their achievability - according to the "PDCA-Cycle". It is usually created once from the basic framework, and so-called "Best Practices" can be used, which are adapted to the core data of the company.

A statement from the management is important for the credibility of the report and it must be shown which CSR strategy is being pursued. Furthermore, not only highlights but also so-called lowlights - such as accidents at work, etc. - should be presented and a complaints mechanism should be installed.

According to experts, data will be available "just in time" via large data highways in the future (with the blockchain as the guarantor of data security), thus enabling stakeholders to access current data (including KPI's) from microenterprises at virtually any time.

A sustainability report should not be a glossy brochure with which one improves one's reputation - the purpose of all this is the report as a means to the end of realizing the strategic anchoring of CSR.

The DNK is recommended as a framework, which shows the various dimensions with the diverse facets of sustainability (refer also to Annex 6 "Typical DNK Report").

From the materiality analysis / CSR typology (see also Chapter 4.2.2), it can be deduced that the "Pioneer" already reports in principle according to the DNK and partially on the basis of the (S)BSC, thus proving the usability of this format.

Stakeholder:

Contributions made or requested by the companies' stakeholders on sustainability issues are according to the experts' opinion the following:

Many stakeholders do not (yet) ask what social, ecological and other criteria are being applied and only pay attention to their available budget. Only when this "added value through CSR" is rewarded a change in the behavior of consumers and producers can be expected. Thus, pressure should be exerted from outside (politics, associations, customers...) so that SMEs move out of their comfort zone and operate sustainably.

The state (refer to "Politics"), supported by associations and chambers of commerce, must work to ensure that "CSR" is increasingly demanded by the markets and rewarded accordingly, or that negative behavior is sanctioned - free riders must not be the market winners by distorting competition "at no cost to CSR". In the private sector, increased attention should be paid to ensuring that entrepreneurs can demonstrate relevant CSR certifications - beware of "greenwashing".

The employees should support the implementation of the sustainability process in the company "Bottom Up", whereas the management (Top Down) must force or prescribe the strategic introduction of CSR - topics.

From the typology of the "Materiality - Matrix" the following complementary picture emerges: The "Observer" attaches particular importance to know-how acquisition with regard to CSR topics - this applies to the management as well as the employees. The "Brakeman", on the other hand, tries to make CSR a business case by means of extrinsic incentives (bonuses, tax breaks, etc.) - he is aware of the

characteristics of CSR, at least in principle. With regard to the strategic anchoring of CSR, "Refuser" and "Pioneers" see the state as having a duty to mandate this, whereby "Refuser" will categorically not use CSR strategically without regulatory measures, whereas "Pioneers" see this as a justice measure by "levelling the playing field".

Banks as stakeholders, according to the analysis of the questionnaire, play a role in the "Refuser" group by being able to approve or refuse loans. Corona has further aggravated the situation and can cause liquidity shortages for "Refusers".

Media play a rather subordinate role in 3 typologies, with "Pioneers" seeking proximity to publications due to their role model function in accordance with the principle of "do good and talk about it".

- HR-Strategy:

Contributions attributed to general employment policies, such as hiring, promotional programs, mentoring are listed in the following enumeration:

The principle of care with regard to the employment of the hired employees is part of one of the three CSR sustainability pillars ("Social") and must be obeyed.

Transformations such as the implementation of the CSR strategy also require the designation and empowerment of responsible persons by officially creating a job description with rights and duties. After all, more than 70% of change projects will not be successfully completed unless someone is given the necessary responsibilities - in terms of time, costs, quality/scope (refer also to Chapter 4.3 with explanations how to implement CSR professional with a change manager or a person responsible for the transformation).

The topic of skilled workers plays an important role in the existential struggle of many SMEs. A credible CSR strategy can support the self-oriented takeover of responsibility (also with regard to sustainability issues) of employees by showing them a long-term perspective in the company through HR.

Mentoring ("Stewards") during the introduction of the strategic CSR or at least consultation by chambers etc. (see also "Politics") is important, in order to be able to use the suitable knowledge effectively and efficiently in the company.

Decisive is the managing director of the SME, who is responsible top-down for the introduction of CSR and as an entrepreneur sets up the company sustainably. Training and further education regarding CSR - topics is important. The quantitative analysis of the questionnaire shows that this applies in particular to employees of the "Observer" type. The "Brakemen" and "Pioneers" try to score points in the "War of Talents" through increased recruitment of specialists - also with regard to CSR know-how.

- CSR-Implementation Process:

Contributions that seem advisable for implementation of a "sustainability process" are as follows:

The following step-by-step procedure is recommended for the implementation of CSR according to the evaluation of the opinions of the experts:

1. Definition of the vision with unique selling proposition (USP).
2. Answering the question of how the business model is to be implemented, with which strategy and with which tools.

3. Analysis of the stakeholders combined with the important aspects for the people affected (see Figure 35 "Materiality - Matrix" in Chapter 4.2.2 and 4.3.7.1.B.III).

4. Break down individual "To Do's" into measurable tasks and schedule them ("Road Map", refer to Chapter 1.5, Figure 14). This should be done according to the "PDCA-Cycle", step by step - starting with successful aspects and strengthening the strengths. The most important control variables are to be defined via key figures (refer to Chapter 4.2.1), measured and started again from the beginning ("Inspect & Adapt"). Prompt and transparent communication is central (refer to Chapter 4.3.7.1.C.II, Figure 53 Communications Strategy), which should first take place internally and then externally (e.g. according to DNK).

The associations and chambers of commerce should act as lighthouses, highlighting exemplary companies and encouraging others to follow suit. Perfection is not essential here, but rather the demonstration of initial successes in the business model, so that other SMEs can and want to follow the 1st movers. Furthermore, chambers of commerce such as the DIHK could offer checklists that enable SMEs to introduce CSR "hands on" (see also "Politics").

From the incremental approach described above, a 3-phase model can be derived, consisting of the phases "Conception", "Integration" and "Consolidation" ("CIC"). By observing or applying this model, the elementary importance can be taken into account that the strategic introduction of CSR is to be regarded as a transformation project (T/C/Q) and is to be projected with "change and project management competence" if one wants to avoid "relapse" into old patterns (see also Chapter 4.3 with concrete entries in the "CIC - model" on the basis of an example, which was also discussed, modified and adapted with an owner of an SME and found to be practicable).

- Supply Chain:

Contributions that are relevant with regard to the sustainable product relevance along the value chain with respect for human rights are listed here as follows:

SMEs are also involved in global supply and value chains and are thus in a sandwich position - that they supply to the "top", but also purchase preliminary products and raw materials themselves. The trend for their direct suppliers with regard to respect for human rights is that they formulate corresponding obligations to comply with supply chain monitoring in their terms and conditions of purchase (currently, it is still to be finalized politically in the Federal Republic of Germany what the liability should look like within the framework of the "Supply Chain Act (NAP)").

In addition, some SMEs as suppliers to larger companies, are sent questionnaires or codes of conduct which they are required to sign. Through this B2B- channel, they have to deal with the issue of supply chains if they want to obtain their "license to operate".

The typology from the questionnaire evaluation provides the following classification: "Pioneers" integrate supplier evaluations into their GTC's and thus institutionalize the monitoring of the part of the supply chain that concerns them, whereas in contrast the other "types" ("Refusers", "Observers", "Brakemen") monitor the supply chain, but do so without a strategic - systemic approach.

- Competition:

Contributions which may influence sustainable practices in the competitive environment are as follows: As long as competitors do not yet practice CSR strategically, companies that have already distinguished themselves in terms of sustainability (like the type "Pioneer") have a competitive advantage. This fact can be conveyed to company owners who are not yet sustainability-oriented through benchmarking or training by associations and demonstration of "Best Practices" etc. - otherwise they run the risk of losing their "licence to operate" in the medium term.

According to experts, the fact that the award is often granted to the cheapest bidder in public tenders also has to do with the taking of advantages/corruption. Here, politics is called upon to create clear framework conditions so that CSR conformity is rewarded and "non-compliant behavior" is consistently punished (see also "Politics").

The danger of the introduction of CSR in SME's forced by regulatory measures can lead to unfairness in international competition, because other countries are not ready yet. In addition, "externalities" are not yet fully recorded (start with CO₂-charge), and there is also a lack of external incentive systems such as tax relief or cost subsidies for the introduction of CSR - here the state should become effective (see also "Politics"). Particular relevance in this respect occurs with the "Brakeman" type, whereby the "Pioneer" attempts to generate advantages through cooperation with market companions ("win-win situation").

With regard to the four theses, the experts commented as follows:

- Thesis 1: "CSR is largely unknown among SME's – effects are not used strategically".

Although traditionally an understanding of responsible action is embedded in the DNA of CEO's / owners of SME's, CSR is not used strategically because its mechanisms with the accompanying benefits are largely unknown and there is still a widespread prejudice that CSR "only costs money and brings nothing".

➤ Thesis 1: Confirmed (100%).

- Thesis 2: "CSR-Concept can be implemented effectively and efficiently at SME's through a CSR-Strategy".

CSR can also be introduced efficiently and effectively in SMEs by institutionalizing and processing the already traditional/established steps with regard to sustainable management. The recommendation here is to proceed in small steps and then to localize/identify and quantify (further) CSR-relevant aspects iteratively according to the well-known "PDCA- Cycle". This enables a traceability of the primarily quantitative parameters. Combined with the known operating accounting sheets, a "living" sustainability concept is created through target-actual comparisons of the ecological and social KPI's, which completes the business model with strategic CSR aspects (refer also to "CSR- Implementation Process").

➤ Thesis 2: Confirmed (100%).

- Thesis 3: "GRI-DNK-Standards are acceptable methodologies for managerial accounting tools in SME's".

The experts' recommendation is that a reporting system analogous to the "DNK- Declaration of Conformity" also makes sense for SMEs. However, care must be taken to ensure that the terminology is

comprehensible and does not frighten or overburden the entrepreneurs. The applicability must be "hands - on", ideally with predefined text modules for the relevant criteria and performance indicators. In order to ensure that, in addition to the qualitative sustainability topics, the quantitative parameters also result in an effective control instrument, consideration must be given to how KPI's can be automatically integrated into the managerial accounting tools. Here it is regarded as relevant to develop a concept with the tax advisors or the program manufacturer "DATEV" (is used by most German tax advisors), which permits simple extension possibilities of the "managerial accounting tools" of the SME's. Depending on the stage of development of the companies, further sustainability indicators can be implemented step by step into the business model in a user-friendly way without unnecessarily burdening the administration. In this way, the basis can be laid for an effective and customized instrument which, in the form of an SBSC, enables the steering of the relevant areas (finances, customers, processes, employees) (see also "Managerial Accounting").

➤ Thesis 3: Confirmed (100%).

- Thesis 4: "Implementation of CSR becomes necessary and mandatory for all companies".

The majority of experts assume that, at least from today's perspective, no mandatory sustainability reporting is to be expected for German SMEs (up to 49 FTEs). This is seen on the one hand as a result of an inconsistent EU-wide mandatory reporting strategy (if in Germany, then also in the rest of the EU) and on the other hand as a result of resistance from the CEOs of the smallest companies, which could lead to defiance if they were forced to implement mandatory sustainability measures. However, the experts can well imagine that in the medium term the existing CSR directive implementation law for capital market-oriented companies can also be applied to SMEs (from 50 FTE upwards) - but not to the smaller SMEs, which fear competitive disadvantages due to the relative (initial) additional expense (for implementing and maintaining CSR) compared with those who, as market competitors, are not prepared to implement sustainability formats in their business strategy.

It is "common sense" among the experts that practicing CSR brings advantages for companies (economic, ecological, social), but that the hurdles for companies with 1 to 49 employees to practice CSR strategically and not by chance seem to be high for the time being. Here, in addition to regulatory measures, other mechanisms must take effect in order to convince the managers of the smallest companies that it is best for them to operate sustainably and that the initial costs in CSR prove to be necessary investments in order to continue to receive their "license to operate".

➤ Thesis 4: Rejected by majority of experts (67%).

The remaining 18 sub-sub-categories, which are not explicitly explained here, also contain important findings from the interviews and can be found in Figure 40 and explanations to Table 21. However, as they are not absolutely necessary for a fundamental understanding of the introduction of the required transformation process, this Chapter focuses on the findings from the nine most frequently mentioned (sub-) categories.

4.2.2.3 Critical Evaluation

The qualitative methodology used to gain knowledge with regard to the research questions of this dissertation was explained and justified in Chapter 4.2.3. In the context of a final consideration, the chosen methodology will first be critically reflected on the basis of the qualitative quality criteria (see also Figure 38). With the evaluation of the quality criteria, the last step of the content analysis process model according to Mayring (see also Figure 39) is fulfilled. The six criteria were considered within the present dissertation as follows:

1. Procedural documentation

The requirement to ensure intersubjective comprehensibility was taken into account in the methodological explanations presented in Chapter 4.

2. Argumentative validation of interpretations

In order to validate interpretations argumentatively as the core of qualitative knowledge acquisition, context-relevant knowledge was compiled or presented in addition to theory. In this context, theory and context (see also Chapter 4.2.3.1.B) form the framework for the interpretation of the collected data.

3. Rule-governedness

The adherence to the principle of rule-guidedness was ensured in this dissertation by setting a process model (see Chapter 4.2.3.1.A.II), the division into meaningful sections and sequential procedure in several cycles. The transcription of the collected data in text format, as a basis for interpretation, was also carried out according to established rules.

4. Proximity to the subject

In this dissertation, no theoretical conditions were simulated, but experts were specifically interviewed on the practical subject of CSR.

5. Communicative validation

The criterion of communicative validation was taken into account in that questions of understanding and queries were clarified or answered in the interview situation. The interviewees were given the opportunity to read the interviews after they had been completed and to discuss the results with the author.

6. Triangulation

Interviewing the "heterogeneously" assembled experts from the complex field of CSR supports the adoption of different perspectives, which meets the requirement of "triangulation". In addition to the text-generating or open-ended questions pre-formulated in the guideline (see Annex 3), closed-ended questions were also used for follow-up questions in order to conclude a topic area consensually in terms of content.

The findings obtained from the literature research and empirical analysis (see Chapter 4.2) are summarized in Chapter 4.3 and transformed into a model that can substantively close the research gap formulated in the research question. In this way, CSR can be implemented procedurally at SMEs which, due to their structure and typology, have not (yet) developed an affinity for sustainability issues to be anchored strategically.

This model, which is based on the results of quantitative analysis of the questionnaire, qualitative research of the expert interviews with developed category system and selected KPI's from the literature research, will be presented in the following Chapter after outlining various aspects that accompany transformation processes like the introduction of CSR within enterprises.

4.3 Development of Methodology for Implementation of CSR Strategy and Recommendation for Continuation of the Transformation Process with Usability Test

The model to be presented and developed takes into account the demands of society and the market resulting from transformation dynamics. Before the structure of this evolved 3 - phase model is presented in Chapter 4.3.7, for the basic understanding of the introduction of strategic CSR in SME's, some characteristics should be described, which usually accompany such transformation processes, which, only embedded in procedural metrics, can be successfully managed.

4.3.1 *Trigger of Transformation Processes*

The central questions for determining the causes of the need for transformation are as follows: Which factors trigger the necessary demand for change and why do companies need to redesign or change their business core? Transformations of companies are caused by two different factors. On the one hand, companies have to face a changing environment and, on the other hand, organizational changes. Chapters 4.3.1.1 and 4.3.1.2 answer the above central questions of the causes of change by identifying external forces for change and outlining internal reasons for transformation.

4.3.1.1 External Forces

If external stimuli for change in organizations are considered, Luhmann's systems theory provides the foundation for explaining the influence of the environment on companies. According to this theory, a system is basically characterized by the components "elements" and their "relations" to each other. If the theory is applied to companies, they represent a so-called socio-technical system. If a system interacts with its environment, it is also called an "open system" (Luhmann, 2017). Companies that are involved in markets can therefore be classified in this category of the "open system". The decisive factor is that the corporate environment is in constant movement and evolution and companies have the following two options for dealing with these external forces of change: They can "unite" and close their eyes to the changing parameters or adapt. Although the "hedgehog tactic" is applicable to a certain extent, it is not advisable in the long term, as companies cannot escape competitive pressure in the long run. In contrast, the second tactic of "adaptation" is more promising for the survival of an organization (Lauer, 2010, p 11 ff.). This requires companies to allow for increasing complexity in order to adapt successfully to growing environmental dynamics (Reimann, 1991). Different categories have emerged in literature and practice, of which the following six environmental categories should be mentioned: Social environment, macroeconomic environment, political environment, technological environment, ecological environment and institutional environment (Fahey et al., 2001, p 139 ff.).

4.3.1.2 Internal Reasons

In addition to the change triggered by external influences, there are also internal driving forces that can cause enterprises to reorganize or adapt. The causes are manifold and can take the form of unresolved succession problems in top management, challenges rooted in the corporate culture or even ill-considered strategic decisions. They may also be described by the following 3 phases of corporate structure (Lauer, 2014): 1st phase = pioneering phase (requires structures); 2nd phase = differentiation phase (delegation of tasks, organization chart -> conflicts occur in departments); 3rd phase = integration phase (networks are cultivated and personnel development is carried out, teamwork is in the focus, key account management is established -> integration is required). Internally, these impulses or phases are perceived and can be reflected in entities such as the corporate culture as a "pain point", causing crisis-like phenomena and necessitating change for "survival". The resulting dynamics express themselves then e.g. in the form of entries into new markets or constraints to innovations (Lauer, 2010, p 18-21).

In conclusion, both external and internal driving forces can be identified as elements triggering change in a company. New demands placed on organizations require the ability of "business agility", which means a rapid adaptation to changes of any kind. As a result, corporate performance can be sustainably improved and competitiveness maintained or increased (Zimmermann, 2015, p 4). The Chapters 4.3.2 and 4.3.3 will take a closer look at the implications of change dynamics for companies - such as increased competition or the creation of new markets with new products for new stakeholders - by selection of appropriate types of transformation and which organizational levels are impacted by these changes.

4.3.2 Types of Transformation in Organizations

For companies, primarily two types of changes can be distinguished, the first and second type of transformation. The differentiation of both types is made with regard to the criteria of type, time, scope and process, as shown in Figure 41 (Levy et al., 1986, p 3-9).

Figure 41: Types of Transformation

	1st Type of Transformation = Evolution	2nd Type of Transformation = Innovation
Type	Evolutionary change: Established change program	Radical change: Fundamental rethinking and redesign of organization and processes
Time	Long term	Short term
Scope	Change in one dimension or a few dimensions and components. Concerns one or few levels e.g. sub-areas/processes.	Change in several dimensions and with numerous components. Affects all levels, i.e. the overall organization and core processes.
Process	Change in incremental steps	Hard rupture and radical change

Source: Self-elaboration according to (Levy, A.; Merry, U., 1986, p 3-9).

As Figure 41 shows, a change of the first kind, the so-called „evolution“, is accompanied by a dynamic of change, which manifests itself as permanent adaptation to changing environmental conditions. In this

type of evolutionary change, individual aspects of the organization change continuously by integrating contemporary modernizations. However, the structure of the company itself remains unchanged, whereby adaptations of the production process and product to changing customer needs are typical characteristics of a first type of change (Wrede et al., 2018, pp. 138-141). The evolutionary change, which is rather long-term oriented, is contrasted with the second type of change, which is primarily impulse-driven with short-term adaptation to an expected future. The structural change of the organization and the related process is also called „innovation process". The respective object, i.e. the enterprise, experiences drastic paradigmatic changes and consequently transforms its structure and thus itself. Transformation in the form of innovation is hence the ability to create a fundamentally new system when ecological, economic or social structures make the existing system untenable (Walker et al., 2004).

4.3.3 Transformation Effects on Corporate Structures

To identify the elements affected by change at the corporate level, the iceberg model of corporate culture by Edgar T. Hall (Hall, 1977) will be referred to hereinafter. According to Hall's considerations, companies represent an independent culture that uses a common pattern of fundamental assumptions to solve external and internal crises, among other factors. This pattern consists of visible and invisible elements, which are illustrated by the figure of an iceberg with its visible surface above the water and its body hidden under the water. The visible part of the iceberg, also called the functional level, describes the procedural and structural level of a company with the elements "structures", "strategies", "processes" and "systems". Often, change starts with these elements first, as modifications can be introduced easily and visibly here. However, many companies are not aware that changes on this level alone are not sufficient for a successful transformation process. Reducing the focus of change only to the visible part of the iceberg carries the danger of building a house without a foundation, which may succeed for a short time until the walls finally collapse. After all, the much larger part of the iceberg below the surface of the water must be considered. Ship captains who ignore the ice under the water can endanger the lives of their passengers (Wien et al., 2014). Analogously, organizational change efforts are doomed to failure if they ignore the important psychological level. According to a study by Roland Berger GmbH, 70% of all transformation projects fail because they do not integrate the so-called relationship level of the company into the change (Zimmermann, 2015, p 3). This level includes all components that are related to the corporate culture of a company. Elements such as rituals, emotions, relationships, values and leadership are not easy to grasp, not to mention to change, but they have a significant influence on the functional level and hence should not be ignored. Corporate culture can be a powerful catalyst - or a formidable obstacle - for profound transformations. Only through communication can an anchoring of the conducted transformation, which can be accompanied by resistance from the affected employees, be successfully mastered and "innovations" fully implemented. If this does not happen, after a certain period of time the organization reverts to old routines and the transformation is regarded as failed.

Which phases of emotional experience the stakeholders affected by transformation processes go through are presented in the following Chapter 4.3.3.1. The model provides important insights with regard to the

final purpose of a sustainable "stabilization of human capital" during change, which will be explained in more detail in the following.

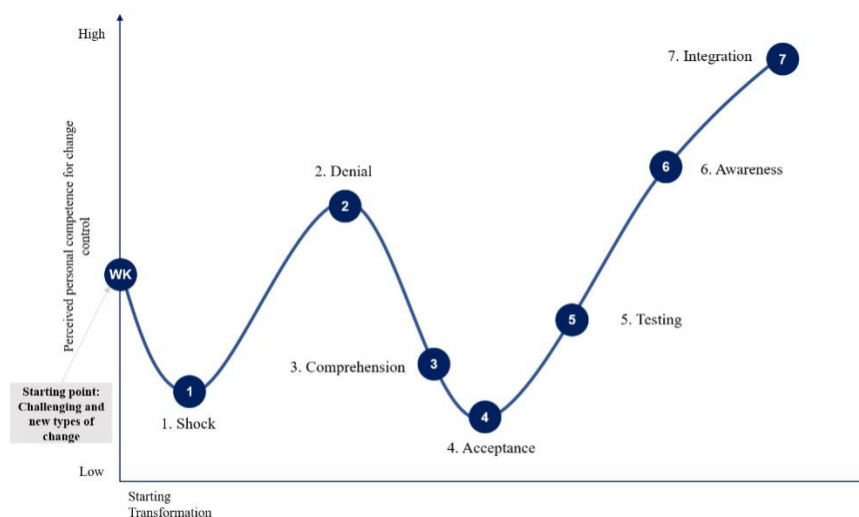
4.3.3.1 Phase Model (according to Streich)

Emotions in the change process are predictable and follow recurring patterns. Thus, the accompanying emotional circumstances are not arbitrarily placed in the change process, but usually occur in very specific phases (Kraus et al., 2010). The following model in Figure 42, which is based on the sociological grief research of Elisabeth Kübler-Ross (Kübler-Ross, 2008) and was transferred to the corporate context by Richard Streich (Streich, 2016), illustrates the emotional stadia in the form of perceived competencies that employees are confronted with during a change process and serves as a kind of "blueprint" for looking at people's behavior during change processes. Streich based his 7-phase model on Kurt Lewin's 3-phase model, whereby the focus, in contrast to Lewin and Kotter, is primarily on the perception of the personal competence of the persons concerned during the transformation process (see also Chapter 4.3.4 for references to Lewin and Kotter).

As can be seen in Figure 42, the graph of change has two dimensions of the employee's perceived competence to control change (ordinate) and the factor time (abscissa). The perceived personal competence is defined by the triad of ability, volition and permission and finally leads to the action, the doing. The phases shown within the graph should be passed through ideally faster than with the competitor, so that e.g. a new market can be successfully developed. Both dimensions are therefore pillars for successful action in changes.

In the following, the seven phases (patterns of order) - shock, denial, comprehension, acceptance, testing, awareness, integration - that the affected employees pass through during every change, irrespective of whether it is a first or second type of transformation, will be described.

Figure 42: Emotional Phases of the Experience of Change



Source: Self-elaboration according to (Streich, R.K., 2016, p 24).

In the first phase of the "shock", the affected employee learns about the impending change in the company and falls into a kind of "shock mode". This feeling is triggered by the individual's perception that their

own competencies are not sufficient to help create the change or to be part of it. In the course of time, however, the powerless feeling diminishes and the employee shows a reactance reaction typical for such situations, as he feels the management's impulse for change to be superfluous and thus persists in old behavioural patterns. He regains self-confidence in his own perceived competence and the second phase of "denial" is reached. This is characterized by the fact that the employee senses a "feeling of security", that he is not affected by the changes or perceives no need to leave the status quo. It is to be expected that the employee takes a defensive attitude and fights against the change. It is therefore particularly important to involve the employee and get him or her on board. If this does not happen, it is highly probable that the employee will continue to be an opponent of change. However, if the company succeeds in convincing the employee of the necessity of change, the third phase of "comprehension" will occur. The increasing complexity and the necessity to counter the "new" with new types of behavior and procedures become visible. Rational insight into the necessity of change is given, but the willingness to change one's own behavior patterns is not yet sufficiently developed. The phase is characterized by a discrepancy between cognitive recognition and the resulting necessary actions. If the cognition increases to let go of the "old", that habits, processes etc. will have to change, the phase of "acceptance" begins. The affected person now experiences the situation as crisis-ridden and encounters his own emotions, which is why this stage is often called the "valley of tears". As soon as the employee is ready to question his own attitudes and behavior, unused potential can be activated within the changed conditions. However, if the individual or organizational possibilities for changed behavior and procedures are not available, the employee may reject the change again, which can slow down or even stop the process. It is therefore imperative to offer the employee opportunities to search for new behaviours and to gain initial experience with successes and failures in the "testing" phase. Caution is also required in this phase of the change process, because the more the organizational culture suppresses e.g. fault tolerance, the more this phase is torpedoed. The readiness for a learning process is therefore urgent in order to finally move on to the phase of "awareness". The information gained in the previous phase (e.g. which behaviours resulted in success and which did not) now provides information about which behavior can be promising in which situations, leading to an expansion of the employee's awareness and own repertoire of actions. This increases the flexibility of action and the perceived own competence visibly rises above the level before the start of the change. In the final phase of "integration", successful behaviours are completely adopted into the active behavior repertoire (they are now carried out unconsciously as a "matter of course") and institutionalized in the form of adapted cultural elements. The degree of maturity of the organization and the employees for successful change work increases, since future changes can now be met with an increased "change competence". The successful experience of the seven phases in times of change thus leads to an organization that is always open to change in the sense of a "learning organization" and capable of responding to new transformations. If the company does not succeed in "riding the wave" of change together with all those affected and as simultaneously as possible for each phase, the probability of unsuccessful change is high and in the long term there is the threat of losing the so-called "license to operate".

In summary, it can be stated that during transformations companies face the challenge of integrating elements of both the functional and the psychological level into the change. While strategies and processes can be changed quickly and easily, the horizon of perception must be extended to the area of organizational culture that lies beneath the surface in order to make the transformation process successful. This is ensured by means of communication, which is to be understood as a "bracket" over all things (Watzlawick et al., 2011).

But which change models are suitable to describe the transformation on both levels of an organisation in order to ultimately provide a working basis for a successful implementation of the intended change? This question will be examined in the following Chapter 4.3.4.

4.3.4 Phase Models of Transformation Processes

Regardless of a more theoretical or practical approach to research, there is agreement in the literature that change is to be understood as a complex process during which different phases are passed through. In 1947, Lewin was the first to formulate an integrated phase concept that represents the interrelation of the functional and psychological levels.

Figure 43: Overview of Development of Selected Phase Models

Authors	Phases
Lewin (1947)	(1) Unfreezing, (2) Moving, (3) Refreezing
Kotter (1996)	(1) Create a sense of urgency, (2) Building the leadership coalition (key stakeholder), (3) Develop vision and strategy, (4) Communicating the vision of change, (5) Empowerment on a broad basis, (6) Consider short-term goals, (7) Consolidate success and identify further changes, (8) Anchoring new concepts in the culture.
Krüger (2002; 2006)	(1) Initialization, (2) Conception, (3) Mobilization, (4) Implementation, (5) Consolidation
Doppler/Lauterburg (2005)	(1) The first considerations, (2) Targeted explorations, (3) Creation of the project basis, (4) Communication concept, (5) Data collection, (6) Data feedback, (7) Diagnosis and force field analysis, (8) Concept development and action planning, (9) Pre-decision, (10) Experiments and practical test, (11) Decision, (12) Introduction to practice and monitoring of implementation.

Source: Self-elaboration according to (Scherer, E.; Pietsch, G., 2007, p 261 f.).

Over the years, various scientists have built on Lewin's approach and further developed the original model (see Figure 43). The various models differ in terms of the number of phases, ranging from three to twelve phases (Scherer et al., 2007). Due to its suitability for practical application, however, the Krüger phase model stands out from the other concepts and a deducted form will be presented in more detail in Chapter 4.3.7 on the basis of a practical case performed within a usability test.

In Chapter 4.3.3.1 it has already been explained how people affected by change go through different phases on the emotional level, all of which are justified and take time to understand and internalize the intended changes. The often accompanying reaction patterns in the form of resistance have to be taken up and processed so that the intended corporate change can succeed. For this a basic understanding is necessary regarding the term "resistance" and its origin, which is to be obtained in Chapter 4.3.5.

4.3.5 Resistance in Transformation Processes

According to Doppler and Lauterburg, resistance is defined as follows: "Resistance can always be spoken of when planned decisions or measures that have been taken, which even with careful examination appear to be reasonable, "logical" or even urgently necessary, meet with diffuse rejection from single individuals, groups or the entire personnel for reasons that are not initially apparent, create concerns that are not immediately comprehensible or are undermined by passive behavior" (Doppler et al., 2008). But what causes resistance and what types are there? Resistance occurs due to barriers or obstacles, which include concrete resistance actions on the one hand, but also general inhibition thresholds and overall inertia which prevent the use of existing and new scope for action (Kieser et al., 1998). Five forms of barriers can be distinguished (see Figure 44) that provoke resistance among those involved in changes: "Obstacles to Knowledge"; "Skills"; "Readiness"; "Opportunity" and "Systems" (Reiß, 1997).

Figure 44: Resistance Types



Source: Self-elaboration according to (Reiß, M., 1997, p 17 f.).

"Skill barriers" (people "cannot") arise due to excessive demands on the employees involved. This form of resistance occurs when the qualifications of the employees do not meet the requirements of the change, physical abilities are not available, know-how is missing and methodical, social and personal

competencies are not developed. In order to prevent this type of resistance, further education and training can provide employees with the necessary knowledge and corresponding competencies and thus make their contribution to avoiding overstress. “Knowledge barriers” (people “do not know”) find their origin in the ignorance of employees who do not know the expected behavior and the reason for change and do not know what their task or role in the upcoming change process should be. Open and constant communication can prevent ignorance and cluelessness. “Barriers to readiness” (people “don’t want to”) occur when people affected by change are perceived to be in a “worse position”. Employees do not want to leave their comfort zone, associate fears of loss of e.g. power or status related with the upcoming changes or do not believe in the need for change. Again, transparency, open communication or the perception and respect of individual needs can counteract this type of resistance. “Opportunity barriers” (people “must not”) arise due to disabilities of employees caused by e.g. management, processes, structures, disagreements between involved parties, etc. This makes it more difficult for motivated employees, who actually want to be actively involved in the change process, to drive it forward. Managers should take care to create a working atmosphere in which employees are empowered to shape the change. “System barriers” mark resource deficits and occur when employees cannot pursue and achieve the change goals due to lack of resources such as budget, infrastructure, time, etc. Unfavourable resource allocation can lead to a loss of motivation and above-average work input, so that inertia prevails in the end. The organization should therefore pay special attention to releasing resources to avoid the occurrence of this type of barrier. These five barriers are not independent of one another, but rather influence and reinforce each other. It is therefore the task of the enterprise to introduce change in such a way that those affected are informed and qualified for the changes in a target-group-oriented manner, that employees identify with the change goals and that these goals are supported by a change-supporting climate and resources provided for this purpose. In this way, the barriers presented above can be prevented and countered. Should resistance nevertheless arise, it must be taken up and treated appropriately in the specific situation in order to make the latent energy of rejection fruitful for the transformation process (Thom et al., 2017).

The following Chapter 4.3.6 lights up in detail the most important factors of a change process as necessary guarantors for a transformation which can be arranged successfully.

4.3.6 Success Factors of Transformation Processes

In the following, the factors that allow a successful transformation of a company and thus lead the entities described in the previous Chapters to a successful implementation in the change process (introduction of CSR) will be briefly presented. For this purpose, the levels already described based on the iceberg model (refer to Chapter 4.3.3) are used and the most important success factors are assigned to the same. Five clusters can be formed, whereby two groups can be assigned to one of the levels and one cluster can be effective across both company levels (see Figure 45). As already mentioned, the cluster “Communication”, as a connecting element above all, enables the success of change on the functional and psychological level. Structures and processes form the basis for dealing with change.

Leadership and corporate culture as well as the development and qualification of employees are fundamental to the success of the intended change (Goschy et al., 2017). It can be stated that the successful adaptability of a company is influenced by various fields of action. Ultimately, the art of change lies in creating a large whole from the complex elements, in analogy to Aristotle's statement that "The whole is more than the sum of its parts" (Bonitz et al., 2014). In addition to structures and processes, it is primarily people who determine the extent to which a company can deal with radical and evolutionary changes. Employees must have the right attitude and appropriate qualifications to cope with future tasks. However, according to consultants, experts and scientists, the most important category is probably the leadership & corporate culture, which characterizes constant, adequate and transparent communication.

Figure 45: Key Success Factors of a Transformation Process



Source: Self-elaboration according to (Goschy, W.; Franz, M.; Eppinger, A.-L., 2017, p 26).

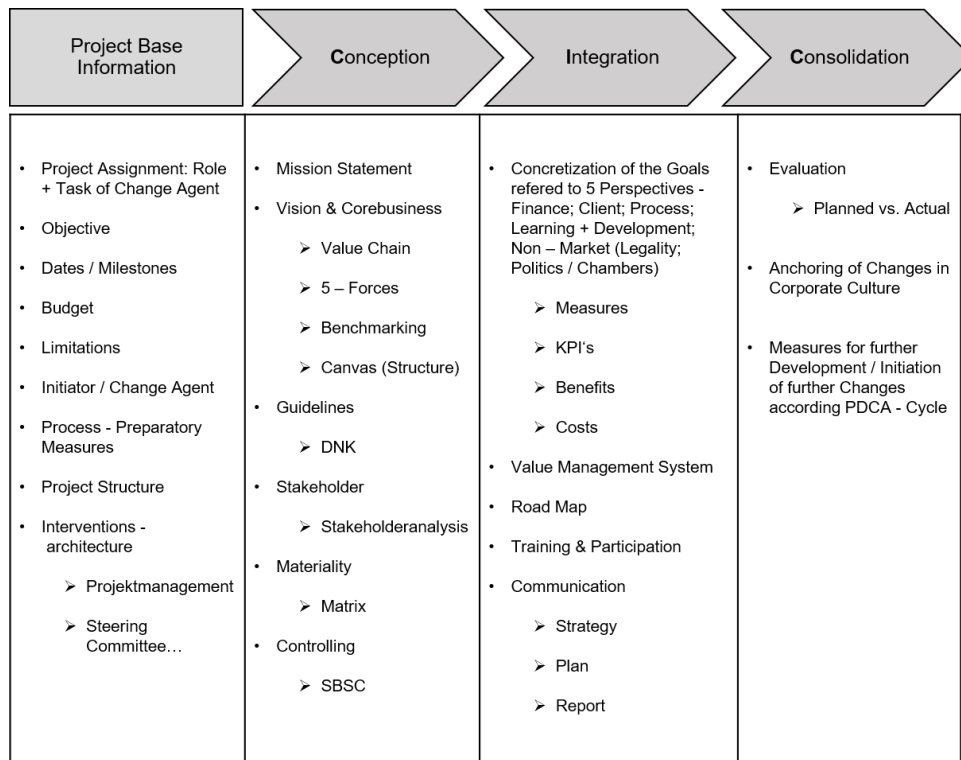
Those who live the solidarity of the people in the company on a daily basis, challenge & support "their employees" with their strengths and weaknesses and internalize a common vision of the future including the agreed communication channels as part of the company's everyday life, can face the challenges of tomorrow with courage. "Transformation processes involve crossing formal boundaries, but they cannot be "boundless," because an organization's ability to survive depends on a balance between stabilization and willingness to change, security and insecurity - and thus crossing and drawing boundaries" (Klimecki et al., 1997). For this paradox to work, people must have confidence in the organization and the people and processes behind it and embark on the journey with the "navigating leader". According to brain researcher Gerald Hüther, however, this can only be achieved by making the sense of change clear to them and, so to speak, "getting under their skin". Only then are the emotional centers in the midbrain activated and so-called neuroplastic messenger substances released, which act like "fertilizer" for the brain. Only in this way can attitudes, inner beliefs and convictions that have been manifested through

previous experiences be changed (Hüther, 2009). If employees still experience solidarity and self-efficacy, potentials can be developed and new things can be learned.

4.3.7 Model “CIC”

In a usability test, the recommendations for action derived from the findings of the expert interviews were primarily subjected to a practical test analogous to the Design Thinking method and, after several iteration steps with the CEO of a microenterprise, mapped in a 3-phase model, which is shown in Figure 46.

Figure 46: Principles of the Model “CIC”



Source: Self-elaboration.

Figure 46 shows the three phases including project informations of the change process in general. For each phase, it is recommended that different activities be carried out, which should be taken into account so that the process can be fully understood, planned and implemented.

The explored phases with their respective elements are briefly presented below. It should be emphasized once again that all the findings presented here were obtained from the literature research - at the macro level (KPI's) -, the expert interviews - at the mezzo level (structure, scope) - and the analysis of the company surveys - at the micro level (typology & materiality matrix).

4.3.7.1 Phases

4.3.7.1.A Project Base Information

In the introductory project stage, the conventional parameters are defined, such as the initiator of the change project (ideal CEO), the objective (to introduce CSR), the budget, the time (by when), the person responsible (CSR-Agent), control and reporting mechanisms, and exit scenarios (worst case).

4.3.7.1.B Conception

This first phase is characterized by the development of a vision which is to result in a sustainable business model (see Chapter 4.3.7.1.B.I). It is important here to identify the stakeholders involved, including the essential issues (see Chapters 4.3.7.1.B.II and 4.3.7.1.B.III), which are to be translated into action as part of managerial accounting (Chapter 4.3.7.1.B.IV).

4.3.7.1.B.I Vision & Corebusiness

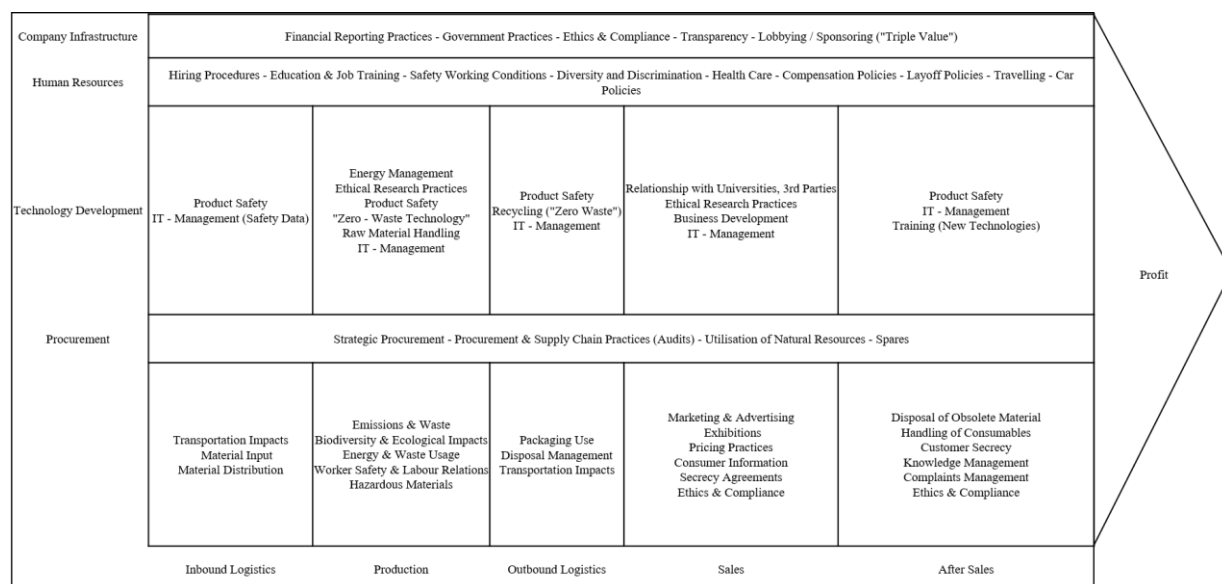
In this step a mission statement is used to provide guidance for action in the form of vision, mission, strategy, goals and values, illustrated in Figure 47.

Figure 47: Structure of CSR- Strategy



Source: Self-elaboration.

When creating the business model, the external and internal influencing (trigger) factors must be taken into account for the present and future assessment (see Chapter 4.3.1). In addition to Porter's 5 - Forces (branch structure analysis), further tools can be the value chain (see Figure 48), the results of which are given their direction of impact, e.g. with the SWOT analysis. When defining the strategy (e.g. according to the BCG matrix), it is important that CSR-relevant topics are included in the planning, which can also be done using the business model Canvas (see Annex 5).

Figure 48: Value Chain

Source: Self-elaboration in accordance with (Porter, 2006).

The experts have recommended that CSR aspects should already be reflected there when the business is founded, so that sustainability topics are reflected in the company's DNA right from the beginning.

4.3.7.1.B.II Guidelines

As a guideline for SMEs, the German Sustainability Code was deemed a suitable instrument by the experts. A typical declaration of conformity according to the sustainability code can be found in Annex 6, where the 4 criteria strategy, process management, environment and society are listed. Requirements are also assigned to the respective criteria, which are classified as follows:

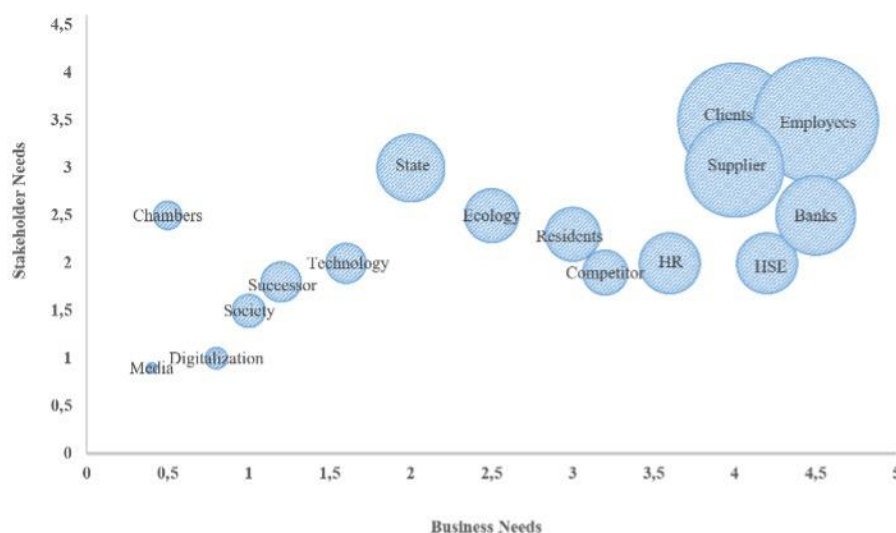
- Strategy: Analysis and measures; Materiality; Objectives; Value chain.
- Process management: Responsibility; Rules & processes; Control; Incentive systems; Stakeholder participation; Innovation - product management.
- Environment: Use of natural resources; resource management; emissions.
- Society: employee rights; diversity of opportunities; qualification; human rights; community; political influence; compliance.

In addition to this catalog of requirements with 20 sub-criteria, the companies are to make their statements on selected topics, which should ideally be measurable. For this purpose, 28 indicators can be used, which are based on GRI. In Chapter 4.2.1 a number of indicators were identified which, according to expert opinion and literature research, appear suitable for the initial application of SMEs. According to the experts interviewed, it is important to start the process in the first place and not to overburden the micro entrepreneurs with too much bureaucracy. Accompanying measures on the part of the state and the chambers of commerce are also desirable to accompany and incentivize the introduction of CSR, including the preparation of a sustainability report.

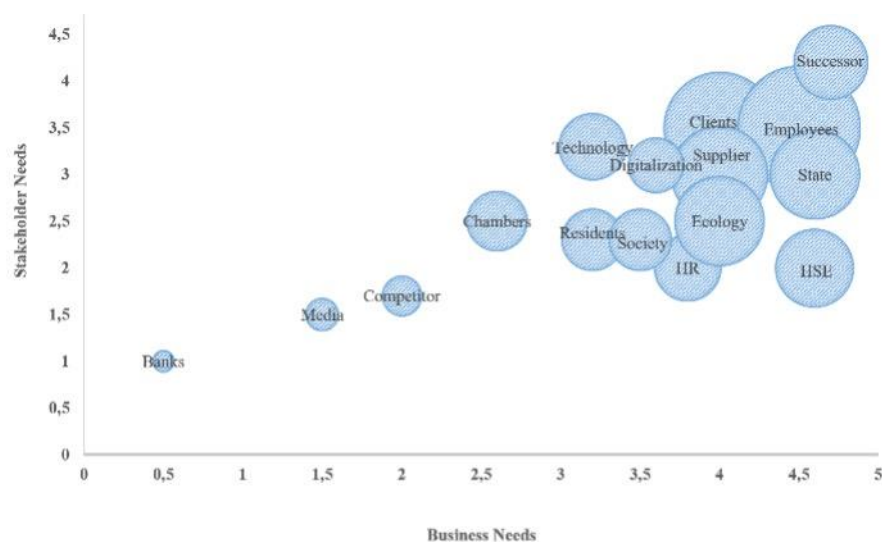
4.3.7.1.B.III Materiality – Matrix (Typical)

When writing the sustainability report it is important to break down the comprehensive concept of sustainability into individual business - relevant topics. A helpful tool for finding the topics is the materiality matrix. It represents the essential topics for the company and the stakeholders and serves as an orientation for the further process. As illustrated in the matrix in Figure 35 (refer to Chapter 4.2.2) a distinction can be made between four different types. While the "Visionary" can be seen as a "Pioneer" with regard to the implementation of CSR topics, the "Taylorist" categorically rejects such activities. He only introduces CSR at his company if the state decrees it, as he sees no point in it and does not expect a reward from the market. "Homo Economicus" of the "Brakeman" type needs incentives to implement CSR, although he is aware of the fundamental advantages of CSR (see also Chapter 1.3, Figure 6). His motto is that he expects disadvantages compared to "free riders" who do not make additional investments in CSR. The "Honourable Businessman" who is an "Observer" on the market needs information on CSR and is not (yet) aware of its advantages. He should be offered training/education, because he is open to sustainability aspects in terms of mindset and "merely" needs support from chambers and experts. It was striking in the analysis of the data that only the "Pioneer" was sensitized with regard to succession planning, whereas this topic did not appear relevant to the managing directors of the other typologies. Figures 49 - 52 show the materiality matrices for the 4 typologies and indicate the interests of the company and the other stakeholders interested in it. The material issues illustrated in the upper right quadrant are to be addressed proactively and communicated accordingly, while the clusters illustrated in the lower left are to be observed and given lower priority in stakeholder management.

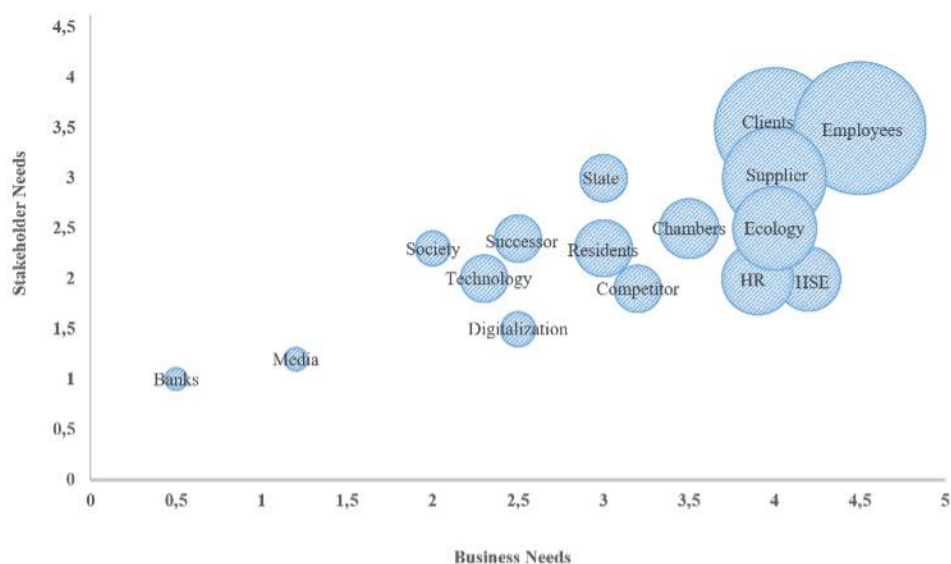
Figure 49: Materiality Matrix “Refuser”



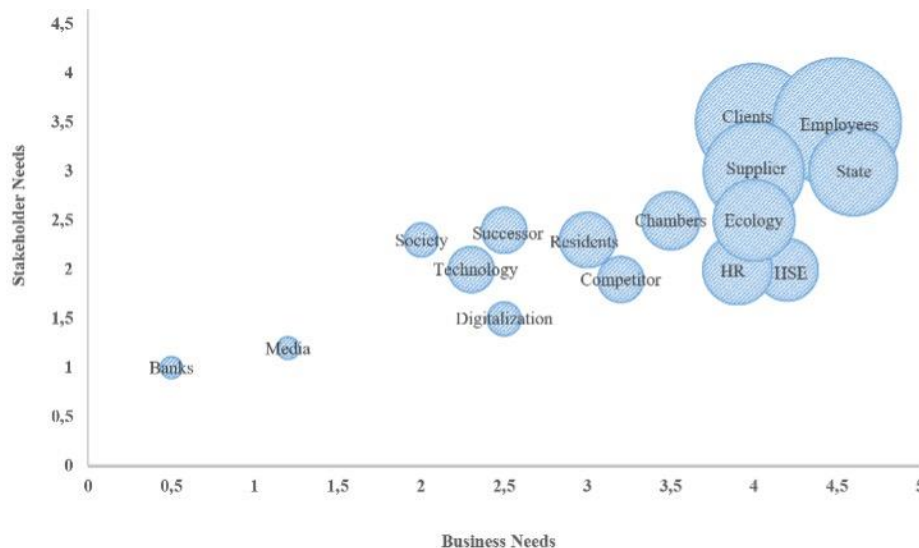
Source: Self-elaboration.

Figure 50: Materiality Matrix “Pioneer”

Source: Self-elaboration.

Figure 51: Materiality Matrix “Observer”

Source: Self-elaboration.

Figure 52: Materiality Matrix “Brakeman”

Source: Self-elaboration.

4.3.7.1.B.IV Managerial Accounting

The collection and control of financial figures is usually coordinated in SMEs by external experts (tax consultants...). In the context of new data collection to be introduced with sustainability character, further key figures are to be defined (see also Chapter 4.2.1), which are then to be processed in the company accounting sheet. As can also be seen from the expert interviews, company owners should cooperate with their tax advisors and expand the frequently used managerial accounting program from the company "DATEV" to include CSR aspects. It is to be expected that digitalization will enable a further push in the direction of automatic recording of these defined KPI's and that, in the medium term, the company data will be available on a daily basis - provided it is to be visible to stakeholders (confidentiality). Data security will be ensured by the "blockchain" so that, according to experts, maximum transparency will also be possible for SMEs with regard to CSR. It is expected that this will lead to competition among the companies through "social control and comparison mechanisms" (benchmarking), as data will become comparable and can contribute to further optimizations in the production process, for example.

4.3.7.1.C Integration

In this second phase, the goals derived from the materiality matrix ("SMART") are concretized (explained in Chapter 4.3.7.1.C.I). The perspectives of the SBSC are listed in a road map (for example, see Chapter 1.5.2, Figure 14) and assigned responsibilities; furthermore, the parameters of time, costs and degree of fulfilment ("POC") are recorded and monitored. Communication as a bracket for the entire change process of introducing CSR is the key element par excellence (see Chapter 4.3.7.1.C.II) and further training and education measures enable employees to participate in and design the transformation (see Chapter 4.3.7.1.C.III).

4.3.7.1.C.I Feasibility Analysis

The following example illustrates a feasibility analysis by comparing the expected cost savings from CSR measures with the implementation costs of CSR within a SME. This calculation was carried out with a CEO as part of the usability test (refer to Chapter 4.3.7.2) and thus demonstrates its practicality.

The company employs 10 permanent employees including CEO / Owner. It is assumed that no previous knowledge of CSR is available and the introduction takes place independently without the aid of industry standards. With regard to the business equipment it is assumed that the software / hardware and equipment (safety equipment ...) necessary for the activities is available. Furthermore it is assumed that no fluctuation exceeding the normal level - due to the "change" - occurs and no new employees are explicitly recruited as a result of these measures. Costs / benefits through research and external certifications according to ISO 45001 / ISO 14001 or external auditing of the CSR process are also excluded as well as possible sponsoring by third parties. Furthermore it should apply that the company is already fairly remunerated ("equal work"- "equal pay") and handicapped accessible workplace design is realized. Costs are accounted for as "internal costs" based on the average German construction industry whereby the "annual expected benefits" are determined on the basis of hourly sales prices and material input costs.

As can be seen in the following Table 23 (Expected Benefits) and Table 24 (Expected Costs) the following insights can be stipulated under the assumptions made above:

The one - time costs of implementing CSR in SME's can only be recovered within a very short time (~ 1 year) through benefit expectations in the form of reduction of accidents at work (increase in productivity), increased motivation of the workforce and improved use of resources (energy, waste ...). Considering other positive aspects such as optimizing the supply chain or raising the reputation towards the banks (creditworthiness) additional savings in the middle four-digit range can be realized annually. It is to be expected that ongoing improvements within the "learning organization" will lead to further efficiency gains in productivity due to raising awareness towards cost - driving issues.

According to the available estimates at least 1 – 2 % of the current turnover (basis of the considered SME) can be materialized annually by reducing costs through CSR measures. The annual or biannual expenses for maintaining and updating the CSR strategy are marginalized in the low four - digit range.

Table 23: Expected Benefits

Expected Annual Benefits			
Topic	Status Quo (Actual)	Target	Impact (€)
Reduction of Accidents at Work	3 Accidents / 11 TWh	2 Accidents / 11 TWh	4.080
Increased Productivity (Motivation)	11264	11377	5.745
Reduction of Waste	3,4 T p.y.	2,7 T p.y.	1.400
Reduction of Energy	20 MWh p.y.	16 MWh p.y.	960
Reduction of Driven Distances	50 T Km p.y.	45 T Km p.y.	1.500
Optimization of Transactional Cost through Reduction of Suppliers (better purchase conditions...)	11 Main Supplier	5 Main Supplier	5.184
Total			18.869

Source: Self-elaboration.

Table 24: Expected Costs

Expected Costs						
Phases	Steps	To - Do's	Tools / Results	Responsible	Time Expenses (h) *	Cost Effect (€)
Conception	Core - Business	Definition of Status Quo	Vision / Mission Value Chain/Canvas	CEO / CM / QA + FM	- 4 (CM-CEO) - 2 (CM-CEO) + 2 (CM-Foreman)	480
		Selection of Guideline	SDG -> GRI -> DNK	CEO / CM / QA	2	140
	Guiding Rule & Stakeholder	Purchase of Guideline		CEO / CM / QA	n.a.	100
		Definition of Stakeholder	Stakeholdermap...	CEO / CM / QA	6	420
	Materiality	Definition of Materiality / USP	Matrix of Materiality	CEO / CM / QA	2	140
Integration		Definition of critical KPI's	List of KPI's	CEO / CM / QA	3	210
	Concretisation of Goals	Definition of Activities incl. KPI's	Activity List (prioritized)	CEO / CM / QA	5	350
	Communication	Stakeholder to inform about Activities	Creation of Communication Plan (CP)	CEO / CM / QA	3	210
			Realisation of CP Internal	CEO / CM / QA + Team	1	340
			Realisation of CP External	CEO / CM / QA	2	140
			Sustainability Report (Online)	CEO / CM / QA	3	210
	Road Map (RM)	Create RM with Responsibilities	List of Activities	CEO / CM / QA	4	280
		Follow Up of Activities	Percentage of Completion (POC)	CEO / CM / QA	60	4200
	Implementation of Value Management System (VMS)	Definition of Codex	Code of Ethics...	CEO / CM / QA	2	140
	Training, Participation & Audit	Execution of Training / Education: -HSE -Procurement -Ecology -Diversity -VMS	Class Room, Exercises, Examn	CEO / CM / QA + Team	9	1100
		Execution of Ethical based Trainings	Exercises, Role Playing Games	CEO / CM / QA + Team	4	1360
		Conduct of Internal Audit	Documentation / Evaluation by QA	CEO / CM / QA	4	280
Consolidation	Evaluation -> PDCA-Cycle	Conduct of Internal Validation with adaptation of KPI's by means of managerial accounting (method e.g. SBSC)	Own QA - System, Peer Reviews with Finance	CEO / CM / QA	8	560
	Production costs -> Permanent review	Minimize Losses of Motivation & Sickness Rate caused by Resistance against Change	Expected reduction of productivity for approximately 3 months	Team	96	2880
Total						13540

Source: Self-elaboration.

4.3.7.1.C.II Communication

As already mentioned in Chapter 4.3.6, adequate, transparent and timely communication with stakeholders is an important key success factor for transformation processes and business conduct in general. Figure 53 shows how a suitable communication strategy can be designed. Here, too, it is important to take into account expert opinions by providing support for the introduction of CSR, e.g. through the Chamber of Industry and Commerce, while government incentives would also be advantageous. As shown in Chapter 4.2.2, communication strategies are to be chosen according to the typology of company leaders. While the "Pioneer" is already exemplary in terms of CSR and carries out his communication accordingly - also in cooperation with the media -, the other three types ("Refuser", "Observer", "Brakeman") are not yet active in this respect and need corresponding support.

Annex 6 shows a typical sustainability report based on the DNK recommended by the experts. This declaration of conformity is to be prepared once for each company and updated accordingly as needed (see also Chapter 4.3.7.1.B.II Guidelines).

Figure 53: Communications Strategy

Source: Self-elaboration.

4.3.7.1.C.III Training & Participation

Further education is especially important in times when there is a fight for the few talents available on the labour market. According to the typology of companies, different approaches are evident as to how training measures are to be configured. The "Pioneer" is already well trained, both in theory and practice. He seeks exchange with like-minded people in order to further develop or implement all necessary sustainability aspects. The "Observer" needs information about CSR so that he can anchor this knowledge in his business model. The "Brakeman" type is already one step further and knows aspects of "good corporate governance" at least from his/her studies or from occasional lectures. However, he will only implement them if it is worthwhile for him, i.e. if, for example, training measures are financially supported or the mentoring (by the Chamber of Industry and Commerce...) is free of charge. The "Refuser" should not be focussed on; in all likelihood he will not take part in any further training measures because he does not consider them profitable and purposeful and will only become active after the state has issued regulations. Through the example of the other market participants - especially the "Pioneer" - he must be successively convinced that it is a "conditio sine qua non" to implement CSR in order for the company to be able to survive on the market in the future. In all further training measures, it must ultimately be ensured that the purpose of the company's activities is at the centre and training measures are designed accordingly, because conveying meaning is the "be-all and end-all" for employees to be capable of contributing effectively and efficiently and, above all, to want to do so (see also Chapter 4.3.6).

4.3.7.1.D Consolidation

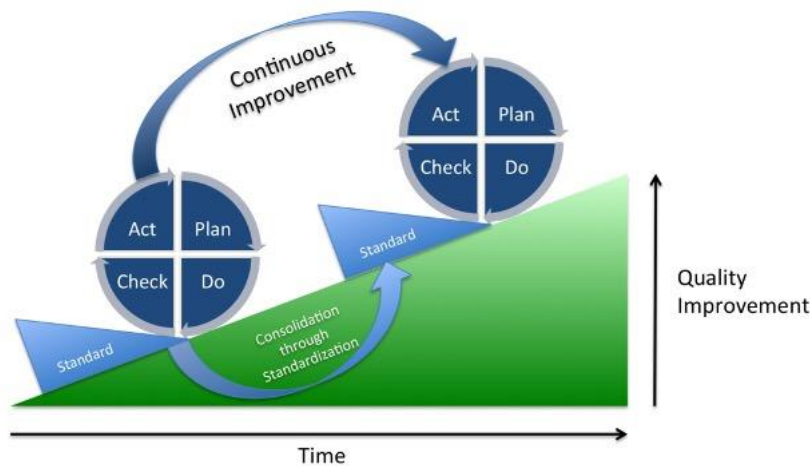
In the last phase of the developed model, the implemented CSR - measures are evaluated and dealt with according to the PDCA cycle known from quality management (QM).

4.3.7.1.D.I PDCA - Cycle

Continuous QM is achieved by going through the cycle, consolidating the progress achieved through standardisation and anchoring it in the company shown in Figure 54. Since the company is subject to

constant further dynamics of change (see also Chapter 4.3.1), the corresponding necessary transformation measures - especially with regard to CSR - are to be carried out permanently and incrementally within the concept of a "learning organisation", so that the "licence to operate" is also maintained in the future.

Figure 54: PDCA – Cycle



Source: Self-elaboration according to (Oesterreich 2019, p. 27).

4.3.7.2 Usability Test

Based on a practical task, the applicability of the previously explained model phases was tested with an entrepreneur of a typical microenterprise from the construction sector in order to confirm the findings obtained in the research section. In the following, his typical micro enterprise (10 FTE) is described, which is represented by the interviews and surveys, whereby the CEO can be assigned to the type "Observer". The remaining 3 typologies ("Refuser", "Brakeman", "Pioneer") can be found in principle in the system description, but further specific adjustments would have to be made there, which do not have to be dealt with in more detail in this example in order to illustrate the principle procedure. The company is regionally active as a construction company in Germany and offers construction services from planning to execution. The managing director, who is also the owner of the micro enterprise, wants to introduce CSR strategically, but does not know how to implement it due to a lack of know-how. He does not know the typical details of CSR, nor does he know the necessary procedural methods for implementing such a change in the business model. He has learned from the Chamber of Commerce and Industry that they can support him in this evolutionary transformation process in the form of "mentoring", which he welcomes, since as an "Honourable Businessman" he is also strongly interested in social issues.

The project structure for the "change process" is such that a "change agent" is responsible for the change process and has all necessary authority for this project. He reports directly to the CEO who decides together with the change manager, but having the "final say". The portfolio before the "change" did not include any strategically elements of CSR, after the "change" according to a "1st type of transformation" on the „functional and psychological level" sustainability aspects including reporting should be basically implemented (details refer to the phase models exploited further below in Figures 55 - 58). The employee

structure consists of 90% workers and 10% commercial staff, who have been with the company for an average of > 3 years. The characteristics of the "human capital" can be described as a willingness to cooperate and learn. The teams are heterogeneously composed. A lack of awareness of the necessities of change can be observed, and the working atmosphere is characterized by fear of loss due to missing knowledge concerning details of the CSR – program including its consequences.

With regard to the expected resistance, according to Chapter 4.3.5, primarily knowledge deficits ("skill - knowledge barriers") regarding the characteristics of CSR and its advantages can be identified. However, employees are basically open to changes if they are supported by the management or introduced "top-down".

The "biography of change" can be characterized as follows: The motivation for the necessary change is given by changed economic conditions. The primary triggering dynamics of change can be seen in the overall economic and technological environment demanding sustainable services and products and furthermore in an organizational development from the 2nd phase ("differentiation phase") to the 3rd phase ("integration phase"). Thus, incremental adjustments to strategy, processes, structures, technology and culture have become necessary with the following definition of objectives while maintaining the parameters time, cost and scope/quality: Strengthen market position; realize portfolio expansion (sustainability); increase turnover and profit; achieve satisfaction increase among employees and customers demanding "green" products with a "safe" supply chain.

In Figure 55 the basics of the project are listed whereas in Figure 56 to 58 the singular phases are explained. Thus, possible optimizations for future transformations can be derived for each phase, which can subsumed under the heading "potential for improvement" which is not shown here because the implementation of the measures has not yet taken place. Due to the Corona pandemic that occurred during the investigation period, the realisation of the concept that was planned and also evaluated in terms of costs (see Chapter 4.3.7.1.C.I Feasibility Analysis) has been put on hold for the time being, but is to be implemented in practice once business life returns to normal.

Figure 55: Project Base Information

Project Base Information	
• Initiator of Change: CEO. • Purpose of Change: Implement CSR strategically because of changed economic and social conditions requesting adjustments to strategy, processes, structures, technology and culture (1st type of transformation on the functional and psychological level). • Targets: ➢ Increase of sales and profit (> 5 % p.a. midterm) -> Productivity increase through i.a. less unproductive hours due to lowering sicknessrate and injuries... ➢ Portfolio expansion ("green" products with reduced waste, improved energy consumption...). ➢ Increase satisfaction of employees (reduce fluctuation from 10 % -> 8 % in 1 year). ➢ Increase satisfaction of clients through adapted portfolio ("green" products) with safe supply chains (preferred regional supplier). ➢ Contribution to the observance of the (at least partial) fulfillment of the SDG's. • Prerequisites: Create sensitivity for the change in order to minimize any resistance that may arise beforehand. • Duties and Rights: Change process shall be carried out with external consultant (mentoring through IHK...). Final responsibility for decisions remains with the CEO. Nominated external consultant is responsible as project manager for meeting the goals (targets) in the change project qualitatively. He reports directly to the CEO who releases the required resources (staff, investments). • Dates / Milestones: Implementation of the measures in "Time" / "Cost" / "Scope" are specified and planned (project duration of implementation = 12 weeks). • Budget: 1 FTE for 3 months plus contingencies for certain invests like training etc. • Exit strategy: Structured sustainability report (with +- 5 kpi's) not available after 3 months. • Project Structure: ➢ Interventions – architecture: Methods and techniques are kick-off, work shops and trainings. Jour Fixe is determined (2 hours each friday).	

Source: Self-elaboration.

Figure 56: Phase 1 – Conception

Conception	
„Content“	„Planned“
• Mission Statement • Vision & Corebusiness ➢ Value Chain ➢ 5 – Forces ➢ Benchmarking ➢ Canvas (Structure) • Guidelines ➢ DNK • Stakeholder ➢ Analysis • Materiality ➢ Matrix • Controlling ➢ SBSC	• "Leading the market in South Germany with sustainable construction in building renovations". • "Company does not compromise on integrity and safety and is market leader in South Germany in the field of refurbishment of buildings offering high quality, durable and health – compatible " State of the art" products at fair prices". ➢ Vision is result of analysis of market forces from outside to inside (5 Forces) and from inside to outside (value chain). ➢ Risk analysis including benchmarking and sustainability aspects has to be considered and implemented into the business modell sketched in "canvas". • As appropriate guideline DNK has been selected using criteria (out of 20) and indicators (out of 28 -> refer also to phase "Intergration" with KPI's in "concretization of goals"). • Analogous to the "Influence - Interest – Matrix" the most important stakeholders are identified by determining their interest and influence towards the company. • The most important aspects of the stakeholders identified in the stakeholder analysis are expressed in the "Materiality - Matrix" and reveal possible areas of conflict or action. These are prioritized (very important - normal - less important) and specified accordingly in the action plan (see "Road Map" in phase "Integration"). • As a cost accounting instrument for the implementation of CSR the "Sustainability Balanced Scorecard" (SBSC) can be used. The SBSC permits the translation of strategies (derived from vision) into actions not only relying on numbers from the past but also looking into the future creating value for the company and society. The 5 perspectives to be considered are explained in more detail in the phase "Integration".

Source: Self-elaboration.

Figure 57: Phase 2 – Integration

Integration	
„Content“	„Planned“
• Concretization of the Goals referred to 5 Perspectives: ✓ Finance ✓ Client ✓ Process ✓ Learning + Development ✓ Non – Market ➢ Measures - KPI's ➢ Benefits & Costs	• Translating the core topics defined in the materiality matrix into concrete measures with goals and key figures will be executed in this phase of the planned change process. The target is to address the following aspects: ➢ Financial Perspective: Increase sales & profit by more than 5% p.a. ➢ Client Perspective: Consolidate trustful relationship with CSR – Concept; Fair Pricing with durable & "health" Products; Supply Chain ist controlled avoiding child work, insufficient wages... ➢ Process Perspective: Production costs to be minimized – efficiency increase regarding energy- utility consumption including improved recycling philosophy. Minimization of toxity & HSE – safety first (injury - sickness rates to be reduced). ➢ Learning – Development Perspective: Taking employees' fears seriously and thus countering resistance in advance. Skilled & trained employees to be achieved (technical and compliance) with fair remuneration. Infrastructure / tools have to be "state of the art" (fluctuation to be lowered by 2 % p.a.). ➢ Non – Market Perspective: Legality & legitimacy with focus on public sector. Contribution to the observance of the (at least partial) fulfillment of the SDG's (qualitatively). The derivation of metrics (KPI's) are essential to determine the temporal change in performance and the ability to make comparisons with other companies. Based on the macro level (SDG/GRI) some KPI's on the mezzo level of „Best in Class – Companies“ shall be selected to serve as guiding parameter for the SME. Typical KPIs that emerged after literature research (see also chapter 4.3.1) and expert interviews (see also chapter 4.3.3) are: <u>Financial</u> = Sales/FTE, <u>Client</u> = Satisfaction Rate, No. of New Clients, No. of Complaints, No. of Reviewed Suppliers; <u>Process</u> = LTI, Energy – Utility Consumption, Recycling Rate, CO2 - Footprint; <u>Learning – Development</u> = Fluctuation Rate, Education Hours/FTE, No. of Apprentice, Sickness Rate; <u>Non – Market</u> = No. of Reported SDG's, Training on Compliance/FTE. The benefits and costs of the planned measures are to be collected and processed/specified further in the „Road Map“.
• Road Map	• The concrete assignments of the derived measures ("SMART") are drawn up in a "Road Map" allowing the determination of the status quo and process tracking on the way to a successful implementation of the CSR strategy.
• Training & Participation	• To ensure that employees "can" and "are allowed" to do what they "want", appropriate training and further education must be carried out and the technical requirements for the change must be met. Aim: Motivation through empowerment & participation.
• Communication	• The communication of the planned measures must be done first internally taking the right time into account. A communication plan can be helpful in determining who should provide what information to whom and by when.
➢ Strategy - Plan	
➢ Report	• One outcome of the strategic introduction of CSR can be seen in the sustainability report, which is to be communicated both internally and externally and provides stakeholders with information about the company's sustainability efforts. Here the DNK can serve as a guideline.

Source: Self-elaboration.

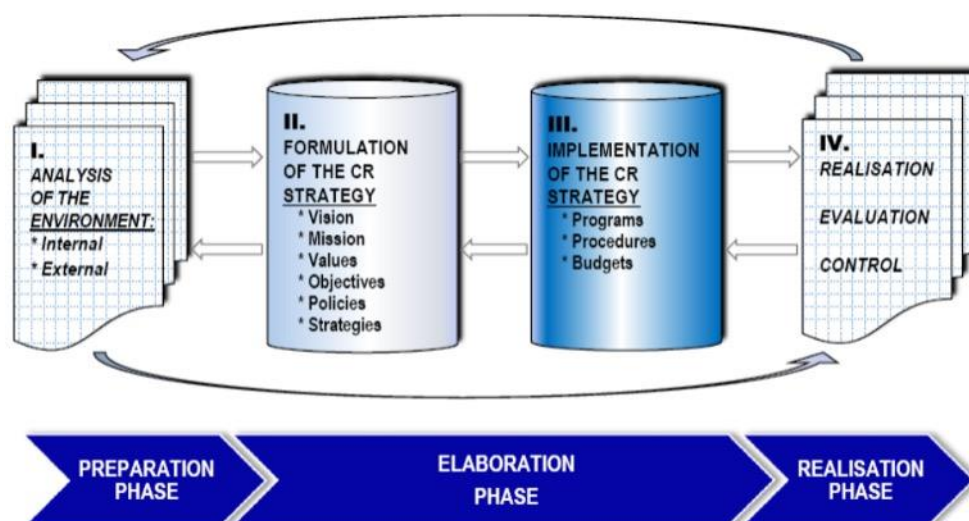
Figure 58: Phase 3 – Consolidation

Consolidation	
„Content“	„Planned“
• Evaluation ➢ Planned vs. Actual	• Permanent review of achievements to be envisaged (PDCA – Cycle). • Monitoring on progress to be considered using methods like "percentage of completion". • Based on the road map deviations with corrective actions (influence on T / K / Scope) have to be initiated (-> prompt decisions by CEO).
• Anchoring of Changes in Corporate Culture	• Celebrate "Early Wins" and implement changes in the system (QA) of the company. Without this exists a risk of retardation and regression to old patterns of habituation. • Increase willingness to further changes through effective and open communication (reduce fears + show opportunities for change). Involving all affected stakeholders is important in this process.
• Measures for further Development / Initiation of further Changes	• Feedback - culture motivates for further changes in the sense of "Continuous Improvement Processes". • Setting an example (CEO – "Top – Down", "Best – in - Class – Companies") by suggesting further "changes" according to change dynamics and (professional external) moderation of further change processes. • A sustainability report with presentation of high-lowlights and achieved or planned goals can document the agile process for shaping a sustainable enterprise and support permanent further development in the sense of a sustainably oriented market economy.

Source: Self-elaboration.

Finally, Figure 59 shows the strategy process described in this Chapter 4.3 in a diagram with the sections "Preparation - Elaboration - Realisation".

Figure 59: Developing Process of CSR- Strategy



Source: Self-elaboration.

From the author's point of view, the achieved results of the research can be summarised in a graph by visualising the findings of the research work with regard to the possible potential by practising strategic CSR among SMEs from a macroeconomic perspective in the market diagram. A possible explanation for the derivation of this qualitative model will be explained in more detail in the following Chapter 4.4.

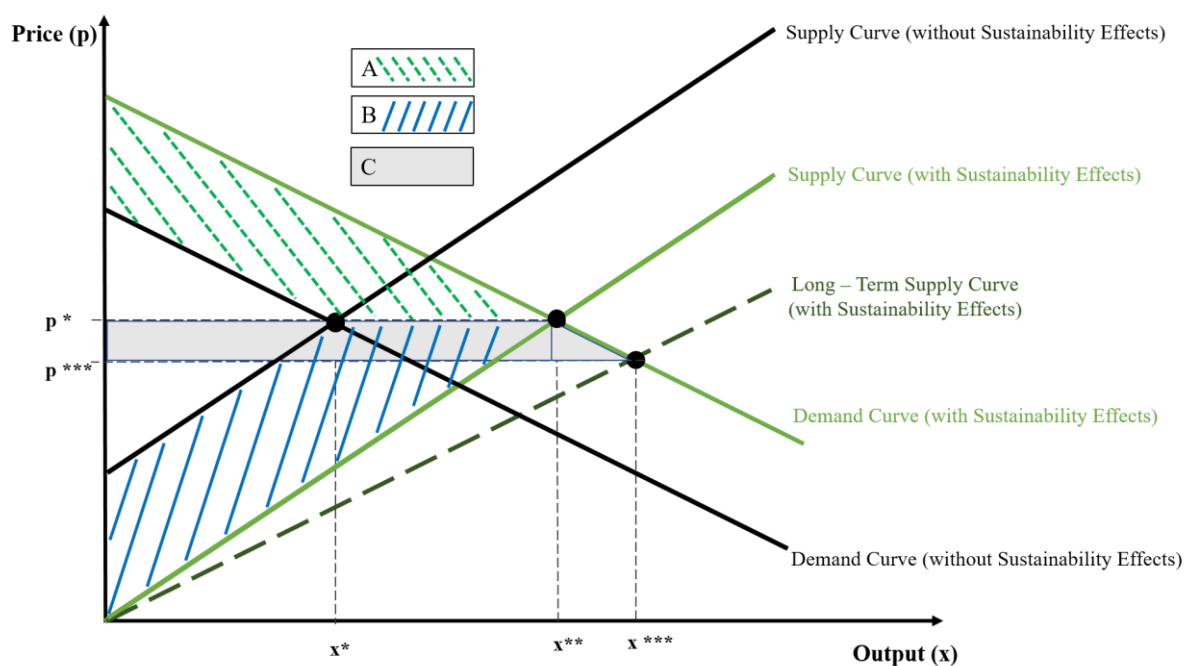
4.4 Qualitative Modelling of the CSR Influence in the Market Diagram

In the area of sustainability, welfare benefits for households and producers can be achieved in equal measure. In the long-term view, these positive aspects can occur as the producer of sustainable goods gains a competitive advantage. This is made possible in particular by optimised processes with efficient factor input (capital, personnel), reduced resource consumption (energy, water...) and optimised processes in the supply chain. Increasing economies of scale can also contribute to lower marginal costs by achieving maximum output with given input (or given output with minimum input). As "soft" factors, motivated employees who work for an attractive employer with high workload - and low sickness rates can contribute to low manufacturing costs and products reaching the market for the benefit of both companies and consumers. On the demand side, there is an increasing trend towards sustainability issues, which is exerting an increased influence on the manufacture of sustainably fabricated products due to globalisation and the increasing power of consumers - who ultimately issue the "licence to operate". Households are already optimizing their product portfolios to use their income for sustainably produced goods in a way that maximizes their benefits, with a further increase in this household behaviour to be expected. If these findings are summarized in the market diagram, the result can be seen in Figure 60.

The "original state" represents the market diagram without sustainability aspects in "black", whereby the sustainability influences explained above are shown in "green". As can be seen, both functions will shift to the right, which will definitely increase the quantity produced. The resulting price change, however, is not clearly determined; the price could rise or fall. In the event of a shift in the demand - and supply curve

to the same extent, the price would remain constant if the quantity produced increased from x^* to x^{**} (chosen here as illustration). Since long-term supply curves are more elastic than short-term curves (Varian, 2011, p 455), it can be assumed that a flatter supply curve (dotted line in deep green) will lead to additional pension benefits over time, as a further increase in production (x^{***}) is likely to be recorded with a falling price (p^{***}). The extent to which this will have a sales-increasing or sales-decreasing effect on companies ultimately depends on the elasticity of the supply curve. To summarise, it can be said that the increasing demand from society to take account of sustainability aspects is expected to generate additional welfare benefits for both consumers and producers. This is expressed graphically by the area increase of A (consumer surplus) and B (producer surplus), in the case of the more elastic supply curve additionally by the grey area C (as consumer surplus).

Figure 60: Sustainability Aspects and their Welfare Influence



Source: Self-elaboration.

5 Discussion & Recommendations

Based on the analysis of the theoretical problem level in the field of CSR managerial accounting and the subsequent elaboration and evaluation of the actual state of CSR within SME's of the German construction industry, the presented dissertation shows basic summarizing conclusions and adequate recommendations, which concern both the theoretical and the practical level and contribute to the professional discussion.

5.1 The Results of Research

5.1.1 *Project*

The common motivation for dealing with the dissertation topic is based on the fact that we are interested in exploring the cognitive dissonance between own humanistic education and experienced professional practice in order to be able to contribute to a "better society" with the help of these findings. In the personally experienced business world the "Homo Economicus" with his short term profit maximization, the unsustainable business practices and the non - compliance behavior like corruption etc. often plays a major role, whereas business practices in the sense of a "Good and Sustainable Management" are rather less common. The following statement of an "Honourable Businessman" of the 19th century - "My son, do business with pleasure during the day, but only do such business that we can sleep peacefully at night" - unfortunately does not find enough attention and application in today's "VUCA world". The current business practices questions this strategy of the classical utility maximizer (Homo Economicus) by asking, among other things, to what extent the essential characteristics of a humanistic basic education, economic expertise and a consolidated character with economic virtues are developed in companies and management? Politics is performing less of its task of coordinating economic and social events in terms of regulatory policy and economy postulates entrepreneurial self-regulation in the form of self-responsibility. The aforementioned quotation about the business conduct of an Honourable Businessman thus moves more and more (again) into the focus of the 21st century, as it has become common agreement in western society that companies are not only on the market to generate profits, but should also implement ecological and social aspects in their business models. Accordingly, more and more entrepreneurs are calling for a transformation of the business world towards sustainable models. The 17 SDGs can serve as a framework and guideline for the necessary change. "It will be important for business consistently to drill down into the relevant targets and implement SDG policies and initiatives that can be effectively measured against those targets. This, in turn, will enable a level of accountability and reporting that will truly demonstrate to investors and other stakeholders how companies are helping achieve the goals" (PwC, 2019). This leads to the research question of this dissertation (Chapter 5.1.2), to what extent the topic of "Good Corporate Governance" in the sense of CSR is known among German managers of micro-enterprises in the construction industry and what steps need to be taken so that CSR is strategically implemented across the board and the aforementioned contribution to the SDGs is made possible.

5.1.2 Research Question

The global objective of the dissertation is "To identify, diagnose and evaluate the current state of theory and practice of CSR in the construction business and to develop a model for micro-enterprises (< 49 FTE) in the construction sector, which permits the implementation of suitable CSR strategies". For this purpose, the research areas are divided into a theoretical and a practical section. In the theoretical part, the worldwide status quo on CSR is determined by means of a literature research. Concrete results of this research result in the definition of key figures, which can be selected on the basis of the SDG's (macro level) by means of a benchmarking with "Best - in - Class - Companies" for SMEs. The practical part of the dissertation addresses expert interviews (mezzo-level), the evaluation results of which are to contribute to the derivation of measures for the strategic anchoring of CSR (model creation). A quantitative analysis (micro-level) is used to determine the status quo directly among a number of representative micro entrepreneurs, so that the combination of these three methodologies (research, expert interviews, interviews with entrepreneurs) can be used to address and answer the research question presented at the beginning (see also Section 2.3.2, Table 3). In the following the results of research of this 3 - structured thesis are presented.

5.1.3 Literature Research

In the following, the results of the research work for theory and practice are compiled and explained.

5.1.3.1 The Results for the Theory

The determination of the CSR status quo is presented in detail in Chapter 1. There, Figure 3 shows the context of how CSR, CG and CC jointly define the corporate responsibility of the individual actors as a "bracket". This concerns the "triple bottom line approach", which combines successful management with demands for ecological compatibility and social justice, and can, as shown in the pyramid (in Figure 2) open at the top, also be understood in terms of Porter's "shared value concept" by placing innovations with social added value at the center of corporate action. The SMEs studied are currently at the level of "CSR 0.0" and must move in the direction of "CSR 2.0" if the joint transformation to a sustainable society is to succeed. The insights gained in this work and the derivation of a model (see Chapter 4.4) allow this evolutionary step of the 1st order transformation (see Chapter 4.4.2), provided that the recommendations listed in Chapter 5.2 are implemented.

Many studies have identified various competitive advantages of CSR that can be summarized as follows: Cost efficiency (energy efficiency, material efficiency); Risk reduction, improvement of risk management; Building and protecting the reputation; Increase of the motivation of the employees; Attracting and retaining talent ("war of talents"); Promoting innovation; Consolidation of customer relationships; Development of new businesses through new products and / or development of new markets; Improvement of investor relations. SME's gain advantages in the areas of employee motivation, low fluctuation, cost efficiency and the opening up of new markets and can therefore identify CSR as a business case (refer to Figure 9). Various studies have also been carried out relating directly to the relationship between CSR and financial performance, with the result that CSR does not in principle have

a negative impact on financial performance, there is a positive relationship between CSR and financial performance in some individual cases and sectors, and there is an increase in the importance of sustainable investments. Another result of the literature research was that the use of an SBSC appears to be advisable in managerial accounting, which was also confirmed by the expert interviews (see Chapter 5.1.5). The purpose of the SBSC is to integrate the three pillars of the sustainability concept into the respective strategy of the company, whereby the company performance is to be increased through improved sustainability contributions of all criteria. Three main steps can be distinguished here: The first step is the selection of the strategic business unit for which an SBSC is to be created. A strategy for this unit must be available or formulated for this purpose. The second step is to determine the environmental and social exposure of the business unit. The aim is to draw up as complete as possible a catalogue of requirements for the strategically relevant aspects of the business unit. In the last main step the strategic relevance of environmental and social aspects is determined. The individual perspectives are examined starting with the financial perspective up to the non-market perspective ("top-down") and all identified environmental and social aspects are checked for their strategic importance. This makes it possible to record and control the KPI's described in the following Chapter 5.1.3.2.

5.1.3.2 The Results for the Praxis

The procedure for deriving the recommended KPI's is as follows: The basis is given by global guidelines like UN Global Compact, OECD-Guidelines, Eurostat, Statistisches Bundesamt and GRI /DNK. The GRI Standards create a common language for organizations and stakeholders, with which the economic, environmental, and social impacts of organizations can be communicated and understood. Created by the Global Sustainability Standards Board they are globally-accepted sustainability reporting standards for all types of enterprises. In the DNK 28 KPI's based on GRI are distributed to the areas strategy, process management, environment and society which shall be utilized for the SME's (refer also to Annex 6 – Typical DNK – report for SME's).

Figure 24 illustrates the process described above by listing important key figures of "Best-in-Class Construction Companies" from the German construction sector (medium-sized companies). The respective reference to GRI and DNK is evident, which gives the SMEs an initial indication of which key figures should be determined in their company and also controlled accordingly. As shown in Section 4.2.3, these KPI's were also considered important by the CSR experts and have also been able to demonstrate their suitability for use and practical relevance in an initial usability test with a selected construction company (see Chapter 4.3).

5.1.4 Quantitative Analysis

The following is a compilation and explanation of the results of the interviews conducted at the company level for theory and practice. The data set of the questionnaire includes a set of data points of about 1900 (extract of the questionnaire refer to Table 5). The statistical analysis was performed with SPSS 27. The research questions were statistically analyzed using Kendall's τ (for correlation research questions) and

Mann – Whitney - U Test (for difference research questions with two groups), respectively Kruskal - Wallis Test (for difference research questions with more than two groups).

5.1.4.1 The Results for the Theory

Four typical German entrepreneurial types can be classified in terms of their fundamental attitude towards CSR. The "Visionary" type has already recognised and implemented the necessity and opportunities of strategic CSR in his company, partly out of conviction and also due to market requirements. In contrast, there is the "Refuser" type who, as a "Taylorist", runs his company in a relatively patriarchal way and is not willing to implement CSR as long as it is not obligatory. The "Brakeman" type, acting as "Homo Economicus", at least knows the basic characteristics of CSR, but is not willing to implement it strategically in his company as long as it does not pay off directly. He looks for extrinsic incentives such as tax incentives (state), which can then allow CSR to be taken into account in his business model. Otherwise, he fears that the "honest" person will be the "loser" in the end, since competition is able to generate economic advantages without investing in CSR activities. The "Honourable Businessman" of the "Observer" typology is open in his attitude to all aspects that are beneficial to society. This also includes sustainability issues, which can find resonance through the implementation of strategic CSR in the respective company. However, he lacks the know-how on what CSR can achieve and how it can best be implemented in the company and anchored in the business strategy. He needs special support and information on the topic of CSR, where e.g. the Chamber of Industry and Commerce could intervene in a supportive manner. All four types have in common that they would welcome a state regulation for the obligatory introduction of CSR, but due to different motives - the "Refuser" as a "conditio sine qua non" and the others as a measure to achieve a fair market environment in the sense of "levelling the playing field". It is to be expected that in the medium term a fifth category will emerge, which will be on the transformation path towards CSR ("CSR 2.0"). This should ultimately be the goal, so that all companies not only develop an awareness of sustainability issues, but also benefit from it through their lived business philosophy in the sense of "Good Corporate Governance". The graphical representation of the typology with its characteristics and necessary measures for the implementation of CSR is shown in Figure 33. The present percentage distribution appears to be too high for the Pioneer with 14%, since with the small sample, obviously more companies were consulted for the survey that have a CSR affinity. According to experts, approx. 4% (up to 20 FTEs) to 10% (up to 49 FTEs) of SMEs have already strategically anchored CSR in their company, so that there is a need for further research here to validate the data obtained with a larger sample. The remaining distribution values are broadly in line with practical experience, but should also be consolidated through further surveys.

It was also made possible to derive opinions on the formulated Theses 1-4 from the interviews with the entrepreneurs (refer to Table 19). As is evident, the "Pioneer" consequently rejects Thesis 1 "CSR is largely unknown among SME's - effects are not used strategically" (as he already lives CSR) and the "Refuser" dismisses Thesis 2 "CSR - concept can be implemented effectively and efficiently at SME's through CSR – strategy" (as he will only introduce CSR under mandatory obligations), whereas Thesis 3 "GRI -/ DNK - standards are acceptable methodology for managerial accounting tools in SME's" is also

logically not supported by the "Refuser", as he does not need standards such as the DNK, unless the state decrees it. Thesis 4 "Implementation of CSR becomes necessary and mandatory for all companies including SME's" is confirmed from all types, as they are looking for regulating forces of the state to either make CSR mandatory or level the playing field for all participants.

Specific materiality analyses can also be derived from the typology, which were defined by the entrepreneurs surveyed with regard to the importance of the criteria "Business Needs" and "Stakeholder Needs". This clustering of materialities also supports the implementation of CSR, since the main areas of action of the respective typology are already generically identified, which, however, require further company-specific adjustments to the individual company structure (refer to Figure 35).

5.1.4.2 The Results for the Praxis

The insight gained from the typology also results from the fact that, as explained in Chapter 4.3, a CSR implementation model ("CIC") developed through expert statements can be addressed on a type-by-type basis. Thus, the "Observer" must be trained in the introduction and use of the "CIC" model and supported by external experts, the "Brakeman" will pay special attention to the economic efficiency of CSR through tax incentives and define and control corresponding KPIs, while the "Refuser" must be taken by the hand so that he leaves his "comfort zone" and faces the necessary change measures. The "Pioneer" will continue to try to improve and needs a network that connects him with like-minded people for benchmarking. In transformation processes such as the introduction of CSR, special attention must be paid to ensuring that the employees accompanying the change process are taken seriously with their concerns and fears - otherwise the change threatens to fail (refer to Chapter 4.3.6).

Referring to the percentage distribution of the four clusters, it is recommended to focus on the two types of Observer and Brakeman, as they account for a share of more than 2/3 of all respondents. Motivating them to transform is the key element on the way to a sustainably oriented corporate economy. Actively targeting the Refusers is not advisable, as their categorical (denialist) stance on CSR is very rigid and cannot be easily mitigated (by government decree only). The Pioneers are to be further supported in their efforts, so that with the 3 united types (without Refuser) a convincing majority on the market develops, which a la long also the Refusers cannot escape, if they want to avoid a market exclusion.

From the research questions testing of the 15 research questions, the following lessons for practice emerge:

- H01 = "The smaller the company, the lower the fluctuation".

Due to the small amount of data, no correlation could be proven, although from empirical knowledge and practice, there may well be a correlation between company size and fluctuation. Smaller companies usually have a stronger bond and identification character between the employees and the often owner-managed management. People know each other personally and typically only leave the company in the event of serious differences, which can be the case more often in larger companies due to the anonymity involved.

- H02 = “The smaller the company, the less CSR is strategically anchored“.

Due to the small amount of data, no difference could be demonstrated, although from the empirical knowledge and the expert interviews conducted (see section 4.2.3) there may well be an effect between company size and CSR implementation. Smaller companies generally hesitate to invest in CSR because they are either unaware of the benefits of this strategy or do not experience them (competitors win contracts without practicing sustainable business practices). Large (listed) companies are already obliged since 2017 within the EU to provide CSR - reports, in order to prove their sustainable business strategy, but this can be associated with a not inconsiderable personnel expenditure, which SME's do not (yet) appear willing to shoulder.

- H03 = “The percentage of orders from the public sector is higher among companies which have implemented CSR strategically than among those which have not“.

Due to the small amount of data, no difference could be proven, although there should definitely be an effect from the requirements of the public sector on the companies and the number of placed orders to sustainably operating companies. According to the experience of the author and the expert opinions, despite so-called mandatory CSR criteria within the tender documents, the weightings of the degrees of fulfillment of these criteria are often not consistently used as award criteria and ultimately the "cheapest" is awarded the contract - regardless of the fulfillment of the degrees of compliance with the "required" CSR standards.

- H04 = “Companies that record customer satisfaction are bigger than those that don't“.

Due to the small amount of data, no difference could be demonstrated, although it is known from practice that SME's tend to collect data on customer satisfaction situationally rather than strategically, compared to larger companies that usually have a larger customer pool to manage. Often, feedback is also collected in the form of complaints in direct personal exchanges between micro entrepreneurs and customers, without collecting this feedback statistically.

- H05 = “The more socially engaged the company, the longer the employee stays with the company“.

A strong positive correlation between social activities and company affiliation was found for the Observers, but not for the other clusters. Independent of the clusters, the effect was also found, albeit in a weakened form. It should be noted here, however, that the effect is very strong for Observers, so the effect in the overall group may only be attributable to Observers and applies to the other groups only to a limited extent.

- H06 = “The larger the company, the more trainees they have“.

A strong positive correlation between the size of the company and the number of trainees was found for the Observers, but not for the other clusters. Independent of the clusters, the effect was also found, albeit in a weakened form.

- H07 = “The more social the company, the higher the rate of apprentices retained”.

Regardless of the clusters, a strong positive correlation between the social activities of the companies and the takeover rate of the apprentices was found.

- H08 = “Companies with increased employee retention and satisfaction are more social than companies with no increased employee retention and satisfaction“.

Due to the small amount of data, no difference could be proven, although it is known from practice that companies with appropriate employee programs such as employee training, physical education, flexible working hours (in the construction industry, this only makes sense in the office), canteen, positive feedback, etc. are able to attract new employees and retain existing employees more easily, especially in times of the "war of talents", than is the case with companies in which the employees are merely a means to an end (profit maximization).

- H09 = “The more social the company, the greater the interest in further information on CSR topics”.

Irrespective of the clusters, it was found that there is a strong positive correlation between the social activities of the companies and their interest in further information on CSR. This is especially relevant for the type of observer who, due to his social attitude, is receptive to CSR aspects which, however, have to be made apparent to him due to his lack of knowledge (e.g. through programs of the Chamber of Industry and Commerce...).

- H10 = “The greater the familiarity with CSR, the more activities are undertaken in the environmental field”.

Independent of the clusters, a strong positive correlation between familiarity with CSR and environmental activities was found. This finding underlines one of the functions of CSR, namely to raise awareness of the issue of ecology as one of the pillars of the 3 columns of CSR (economy, ecology, social

- H11 = “The greater the familiarity with CSR, the more significant are issues such as reducing CO2 and saving energy”.

Regardless of the clusters, a strong positive correlation was found between familiarity with CSR and the importance of topics such as CO2 reductions. As with H10, this finding underscores one of the functions of CSR, namely raising awareness of the issue of ecology as being one pillar of the 3 columns of CSR.

- H12 = “The more socially minded the company is, the fewer number of days of sick leave occur”.

Regardless of the clusters, it was found that there is a strong negative correlation between the social mindset of the company and the number of sick days. The correlation coefficient τ is - 0.563, indicating that as companies increase their social activities, the sickness rate of their employees' decreases. This finding significantly underlines the importance of the function of CSR to contribute, among other things, to enhancing employees' motivation and keeping them healthy, making CSR a supporting and elementary factor in terms of obtaining the "license to operate".

- H13 = „Companies that show less interest in CSR place more emphasis on tax incentives to implement CSR“.

Due to the small amount of data, no difference could be proven, although some explicitly highlighted this extrinsic incentive during the survey of the CEOs. It is particularly striking that all firms assigned to the Brakeman typology mentioned tax incentives by the state as an urgent measure to make the introduction and practice of regular CSR worthwhile for them. As "Homo Economicus" they pay attention to every

additional investment (ROI) and do not (yet) see CSR as a "conditio sine qua non" for maintaining their future license to operate.

- H14 = „Companies that perceive regulatory measures by the state to be essential for the introduction of CSR demonstrate a lower level of interest in the introduction of CSR“.

Due to the small amount of data, it was not possible to prove a difference, although in the interview many of the CEOs would like to see a regulating hand in the form of state power. Thus, 50% of the Brakemen and over 60% of the Pioneers and Observers said that the introduction of CSR should be imposed by the state in order to establish uniform "rules of the game" in the market ("levelling the playing field"). It is noticeable that the type of Refuser is the only one to hold regulatory policy 100% responsible for implementing CSR. Voluntary implementation was categorically rejected by him, so that the Refuser is only prepared to change his business practices to sustainability via this obligation.

- H15 = „Companies that perceive competent training measures for the introduction of strategic CSR as beneficial indicate a higher level of interest in the introduction of CSR“.

It was found, regardless of the clusters, that with respect to the variable "CSR training", there is a significant difference between the groups that show interest and those that do not show any interest in the introduction of CSR. In other words, the companies that express interest in CSR also have a greater interest in training courses with CSR - character. The p - value is < 0.05 (0.0002). The r - value to be determined with present significance is 0,802 and proves a strong effect, which becomes valid in the group consideration. Due to the small amount of data, no difference could be calculated within the clusters. However, in the survey of the managing directors, 100% of the Observers stated that they required training measures in order to learn about the characteristics and modes of action of CSR (see also H09). Due to their previous biography, they have not yet explicitly dealt with CSR, but as Honourable Businessmen they are open to all topics that are beneficial to society. This means that this type of entrepreneur should definitely receive support in terms of substance (e.g. from the Chamber of Industry and Commerce) in order to anchor CSR strategically as a business case in his company. To the Refuser, training is to 100% unimportant, whereas the Brakeman is to 50% interested in it, in order to be able to obtain further possible knowledge to increase the efficiency of his production process. The Pioneer considers further training measures with regard to CSR to be urgently essential, so that he can permanently exchange and benchmark himself with other "Best in Class Companies".

In summary, the explored significant variables "fluctuation", "social engagement", "trainee takeover rate", "familiarity with CSR", "environmental activities including savings" and "days lost due to sickness" clearly indicate that the "Pioneer" type has a top position everywhere. This relates to all three areas of the ESG - criteria, with a strong expression in the social area. Furthermore, the "Pioneer" fulfils a role model function in the area of the environment as well as in the criterion of the degree of familiarity and engagement with the topic of CSR. As can also be seen from the dendrogram (refer to Chapter 4.2.2.1.B.II) the "Observer" as Honourable Businessman follows the "Pioneer" in second place in the selected metric and ordinal variables. An exception is the variable "degree of familiarity with CSR" - here the "Observer" is not well informed about CSR topics and definitely needs further support in training

measures for the purpose of implementing strategic CSR. The “Brakeman” ranks third in most social and environmental issues, followed by the “Refuser”, who ranks last in all critical social aspects and has the highest fluctuation rates and number of sick days. His environmental performance also ranks last, “crowned” with the statement that measures to save energy and reduce CO₂ emissions (see Figure 31) do not seem important to him.

5.1.5 Qualitative Analysis

With the application of the software “MAXQDA 2020”(Release 20.4.0) the coding of the transcribed interview material took place after the construction of the category system (see also Figure 40).

5.1.5.1 The Results for the Theory

The presentation is based on the category system developed and, as a result of the evaluation of the expert interviews with 6 prestigious experts from the field of CSR, leads to recommendations for deriving a model for the strategic introduction of CSR in SMEs (“CIC”, see also Chapter 4.3).

The category system consists of 3 levels (macro - meso and micro), 2 main categories (4 Theses & “CSR - Fields of Activity”), 9 sub - categories (4 Theses, Corporate Governance, Society, Market, Workplace, Environment) and 27 sub - sub - categories (without the 4 Theses). The sub-categories are structured in accordance with ISO 26000 and the DNK (as can be seen in Figure 40 and the Tables 20, 21, 22) by assigning the core topics (ISO 26000) and criteria of the DNK.

These sub-sub - categories have been assigned to the sub - categories as follows:

- ”Society“: Politics; Community; PR; CSR – Education; Certifications; Crisis.
- “Market”: Megatrends; Products; Branches; R&D; Supply Chain; Stakeholder; Competition; Labels.
- “Environment”: Emissions; Logistics; Resource Management; Recycling.
- “Corporate Governance”: Managerial Accounting (Tools, KPI’s); CSR – Implementation Process; Strategy; HSE; Communication – CSR – Report; QM.
- “Workplace”: HR – Philosophy; Working Conditions; Training/PD

The sub-category “Corporate Governance”(CG) shows that of the 923 segments coded in tota, 376 anchor examples can be assigned to this category, which corresponds to approx. 41%. Within CG, the corporate strategy with the associated orientation of the company (vision) accounts for approximately 15%, with controlling in second place with about 12%. It is noticeable that QM and HSE are not highly prioritized by the experts (0.5 and 0.3% respectively), which can be explained by the fact that German legislation provides a comprehensive framework here which all companies must comply with and therefore does not have a high relevance in this complex of tasks. In the area of society, political topics were a major topic in the interview (12.7%), which also reflects the current debate in society and in the Bundestag (e.g. supply chain law, CO₂-tax, achieving sustainability targets sooner than 2050). Thus, the experts surveyed are not unanimously agreed 100% on whether regulatory measures for the introduction of CSR in SMEs down to the smallest companies are the right approach. Here, the majority of respondents were of the opinion that SME's will not have to fulfil these sustainability reporting obligations in the foreseeable future; only one expert can imagine this “conditionally”. In second place

with a clear gap, the Corona pandemic finds the interest of the interviewees, which is not surprising due to the daily topicality and related entrepreneurial activities - also with regard to CSR. It is "common understanding" that companies which have implemented CSR are better prepared for this and other crises, since they are sensitized to such events by practicing risk management, among other things, and are thus sounder in crisis situations.

At 20.6%, the market perspective is the third most frequent nomination in the ranking, although none of the individual subcategories stands out in particular and is therefore evenly distributed. With around 40 anchor examples, the topic of "stakeholders" represents one fifth of all statements and takes account of the importance, as also shown by the materiality matrix (see Chapter 4.3.7.1.B.III), in which the internal and external stakeholders are shown with the topics relevant to them. While a fair price-performance ratio coupled with reliability is high on the list of requirements for customers, a secure and well-paid job is important for employees, complemented by opportunities for further professional and personal development. R&D is at the bottom of the ranking, as SMEs are often unable to find the resources required for research, even though investments in this area are also expected to yield a high ROI in terms of sustainable products. Topics around the workplace are reflected with about 7% of all categories with over 50% in the area of HR - strategy. This is an important subject particularly in times of the fight for employees ("war of talents"), as employees are to be primarily intrinsically bound to the company with interesting jobs and the associated overall package. Providing a sense of purpose, flexible working hours, further training and the right to have a say in workplace design are just some of the important issues that SMEs must address. According to experts, a practiced sustainability strategy can act as a booster here, so that motivated and efficient employees are highly committed to the company. Environmental issues were the last to be mentioned by the experts interviewed, with only 25 nominations, or just below 3% of the total. Topics relating to emissions and recycling management are important to the experts and contribute to a sustainably oriented company. Otherwise, it can be stated that environmental issues are largely regulated by law and, from the experts' point of view, there seems to be no great demand for action on the part of SMEs. Here, the author's opinion differs from that of the experts, as very high waste costs are often incurred in the construction industry, which have to be disposed of at great expense. For example, one entrepreneur shows waste costs in his balance sheet amounting to approx. 15% of sales, which could have been reduced by 50% with simple measures after discussion with.

From the incremental approach described above, a 3-phase model can be derived, consisting of the phases "Conception", "Integration" and "Consolidation" ("CIC"). By observing or applying this model, the elementary importance can be taken into account that the strategic introduction of CSR is to be regarded as a transformation project and is to be projected with "change and project management competence" if one wants to avoid "relapse" into old patterns.

For the basic understanding of the introduction of strategic CSR in SME's, some characteristics should be described, which usually accompany such transformation processes, which, only embedded in procedural metrics, can be successfully managed. The central questions for determining the causes of the need for transformation are as follows: Which factors trigger the necessary demand for change and

why do companies need to redesign or change their business core? Transformations of companies are caused by two different factors. On the one hand, companies have to face a changing environment and, on the other hand, organizational changes. In the Chapters 4.3.1.1 and 4.3.1.2 the answer to the above central questions of the causes of change by identifying external forces for change and outlining internal reasons for transformation can be read. For companies, primarily two types of changes can be distinguished, the first and second type of transformation. The differentiation of both types is made with regard to the criteria of type, time, scope and process (see Figure 41). To identify the elements affected by change at the corporate level, the iceberg model of corporate culture by Edgar T. Hall will be referred to hereinafter. Companies represent an independent culture that uses a common pattern of fundamental assumptions to solve external and internal crises, among other factors. This pattern consists of visible and invisible elements, which are illustrated by the figure of an iceberg with its visible surface above the water and its body hidden under the water. The visible part of the iceberg, also called the functional level, describes the procedural and structural level of a company with the elements "structures", "strategies", "processes" and "systems". Often, change starts with these elements first, as modifications can be introduced easily and visibly here. However, many companies are not aware that changes on this level alone are not sufficient for a successful transformation process. Reducing the focus of change only to the visible part of the iceberg carries the danger of building a house without a foundation, which may succeed for a short time until the walls finally collapse. After all, the much larger part of the iceberg below the surface of the water must be considered. This level includes all components that are related to the corporate culture of a company. Elements such as rituals, emotions, relationships, values and leadership have a significant influence on the functional level and hence should not be ignored. Only through communication can an anchoring of the conducted transformation, which can be accompanied by resistance from the affected employees, be successfully mastered and "innovations" fully implemented. If this does not happen, after a certain period of time the organization reverts to old routines and the transformation is regarded as failed. Emotions in the change process are predictable and follow recurring patterns. Thus, the accompanying emotional circumstances are not arbitrarily placed in the change process, but usually occur in very specific phases. The so called "graph of change" (see also Figure 42) shows two dimensions of the employee's perceived competence to control change (ordinate) and the factor time (abscissa). The perceived personal competence is defined by the triad of ability, volition and permission and finally leads to the action, the doing. The phases shown within the graph should be passed through ideally faster than with the competitor, so that e.g. a new market can be successfully developed or CSR be implemented. Both dimensions are therefore pillars for successful action in changes. In summary, it can be stated that during transformations companies face the challenge of integrating elements of both the functional and the psychological level into the change. While strategies and processes can be changed quickly and easily, the horizon of perception must be extended to the area of organizational culture that lies beneath the surface in order to make the transformation process successful. This is ensured by means of communication, which is to be understood as a "bracket" over all things.

The three phases of the model “CIC” including project information of the change process in general can be seen in Figure 46. For each phase, it is recommended that different activities be carried out, which should be taken into account so that the process can be fully understood, planned and implemented. In the introductory project stage, the conventional parameters are defined, such as the initiator of the change project, the objective, the budget, the time, the person responsible, control and reporting mechanisms, and exit scenarios. The first phase is characterized by the development of a vision which is to result in a sustainable business model (see also Chapter 4.3.7.1.B.I). It is important here to identify the stakeholders involved, including the essential issues (see Chapters 4.3.7.1.B.II and 4.3.7.1.B.III), which are to be translated into action as part of managerial accounting using a methodology such as SBSC. In the second phase, the goals derived from the materiality matrix are concretized (explained in Chapter 4.3.7.1.C.I). The perspectives of the SBSC are listed in a road map and assigned responsibilities; furthermore, the parameters of time, costs and degree of fulfilment are recorded and monitored. Communication is the key element par excellence and further training and education measures enable employees to participate in and design the transformation (see Chapter 4.3.7.1.C.III). In the last phase of the developed model, the implemented CSR - measures are evaluated and dealt with according to the “PDCA-Cycle” known from quality management.

5.1.5.2 The Results for the Praxis

In summary, the following practical lessons can be learned from the sub-sub categories:

- **Strategy/Mind Set/Vision:**

The risk consists in inactivity on the part of the CEO, should he not introduce CSR in order to increase competitiveness and future viability, and is further to be seen as an investment in the continued existence of the often owner-managed company, which must be made without fail and will quickly pay off (ROI). The following characteristics of the company leaders should be pronounced: Entrepreneurship in the form of a "Servant Leader", curiosity (often the knowledge of the advantages of CSR is missing) and communication skills. It is no longer the (personal) profit priority No. 1, but a new awareness, which also establishes a reference to the SDGs, on which one has an impact. In the business model, the economy should be complemented by the ecology and the social, which sees no contradiction between profit and morality. The results are motivated skilled workers, improved products, which in turn improve market placement and ultimately make it easier to recruit skilled workers, entirely in the sense of a cycle that is self-perpetuating and crisis-proof in the form of increased resilience with enhanced profitability. An often underestimated aspect of "Good Corporate Governance" is to be seen in a timely succession plan - here, the handover of the company is often designed effectively and efficiently far too late, with the final danger of the liquidation of the company.

- **Politics/Government:**

Regulatory measures must be taken more forcefully in order to comply with the global sustainability goals, which are also set out in the 17 SDGs and the definition of achieving CO₂ neutrality (by 2050 or earlier). In order to make this possible and thereby render "free riders" ineffective, policy makers must ensure the same framework conditions so that "levelling playing field" takes place - this also applies to

the capture of externalities, such as the CO₂-tax. Furthermore, tax concessions should support the introduction process of CSR at SMEs, so that the costs incurred during implementation are at least partially "cushioned", conversion costs for electric mobility are subsidized and activities of the circular economy ("zero waste") are financially promoted. R&D activities should also be supported by taxation, so that SMEs have corresponding incentives to undertake more intensive activities with regard to R&D. Chambers (DIHK...) should set up events with mentoring programs to generate initial "pilots" that serve as 1st movers / pioneers for successor companies, thereby connecting companies with each other within the framework of "best practice" and subsidizing or accompanying the process of introducing CSR with further training measures, also in the use of suitable KPI's as well as the creation of a code of conduct. Already during the foundation of companies (business registration) it has to be ensured that sustainability aspects are considered accordingly in the business plan (see also suggestion of the extension of a "Standard – Canvas" in Annex 5), otherwise there is a "reminder" from the DIHK which is automatically informed by the business registration office about the foundation of the company. Public-sector tenders should increasingly include compliance with CSR criteria as an award criterion and give them a correspondingly higher weighting (price is not the sole award criterion), with random checks (audits) ensuring compliance with sustainability award criteria.

- **Managerial Accounting:**

Contributions that company controlling is able to make with regard to risk management, cost recording and thus control of a company by using suitable tools are as follows: The following data/KPI's from large companies ("Best of its Class") in the construction industry can serve as an example to guide the determination of important ratios of SMEs (refer also to Chapter 4.2.1.1.B): Equity Ratio, Hit Ratio, Sales per Employee, Sickness Rate, Turnover Rate, Market Share, Inventories (early warning system), Wage Structure, Diversity, Co₂-Equivalence, Donation Total/Turnover, Number of Accidents, Waste Volume Recycling Rate, Training Hours per FTE and Backloading (KPI = Reserves/Revenue) for times of crisis. In order not to overburden the SMEs in the beginning, no more than 5 - 10 KPI's should be determined. For the definition and maintenance of the KPI's, support from associations or tax experts is recommended. As a trend, it can be expected in the medium term that the consequential costs of consumption will have to be priced in the form of external costs. Controlling can work with traffic light systems, where e.g. in a dash board a larger number of projects are displayed transparently. Risk analyses are becoming increasingly important in the "VUCA-World" also for SMEs in order to be able to take controlling/mitigating measures in the course of business. Blockchain technology can help in managing processes, making them simpler, more secure and more transparent. The "SBSC" is recommended as a method. It is suitable for planning and managing the earning of sustainable profit by interlinking employees and processes all the way to the customer and taking a systemic view.

- **Communication/Sustainability Report:**

Contributions of communicative character to the design, establishment, distribution and perpetuation of sustainability aspects in companies should be as follows: The sustainability report is intended to provide structure internally and transparency externally for comparability with companies similar to the industry.

The report supports the initiation of internal processes by setting targets and measuring their achievability - according to the "PDCA-Cycle". It is usually created once from the basic framework, and so-called "Best Practices" can be used, which are adapted to the core data of the company. A statement from the management is important for the credibility of the report and it must be shown which CSR strategy is being pursued. Furthermore, not only highlights but also so-called lowlights - such as accidents at work, etc. - should be presented and a complaints mechanism should be installed. In the near future data will be available "just in time" via large data highways thus enabling stakeholders to access current data (including KPI's) from microenterprises at virtually any time. A sustainability report should not be a glossy brochure with which one improves one's reputation - the purpose of all this is the report as a means to the end of realizing the strategic anchoring of CSR. The DNK is recommended as a framework, which shows the various dimensions with the diverse facets of sustainability (refer also to Annex 6 "Typical DNK Report").

- Stakeholder:

Many stakeholders do not (yet) ask what social, ecological and other criteria are being applied and only pay attention to their available budget. Only when this "added value through CSR" is rewarded a change in the behavior of consumers and producers can be expected. Thus, pressure should be exerted from outside (politics, associations, customers...) so that SMEs move out of their comfort zone and operate sustainably. The state supported by associations and chambers of commerce must work to ensure that "CSR" is increasingly demanded by the markets and rewarded accordingly, or that negative behavior is sanctioned - free riders must not be the market winners by distorting competition "at no cost to CSR". In the private sector, increased attention should be paid to ensuring that entrepreneurs can demonstrate relevant CSR certifications - beware of "greenwashing". The employees should support the implementation of the sustainability process in the company "Bottom Up", whereas the management (Top Down) must force or prescribe the strategic introduction of CSR - topics. Banks as stakeholders, according to the analysis of the questionnaire, play a role in the "Refuser" group by being able to approve or refuse loans. Corona has further aggravated the situation and can cause liquidity shortages for "Refusers". Media play a rather subordinate role in 3 typologies, with "Pioneers" seeking proximity to publications due to their role model function in accordance with the principle of "do good and talk about it".

- HR-Strategy:

Contributions attributed to general employment policies, such as hiring, promotional programs, mentoring are listed in the following enumeration: The principle of care with regard to the employment of the hired employees is part of one of the three CSR sustainability pillars ("Social") and must be obeyed. Transformations such as the implementation of the CSR strategy also require the designation and empowerment of responsible persons by officially creating a job description with rights and duties. After all, more than 70% of change projects will not be successfully completed unless someone is given the necessary responsibilities - in terms of time, costs, quality/scope (refer also to Chapter 4.3 with explanations how to implement CSR professional with a change manager or a person responsible for the

transformation). The topic of skilled workers plays an important role in the existential struggle of many SMEs. A credible CSR philosophy can support the self-oriented takeover of responsibility of employees by showing them a long-term perspective in the company through HR. Mentoring ("Stewards") during the introduction of the strategic CSR or at least consultation by chambers etc. is important, in order to be able to use the suitable knowledge effectively and efficiently in the company. Decisive is the managing director of the SME, who is responsible top-down for the introduction of CSR and as an entrepreneur sets up the company sustainably. Training and further education regarding CSR - topics is important. The quantitative analysis of the questionnaire shows that this applies in particular to employees of the "Observer" type. The "Brakemen" and "Pioneers" try to score points in the "War of Talents" through increased recruitment of specialists - also with regard to CSR know-how.

- **CSR-Implementation Process:**

The following step-by-step procedure is recommended for the implementation of CSR according to the evaluation of the opinions of the experts:

1. Definition of the vision with unique selling proposition.
2. Answering the question of how the business model is to be implemented, with which strategy and with which tools.
3. Analysis of the stakeholders combined with the important aspects for the people affected (see Figure 35 "Materiality - Matrix" in Chapter 4.2.2 and 4.3.7.1.B.III).
4. Break down individual "To Do's" into measurable tasks and schedule them ("Road Map", refer to Chapter 1.5, Figure 14). This should be done according to the "PDCA-Cycle", step by step - starting with successful aspects and strengthening the strengths. The most important control variables are to be defined via key figures (refer to Chapter 4.2.1), measured and started again from the beginning ("Inspect & Adapt"). Prompt and transparent communication is central (refer to Chapter 4.3.7.1.C.II, Figure 53 Communications Strategy), which should first take place internally and then externally (e.g. according to DNK). The associations and chambers of commerce should act as lighthouses, highlighting exemplary companies and encouraging others to follow suit. Perfection is not essential here, but rather the demonstration of initial successes in the business model, so that other SMEs can and want to follow the 1st movers. Furthermore, chambers of commerce such as the DIHK could offer checklists that enable SMEs to introduce CSR "hands on".

- **Supply Chain:**

SMEs are also involved in global supply and value chains and are thus in a sandwich position - that they supply to the "top", but also purchase preliminary products and raw materials themselves. The trend for their direct suppliers with regard to respect for human rights is that they formulate corresponding obligations to comply with supply chain monitoring in their terms and conditions of purchase. In addition, some SMEs as suppliers to larger companies, are sent questionnaires or codes of conduct which they are required to sign. Through this B2B- channel, they have to deal with the issue of supply chains if they want to obtain their "License to Operate". The "Pioneers" integrate supplier evaluations into their GTC's and thus institutionalize the monitoring of the part of the supply chain that concerns them, whereas

in contrast the other "types" ("Refusers", "Observers", "Brakemen") monitor the supply chain, but do so without a strategic - systemic approach.

- Competition:

As long as competitors do not yet practice CSR strategically, companies that have already distinguished themselves in terms of sustainability (like the type "Pioneer") have a competitive advantage. This fact can be conveyed to company owners who are not yet sustainability-oriented through benchmarking or training by associations and demonstration of "Best Practices" etc. - otherwise they run the risk of losing their "Licence to Operate" in the medium term. The fact that the award is often granted to the cheapest bidder in public tenders also has to do with the taking of advantages/corruption. Here, politics is called upon to create clear framework conditions so that CSR conformity is rewarded and "non-compliant behavior" is consistently punished. The danger of the introduction of CSR in SME's forced by regulatory measures can lead to unfairness in international competition, because other countries are not ready yet. In addition, "externalities" are not yet fully recorded (start with CO₂-charge), and there is also a lack of external incentive systems such as tax relief or cost subsidies for the introduction of CSR - here the state should become effective. Particular relevance in this respect occurs with the "Brakeman" type, whereby the "Pioneer" attempts to generate advantages through cooperation with market companions ("win-win situation").

- With regard to the four Theses, the experts commented as follows:

- Thesis 1: Although traditionally an understanding of responsible action is embedded in the DNA of CEO's / owners of SME's, CSR is not used strategically because its mechanisms with the accompanying benefits are largely unknown and there is still a widespread prejudice that CSR "only costs money and brings nothing". Thesis 1: Confirmed (100%).

- Thesis 2: CSR can also be introduced efficiently and effectively in SMEs by institutionalizing and processing the already traditional/established steps with regard to sustainable management. The recommendation here is to proceed in small steps and then to localize/identify and quantify (further) CSR-relevant aspects iteratively according to the well-known "PDCA- Cycle". This enables a traceability of the primarily quantitative parameters. Combined with the known operating accounting sheets a "living" sustainability concept is created through target-actual comparisons of the ecological and social KPI's, which completes the business model with strategic CSR aspects. Thesis 2: Confirmed (100%).

- Thesis 3: The experts' recommendation is that a reporting system analogous to the "DNK-Declaration of Conformity" also makes sense for SMEs. However, care must be taken to ensure that the terminology is comprehensible and does not frighten or overburden the entrepreneurs. The applicability must be "hands-on", ideally with predefined text modules for the relevant criteria and performance indicators. In order to ensure that, in addition to the qualitative sustainability topics, the quantitative parameters also result in an effective control instrument, consideration must be given to how KPI's can be automatically integrated into the reports. Here it is regarded as relevant to develop a concept with the tax advisors or the program manufacturer "DATEV" which permits simple extension possibilities of the "managerial accounting tools" of the SME's. Depending on the stage of development of the companies,

further sustainability indicators can be implemented step by step into the business model in a user-friendly way without unnecessarily burdening the administration. In this way, the basis can be laid for an effective and customized instrument which, in the form of an SBSC, enables the steering of the relevant areas. Thesis 3: Confirmed (100%).

➤ Thesis 4: The majority of experts assume that, at least from today's perspective, no mandatory sustainability reporting is to be expected for German SMEs (up to 49 FTEs). This is seen on the one hand as a result of an inconsistent EU-wide mandatory reporting strategy (if in Germany, then also in the rest of the EU) and on the other hand as a result of resistance from the CEOs of the smallest companies, which could lead to defiance if they were forced to implement mandatory sustainability measures. However, the experts can well imagine that in the medium term the existing CSR directive implementation law for capital market-oriented companies can also be applied to SMEs (from 50 FTE upwards) - but not to the smaller SMEs, which fear competitive disadvantages due to the relative (initial) additional expense (for implementing and maintaining CSR) compared with those who, as market competitors, are not prepared to implement sustainability formats in their business strategy.

It is "common sense" among the experts that practicing CSR brings advantages for companies (economic, ecological, social), but that the hurdles for companies with 1 to 49 employees to practice CSR strategically and not by chance seem to be high for the time being. Here, in addition to regulatory measures, other mechanisms must take effect in order to convince the managers of the smallest companies that it is best for them to operate sustainably and that the initial costs in CSR prove to be necessary investments in order to continue to receive their "license to operate". Thesis 4: Rejected by majority of experts (67%).

The insights gained from the expert interviews on establishing a tool in the form of a model ("CIC") consist of several core elements, which are briefly presented below: A canvas model is recommended for mapping the business model, which also includes sustainability aspects (see Annex 5 for details). The recommended sustainability report is the declaration of conformity according to DNK, which can be found in Annex 6. Here, concrete inputs of a typical micro-enterprise from the construction industry were made as examples, which are to be adapted to the respective company specifics and can be used as a "blue print". As can be seen from the typologies and materiality matrices, it is possible to realize type-specific approaches for the application of the "CIC" model. The usability test carried out has demonstrated that the findings from the scientific research can be applied in practice and that the investments required for this can be amortized within a very short time.

5.2 Recommendations of Research

5.2.1 *The Recommendations for the Theory*

The following recommendations for theory can be derived from the findings of the scientific research:

- Confirmation/validation of typology for german companies (SME's, Larger companies > 50 FTE)
The amount of data is to be increased by interviewing more than 200 SME's from the German construction industry for the purpose of validating the typologies including their materiality matrix..

- Investigations should be extended to other industries in order to be able to generate parallels to, or differences from the findings obtained.
- Investigations should be extended to other countries (Slovakia...) in order to extend / validate the findings of this dissertation. Emphasis should be directed to the typology determination, in order to make cultural influences evident, if necessary.
- In further studies, special attention should be paid to the SDG's in order to point out or focus SME's on coordinated and focused global target achievement factors. In interviews, specific questions should be formulated in this regard as to which of the 17 planetary goals should be primarily pursued by the SMEs.
- The possible development of further reporting formats analogous to the DNK should be explored in order to establish a practicable and accepted sustainability reporting system for SMEs beyond Germany.
- The data basis for KPI's should be expanded, respectively, determined on an industry-specific basis and established with e.g. the SBSC. For this purpose, it is recommended to create appropriate programs with the software manufacturers (SAP; DATEV...), which allow an effective and efficient recording and managerial accounting (also) of the non-financial parameters.
- Developments in the direction of automatically generated reporting within the context of digitization are to be driven forward in order to keep the effort for the creation of current data for SMEs manageable and to be able to provide the interested stakeholders with the desired company information in a transparent manner.
- Longitudinal studies should be promoted to verify benefits through CSR (before - after implementation). In this way, the qualitative sustainability market diagram presented (Chapter 4.4) can be verified and the theory of CSR impact mechanisms can be provided with a broader basis.
- Improvement of education about CSR, SDGs, ESG, GRI, SASB and Integrated Reporting.
- Enhancement of ESG policy of scientific projects.
- Improvement of cooperation academy with enterprise practice in the area of CSR, SDGs, ESG, GRI, SASB and Integrated Reporting.

5.2.2 The Recommendations for the Practice

- Incentive programs should be initiated by the state to motivate all types of entrepreneurs in the German SMEs studied to implement CSR in accordance with the typologies.
- The extent to which regulatory measures can be implemented to prevent unfair and unsustainable business practices ("levelling the playing field") should be examined. Analogous to the supply chain act, limits to voluntariness also become apparent here, which can possibly only be overcome through regulations - e.g. the typology of the Refuser can only be introduced with CSR regulations.
- The public sector should pay more attention to compliance with CSR criteria when issuing invitations to tender and define and comply with weighted award criteria accordingly.

- Business registrations should include mandatory CSR aspects in the business model so that sustainability issues are evaluated from the very beginning of a business activity (see also Canvas Model, Annex 5).
- Cooperation with GRI / DNK should be sought in order to indicate the interests and concerns of SMEs there, so that specifics of micro-enterprises can be included in reporting standards at an early stage, which to date have only affected KMUs and MNEs.
- Collaborations with DIHK etc. should be actively promoted to enable the necessary support measures for the introduction of CSR (mentoring, financial contributions, networking).
- For future entrepreneur interviews, the questionnaire should be aligned with the explored typologies and further shortened. Here, the focus should be on one more group of the forming "transformers". This group is currently moving from the Observer and Brakeman types in the direction of CSR and can be used as multipliers for subsequent companies.
- Interviews should ideally be conducted on site at the company, which was not fully possible in the present case due to the Corona pandemic. This allows more commitment to be achieved, and chambers such as the DIHK should be used for support. It has to be examined to what extent online surveys, for example, can be used to extend the range of companies surveyed while maintaining the required quality.
- The cluster test according to Ward used for typologization (for smaller data sets) is to be performed alternatively by K-Mean for larger data sets (>200) in order to verify the validity of the results obtained in this dissertation.
- The following recommendations can be derived from the research question tests:
 Research questions should be discussed with CEOs (questionnaire should be structured accordingly). It is recommended that a larger amount of data be collected through more extensive sampling in order to subject the research question to another correlation analysis for the purpose of validating the results or by conducting further significance analysis (as possible correlations may not have been statistically evident in this dissertation due to small data volumes with a large spread) For example in H12, the "top function" of the Pioneer (highest social commitment with lowest number of sick days) could not be made evident because too few data were available in this cluster for statistical evaluation and further investigation in H14 could contribute to insights regarding the categorical rejection attitude of the type Refuser.
- Further key figures are to be specified. For example, the CO₂-footprint of the company could be mandatory by setting this value in relation to sales or profit (e.g. 10 t/FTE p.a. CO₂-footprint -> 10 FTE = 100 t CO₂ p.a.; profit = 5 % of sales (10*100 K€ = 1 Mio €) = 50 K€ p.a. => KPI = 100 t CO₂/ 50 K€ = 0.002 t CO₂/ 1 € profit). Further KPI's can be defined in terms of Eco - Efficiency = Added Value/Physical Parameter or Socio - Efficiency = Added Value/ Social Damage.
- The internalization of external costs must be promoted in order to determine the "real" costs to be passed on to consumers. As can be expected, the companies' own initiatives will not be sufficient to generate the necessary momentum, and the government may have to intervene.

- The "CIC" model is to be optimized for its suitability in further practical tests and applied to other sectors and company sizes.
- Training and further education measures are to be intensified with regard to CSR (by DIHK...) in order to give all interested parties (Observers) the opportunity to intensively engage with the topic of CSR.
- In further tests, the cost-benefit calculations should be continued in order to demonstrate the rapid return on investment in CSR.
- Ensuring professional support during the introduction of CSR by change managers who are also familiar with the characteristics of transformation processes - see also the grief curve (Figure 42) showing the emotional phases that those affected by change pass through.

5.3 Limitations

In terms of the validity and limitations of this work, the research question formulated was addressed on the basis of a literature review, six expert interviews and 21 interviews with company owners of German construction companies. With regard to the interviews, the number of companies and branch affiliation in this small and selective sample (the initially targeted sample size of approx. 200 companies could not be achieved, which, according to consultation with the company managers, was solely due to the pandemic) resulted in limitations to the general transferability of the results. However, within the sample size, diversity of perspective was ensured so that a balance could be achieved as the interviewed participants represent a crowd in miniscule. It is recommended, however, that further studies be initiated that, on the one hand, validate the results of the present work, e.g., via a study with a more complex research scope and larger sample, and, on the other hand, tie in with this and further expand the research field with regard to the implementation of strategic CSR within SMEs. Due to the relatively small amount of data, the statistical evaluation in the clustering was carried out using the Ward method, whereas for future evaluations the K-Means method should also be used in parallel in order to demonstrate the validity of the typology clustering even with larger samplings. In this context, attention should also be paid to the percentage distribution of the "Pioneers", which in the opinion of the experts and the author should be lower than determined in this thesis. The results of this dissertation with the "CIC" model and the typologies, including the associated materiality matrix, should be rolled out on a large scale by proving the suitability of the one-time usability test in widespread practice. For this purpose, cross-industry studies are recommended, which can be carried out not only in Germany but also in other European countries.

6 Conclusion

Sustaining the company and its development including prosperity is the objective and the object of CSR. To take stakeholder interests into account when decisions are taken is a key aspect of the proposed CSR - Concept. From a legal point of view, for instance, the problem is to safeguard the existence and development of companies and organizations by maintaining and reinforcing the integrity of the full breath of the enterprise's activities, ranging from operational issues to strategic issues. Value driven prevention of illegal and unfair business practices (corruption, illegal employment, unfair compensation systems ...) not only avoids huge fines and erosion of reputation capital; moreover, it also supports efforts to maintain and to boost the performance orientation of management and employees, a crucial and necessary factor in terms of corporate culture. The ability to protect and leverage the sustainable competitive advantage of companies and organizations, accordingly, thus also depends on the capability to develop a corporate culture and leadership culture that is aimed at fair competition. Respecting legal rules and regulations, therefore, is just as indispensable for sustainably safeguarding an enterprise and its development as taking into account ecological and social considerations. Integrating all those dimensions into a systematic management process- guided by the SDG's oriented KPI's- will assure the sustainability of the enterprise's success for the sake of all stakeholders including next generations.

Although these statements made at the start should be present in everyone's mind, there is still a great demand, especially among SMEs, for the strategic implementation of CSR in their companies. The result of the three-part dissertation work conducted was an easy-to-implement model ("CIC"); furthermore, a typology of the German CEOs of the SMEs studied was derived, which enables a type-specific implementation of this CSR model. By deducting the most important indicators for recording and managerial accounting non-financial parameters of the German construction industry and developing a standard reporting system (DNK) based on the GRI, a set of methods was developed that can also be used by micro-enterprises (CEO's/owners as the primary target group of the results of this dissertation were supposed to implement top - down the related measures) and which has proven its suitability in principle in a practical test with a construction company. In a cost-benefit calculation, the ROI of these investments made for the introduction and maintenance of CSR could be determined and it was confirmed that a rapid amortisation of these expenses can also be expected from a financial point of view.

As accompanying measures for the strategic implementation of CSR, the following aspects should be taken into account on the macro-mezzo and micro levels (Remisova, 2020), so that an intermeshing of all stakeholders from the state via the enterprises to the employees can be ensured and a circularity of the permanently renewing cycle is made possible for the benefit of all involved:

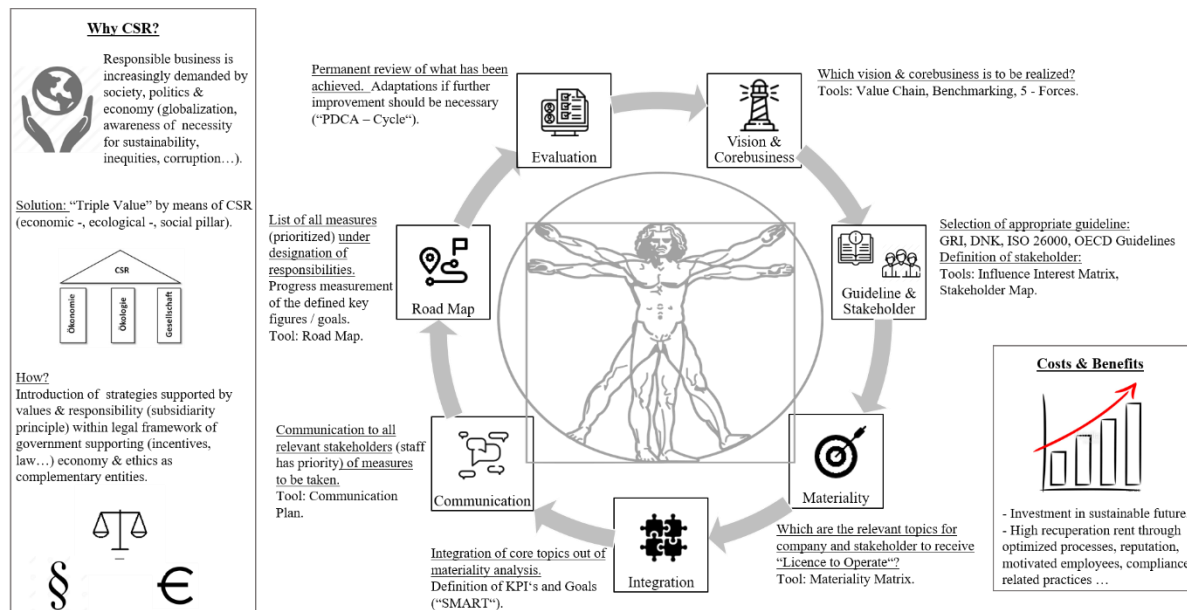
- Macro Level:
 - ✓ Use regulatory measures to make CSR mandatory, also for smaller companies.
 - ✓ The internalization of external costs must be promoted in order to determine the "real" costs to be passed on to consumers.
 - ✓ Obligation to comply with supply chain legislation (with a sense of proportion, as SMEs often do not have the possibility to intervene as e.g. MNEs do).

- ✓ Introduction of tax incentives, e.g. in the form of depreciation options for investments in sustainable production methods and machines.
- ✓ Increased promotion including binding quotas for the production of environmentally friendly products and services.
- ✓ Monitoring of compliance with CSR criteria in public tenders.
- ✓ Business registrations with obligatory information on a sustainably oriented business model.
- ✓ Commitment of chambers, guilds, DIHK to training, further education and introduction of CSR at SMEs in the form of e.g. mentoring programmes and networking activities.
- Mezzo Level:
 - ✓ Make investments in CSR (hard - software).
 - ✓ Application and further development of the "CIC" model, including the type-appropriate materiality matrix, by means of further usability tests.
 - ✓ Use of qualified change managers for transformation processes such as the introduction and cultivation of CSR.
 - ✓ Building a resilient enterprise by for example: Anticipating risks and changes; Deviation from stable and familiar patterns in responding to change; High willingness of employees to continue to learn; Embracing risks, failures and defeats as opportunities for improvement; Networking; Knowledge sharing instead of silo mentality.
 - ✓ Sustainability reporting in accordance with the Declaration of Conformity of the DNK. Establish reference to selected SDGs and prepare them transparently for stakeholders. This also includes taking into account the reporting options for complaints from stakeholders, which can serve as the basis for further materiality aspects.
 - ✓ Recording, managerial accounting and further developing key performance indicators by means of an SBSC adapted to the size of the company.
 - ✓ Recording of external costs and processing of the same by means of e.g. the SBSC.
 - ✓ Work with software vendors to enhance existing operational accounting systems in terms of SBSC and implement KPI's.
 - ✓ Maintain the agility of the business mindset in order to advance to a "learning organisation" with a permanent demand for optimisation according to the "PDCA-Cycle".
 - ✓ Seek and promote cooperation with the chambers - practice networking, also with sector representatives such as the "EMB-Wertemanagement Bau e.V.".
 - ✓ Provide training on sustainability and compliance issues and propagate continuing education regarding ethical subjects.
 - ✓ Practice transformational leadership style (CEO) which focuses on CSR. Pay particular attention to listening to the concerns and fears of employees affected by change (see also Figure 47).
 - ✓ In the medium term, aim for certifications that assess environmental aspects (e.g. ISO 14001).

- ✓ Drive digitalization forward and anchor experience from the Corona pandemic in the business model. According to a survey by Bitkom Research, one in five CEOs of companies with between 20 and 99 FTEs plans to revert to old patterns (Bitkom Research, 2020).
- Micro Level:
 - ✓ Show open-mindedness for sustainability issues and further training ("want" - "can" - "be allowed").
 - ✓ Demand and proactively practise a feedback culture - also with regard to the necessary sustainability aspects for the respective company.
 - ✓ Practice CSR in small steps and start with what is already being done well in the company according to the principle of "Just Do It".

By integratively dovetailing the activities of all actors involved at the three levels, it appears possible to meet today's challenges of the necessary transformation to a sustainable world, also by SMEs with their great momentum due to the high employment rate making a not inconsiderable contribution to this. The contribution of CSR in creating prosperity and autonomy for today's stakeholders and next generations could be proven by the research results of this dissertation work and can be summarized according to the following cue sheet (Figure 61) by concluding the steps of the explored model "CIC" including the "why" and the "wherefore" with the human being in the center as the "end in itself".

Figure 61: Implementation - Process of CSR into SME's



Source: Self-elaboration

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Annex 1: Questionnaire

Content of Questionnaire

Title: Corporate governance at German SMEs in the construction industry

1. What position do you currently hold in the company?
 - a. Owner; Co owner.
 - b. Chief Executive Officer, Managing Director, CFO, CCO.
 - c. Other?
2. Please state the form of ownership of your company.
 - a. Domestic owner only.
 - b. Predominantly domestic owner.
 - c. Predominantly international owner.
 - d. International owner only.
3. How many employees does your company have (in FTE - Full Time Equivalent)?
 - a. Less than 10.
 - b. 10-19.
 - c. 20-49.
4. Company Core Data.
 - a. Financial ratios (sales, profit, equity ratio...).
 - b. Core business (Which products / services?).
 - c. Unique selling proposition (Which topics are the most important for you and your relevant stakeholders -> materiality matrix)?
 - d. Client:
 - Public Sector, Private Sector (%)
 - e. Area of activity:
 - Local (city).
 - Regional.
 - Country.
 - f. How / to what extent does society benefit from your company?
5. Are you familiar with the idea or concept of "Corporate Social Responsibility" (CSR)?
 - a. Yes, I know the concept of responsible corporate governance well.
 - b. Yes, I know the basics of the concept.
 - c. Yes, I have heard of it, but do not know the details.
 - d. No, I am not aware of it.
6. What are your perceptions of the concept of "good corporate governance" and what activities do you think might be covered by it?
2. Have you already been confronted with requests regarding CSR from your clients, and if so, in what form?

- a. Yes, I work as a subcontractor for companies that must also guarantee their subs with regard to CSR as part of their reporting obligations (sustainability reporting) (AGB's....).
 - Which requirements do you have to fulfil (reporting, proof of certification, code of conduct, key figures, supplier management...)?
 - b. No.
3. In the following, I would like to present / name some activities and ask you to indicate to me the three most important ones from your point of view regarding CSR.
- a. Compliance with laws and regulations.
 - b. Ethical and transparent actions, corruption-free practices and honest entrepreneurship (integrity).
 - c. Transparent and honest communication with customers.
 - d. High-quality products and services at fair prices.
 - e. Safe working conditions for employees beyond the legal requirements.
 - f. Training and development of employees.
 - g. Securing employment and remuneration for employees.
 - h. Diversity (equality of men, women, disabled people..).
 - i. Employee benefits beyond what is required by law.
 - j. Volunteering, helping within a community (in neighboring areas of a company).
 - k. Donations, support of non-profit organizations.
 - l. Reduction of CO2 emissions.
 - m. Energy savings.
 - n. Other?
4. Activities with regard to CSR can be categorized into the three areas of "Economy - Ecology - Social". Do you practice CSR in these areas?
1. Yes, in which? -> For more in-depth questions on social and ecological issues, refer to questions 10 & 11.
 2. General
 - a. Are you aware of relevant standards that provide a framework of orientation with regard to human rights, labor, social, environmental and anti-corruption standards?
 - If yes, which ones?
 - Are you committed to these goals?
 - b. Do you have a certified quality management standard (ISO 9000) and/or a qualified project management system?
 - c. Do you adhere to the principle of transparency and reject corruption?
 - d. How do you anchor agreed rules/ standards of conduct?
 - e. Do you map customer satisfaction (customer surveys...)? (Yes/No)
 - f. Do you offer longer warranty periods?
 - g. Do you adhere to deadlines for invoice due dates?

- h. Do you require your suppliers to follow the principles of responsible business?
 - i. Do you respect the principles of fair market conduct?
 - j. Are you aware of intellectual property?
 - k. Do you record and control your processes with key figures?
 - If yes, with which (following Global Guidelines or overarching 17 SDG's like: UN Global Compact; OECD - Guidelines; GRI; ISO 26000; DNK...)?
 - 3. No, we do not practice CSR activities in any area.
10. What activities do you conduct in the social area?
- a. Are you certified to an occupational health and safety management system?
 - b. Do you adhere to HSE (Health Safety Environment) beyond the regulations?-> (No. of Sickness Days).
 - c. Do you support employee training and development (professional, language)?
 - d. How many trainees do you have?
 - e. What is the retention rate of those who have been trained? (%)
 - f. How many women are in management positions at your company?
 - g. Do you have a works council?
 - h. Do you offer social benefits?
 - i. Are you aware of the work-life balance of your employees?
 - j. Do you offer flexible working time models (home office, flextime models, overtime account...)?
 - k. Do you ensure the requalification of employees who have been made redundant?
 - l. Do you record / measure the fluctuation rate? (%).
 - m. What is the average length of service in your company? (Years)
 - n. Do you pay attention to diversity / equality aspects when hiring?
 - o. Do you practice fair compensation systems (minimum wage...)?
 - p. Do you support employee development and volunteerism?
 - q. Philanthropy - Do you donate funds and/or in-kind donations?
 - r. Other?
11. What activities do you perform in the field of ecology / environment?
- a. Are you certified according to an environmental management system / energy management system?
 - b. Do you reduce negative impacts on the environment, and if so, how?
 - c. Do you use materials and packaging that are environmentally friendly?
 - d. Do you use equipment and technologies that consume less energy/raw materials?
 - e. Do you use raw materials, energy and water responsibly?
 - f. Do you reduce the generation of waste, separate and recycle it?
 - g. Do you preserve fauna and flora?
 - h. Do you educate and communicate to your partners - employees, neighbourhood, company business partners, customers - the need to preserve the environment?

- i. Others?
12. Are your CSR activities of an occasional or regular nature (strategically anchored in the company strategy)?
13. I would like to list some motives/incentives that may lead companies to strategically apply principles of responsible entrepreneurship.
Please select three that could motivate you or your company to implement such principles (Hypothesis/"H").
 - a. Requirement from management ("Top - Down").
 - b. Requirements / suggestions from employees ("Bottom - Up").
 - c. Ethical - moral reasons (we consider this to be the right action).
 - d. Efforts to improve public reputation and image of the company.
 - e. Keeping up with competition and market demands (efforts to gain competitive advantage).
 - f. Efforts to attract and retain qualified employees.
 - g. Requirements from customers and the public (stakeholders in general).
 - h. Improving relationships with business partners.
 - i. Realization of effectiveness and efficiency aspects (cost leadership...).
 - j. Optimization of risk management (see also current crisis situation caused by Corona).
 - k. Obtaining the operating license ("License to Operate"& "License to Grow").
 - l. Regulations in terms of order policy.
 - m. Do you see further incentives?
14. What benefits do you think your company can (could - H) achieve by applying the principles of Responsible Entrepreneurship? Please select 3 main types.
 - a. Long-term success based on communication with partners (customers, neighboring community, business partners, state).
 - b. Better economic results of the company (by reducing costs, increasing profits).
 - c. Improved image, reputation of the company.
 - d. Increased employee loyalty and satisfaction.
 - e. Easier cooperation with business partners.
 - f. General improvement of relations with neighbouring communities.
 - g. Strengthening of corporate culture and values.
 - h. New ideas for innovative products and services (achieving competitive advantages).
 - i. Improved risk management with early warning system regarding crisis situations (KPI's..).
 - j. Further?
15. In your opinion, what are (could be - H) the most significant risks / obstacles for your company (would be - H) in applying the principles of responsible entrepreneurship? Please select 2 main risks.
 - a. Increase in operating costs and thus possible negative impact on profitability.
 - b. Increased sensitivity of business partners to responsible corporate action - this places us more in the public spotlight.

- c. The extra work required to respond to additional requests from partners.
 - d. Competitive disadvantage, lost orders (if everyone "cheats", the "honest" one will lose).
 - e. Perceived stigma by industries/associations that want to maintain status quo.
 - f. Reduction in employee productivity (employees will start demanding more and working less).
 - g. Costly obligations to stakeholders, especially subcontractors, which also need to be monitored (reporting...).
 - h. More?
16. I would like to list some reasons that may prevent companies from applying the principles of responsible entrepreneurship. Which of these do you think are the most important three?
- a. Lack of information on the subject.
 - b. These activities are not directly related to the financial performance of the company.
 - c. Cost increase.
 - d. Lack of time (I am currently dealing with other problems).
 - e. Lack of qualified personnel - also regarding project - change management.
 - f. Lack of pressure or requirements from the internal stakeholder environment.
 - g. Lack of incentives and support for such activities from the government.
 - h. Lack of recognition from the external environment.
 - i. Lack of infrastructure (digitalization deficits...).
 - j. Other?
17. Which three of the following practices do you find most helpful in enforcing responsible business principles?
- a. Provision of information literature on the implementation of the concept of responsible entrepreneurship in a company.
 - b. Organizing competent trainings on the topic of "Responsible Entrepreneurship".
 - c. Getting acquainted with specific case studies from the field of "Responsible Entrepreneurship".
 - d. Gaining public recognition - awards
 - e. Giving preference to products and services of responsible companies.
 - f. Selection/preference of responsible companies in governmental tenders of the public sector.
 - g. Fiscal incentives - inclusion of items related to the application of the concept of responsible entrepreneurship in cost accounting.
 - h. Exchange of experience and cooperation with industry partners or governments - also in the form of benchmarking.
 - i. Provision of necessary digitalization measures (hardware, software, training - competence).
 - j. Regulatory measures by the state.
 - k. Further?
18. What are your future plans in the area of Responsible Entrepreneurship related activities? You are planning the following:

- a. You have not yet engaged in this area, but want to start activities in the area of "Responsible Entrepreneurship".
 - b. You have not yet strategically engaged in this area and do not want to initiate any activities in the area of "Responsible Entrepreneurship".
 - c. Expansion of existing activities.
 - d. Maintaining current level of activities.
 - e. Reduction of existing activities.
19. What influence on CSR can you imagine due to the implementation of new technologies in the context of globalization and digitalization?
20. Current question about the Corona - Pandemic.
- Were or are you and your company affected by this? If so, what does this crisis mean for your company, also with regard to CSR activities?
21. With regard to CSR / sustainability, what would have to happen for you to see everything optimally organized for your company?
22. Are you interested in further information on CSR?
- a. Yes, I would like to have more information about this.
 - b. Yes, I would like to attend a seminar on this topic.
 - c. Yes, I prefer webinars or electronic media.
 - d. No, not interested.

Source: Self-elaboration.

Annex 2: Statistical Parameter

Table 25: Correlations H01: Total

Correlations			
			Number Of Employees
Kendall's τ_b	Fluctuation	Correlation Coefficient	-0,035
		Sig. (2-tailed)	0,831
		N	21

Source: Self-elaboration.

Table 26: Correlations H01: Cluster

Correlations				
Type Num				Number Of Employees
Observer	Kendall's τ_b	Fluctuation	Correlation Coefficient	0,038
			Sig. (2-tailed)	0,899
			N	8
Refuser	Kendall's τ_b	Fluctuation	Correlation Coefficient	-0,548
			Sig. (2-tailed)	0,279
			N	4
Brakeman	Kendall's τ_b	Fluctuation	Correlation Coefficient	0,357
			Sig. (2-tailed)	0,330
			N	6
Pioneer	Kendall's τ_b	Fluctuation	Correlation Coefficient	0,000
			Sig. (2-tailed)	1,000
			N	3

Source: Self-elaboration.

Table 27: Ranks H02: Total

Test Statistics ^a	
	Number Of Employees
Mann-Whitney U	27,000
Asymp. Sig. (2-tailed)	1,000
Exact Sig. [2*(1-tailed Sig.)]	1,000 ^b

a. Grouping Variable: Implemented CSR Strategy

b. Not corrected for ties.

Source: Self-elaboration.

Table 28: Ranks H03: Total

Test Statistics ^a	
	Share Of Public Sector
Mann-Whitney U	21,500
Asymp. Sig. (2-tailed)	0,571
Exact Sig. [2*(1-tailed Sig.)]	,600 ^b

a. Grouping Variable: Implemented CSR Strategy

b. Not corrected for ties.

Source: Self-elaboration.

Table 29: Ranks H04: Total

Test Statistics ^a	
	Number Of Employees
Mann-Whitney U	39,500
Asymp. Sig. (2-tailed)	0,363
Exact Sig. [2*(1-tailed Sig.)]	,374 ^b

a. Grouping Variable: Customer Satisfaction

b. Not corrected for ties.

Source: Self-elaboration.

Table 30: Correlations H05: Total

Correlations			
		Years Of Employment With The Company	
Kendall's τ_b	Social Commitment Of The Company	Correlation Coefficient	,433**
		Sig. (2-tailed)	0,010
		N	21

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Self-elaboration.

Table 31: Correlations H05: Cluster

Correlations				
Type Num				Years Of Employment With The Company
Observer	Kendall's τ_b	Social Commitment Of The Company	Correlation Coefficient	,900**
			Sig. (2-tailed)	0,004
			N	8
Refuser	Kendall's τ_b	Social Commitment Of The Company	Correlation Coefficient	0,800
			Sig. (2-tailed)	0,126
			N	4
Brakeman	Kendall's τ_b	Social Commitment Of The Company	Correlation Coefficient	0,358
			Sig. (2-tailed)	0,330
			N	6
Pioneer	Kendall's τ_b	Social Commitment Of The Company	Correlation Coefficient	0,816
			Sig. (2-tailed)	0,221
			N	3

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Self-elaboration.

Table 32: Correlations H06: Total

Correlations			
			Number Of Trainees
Kendall's τ_b	Number Of Employees	Correlation Coefficient	,443*
		Sig. (2-tailed)	0,011
		N	21

* Correlation is significant at the 0.05 level (2-tailed).

Source: Self-elaboration.

Table 33: Correlations H06: Cluster

Correlations				
Type Num				Number Of Trainees
Observer	Kendall's τ_b	Number Of Employees	Correlation Coefficient	,694*
			Sig. (2-tailed)	0,021
			N	8
Refuser	Kendall's τ_b	Number Of Employees	Correlation Coefficient	0,236
			Sig. (2-tailed)	0,655
			N	4
Brakeman	Kendall's τ_b	Number Of Employees	Correlation Coefficient	0,593
			Sig. (2-tailed)	0,113
			N	6
Pioneer	Kendall's τ_b	Number Of Employees	Correlation Coefficient	0,333
			Sig. (2-tailed)	0,602
			N	3

* Correlation is significant at the 0.05 level (2-tailed).

Source: Self-elaboration.

Table 34: Correlations H07: Total

Correlations			
			Trainee Takeover Rate
Kendall's τ _b	Social Commitment Of The Company	Correlation Coefficient	,524**
		Sig. (2-tailed)	0,004
		N	21

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Self-elaboration.

Table 35: Correlations H07: Cluster

Correlations				
Type Num				Trainee Takeover Rate
Observer	Kendall's τ _b	Social Commitment Of The Company	Correlation Coefficient	-0,578
			Sig. (2-tailed)	0,088
			N	8
Refuser	Kendall's τ _b	Social Commitment Of The Company	Correlation Coefficient	0,200
			Sig. (2-tailed)	0,702
			N	4
Brakeman	Kendall's τ _b	Social Commitment Of The Company	Correlation Coefficient	0,686
			Sig. (2-tailed)	0,095
			N	6
Pioneer	Kendall's τ _b	Social Commitment Of The Company	Correlation Coefficient	-
			Sig. (2-tailed)	-
			N	3

Source: Self-elaboration.

Table 36: Ranks H08: Total

Test Statistics ^a	
	Social Commitment Of The Company
Mann-Whitney U	27,000
Asymp. Sig. (2-tailed)	0,157
Exact Sig. [2*(1-tailed Sig.)]	,178 ^b

a. Grouping Variable: Higher Employee Satisfaction

b. Not corrected for ties.

Source: Self-elaboration.

Table 37: Correlations H09: Total

Correlations			
			Interested in CSR
Kendall's τ _b	Social Commitment Of The Company	Correlation Coefficient	,483**
		Sig. (2-tailed)	0,006
		N	21

** Correlation is significant at the 0.01 level (2-tailed).

Source: Self-elaboration.

Table 38: Correlations H09: Cluster

Correlations				
Type Num				Interested in CSR
Observer	Kendall's τ_b	Social Commitment Of The Company	Correlation Coefficient	-
			Sig. (2-tailed)	-
			N	8
Refuser	Kendall's τ_b	Social Commitment Of The Company	Correlation Coefficient	-
			Sig. (2-tailed)	-
			N	4
Brakeman	Kendall's τ_b	Social Commitment Of The Company	Correlation Coefficient	-0,686
			Sig. (2-tailed)	0,095
			N	6
Pioneer	Kendall's τ_b	Social Commitment Of The Company	Correlation Coefficient	-
			Sig. (2-tailed)	-
			N	3

Source: Self-elaboration.

Table 39: Correlations H10: Total

Correlations			
			Environmental Activity Level
Kendall's τ_b	Degree Of Familiarity With CSR	Correlation Coefficient	,401*
		Sig. (2-tailed)	0,029
		N	21

* Correlation is significant at the 0.05 level (2-tailed).

Source: Self-elaboration.

Table 40: Correlations H10: Cluster

Correlations				
Type Num				Environmental Activity Level
Observer	Kendall's τ_b	Degree Of Familiarity With CSR	Correlation Coefficient	0,400
			Sig. (2-tailed)	0,275
			N	8
Refuser	Kendall's τ_b	Degree Of Familiarity With CSR	Correlation Coefficient	-0,775
			Sig. (2-tailed)	0,157
			N	4
Brakeman	Kendall's τ_b	Degree Of Familiarity With CSR	Correlation Coefficient	-
			Sig. (2-tailed)	-
			N	6
Pioneer	Kendall's τ_b	Degree Of Familiarity With CSR	Correlation Coefficient	-
			Sig. (2-tailed)	-
			N	3

Source: Self-elaboration.

Table 41: Correlations H11: Total

Correlations			
			Energy Savings And Reductions In CO2 Emissions
Kendall's τ_b	Degree Of Familiarity With CSR	Correlation Coefficient	,488*
		Sig. (2-tailed)	0,013
		N	21

* Correlation is significant at the 0.05 level (2-tailed).

Source: Self-elaboration.

Table 42: Correlations H11: Cluster

Correlations				
Type Num				Energy Savings And Reductions In CO2 Emissions
Observer	Kendall's τ_b	Degree Of Familiarity With CSR	Correlation Coefficient	0,333
			Sig. (2-tailed)	0,378
			N	8
Refuser	Kendall's τ_b	Degree Of Familiarity With CSR	Correlation Coefficient	-
			Sig. (2-tailed)	-
			N	4
Brakeman	Kendall's τ_b	Degree Of Familiarity With CSR	Correlation Coefficient	-
			Sig. (2-tailed)	-
			N	6
Pioneer	Kendall's τ_b	Degree Of Familiarity With CSR	Correlation Coefficient	-
			Sig. (2-tailed)	-
			N	3

Source: Self-elaboration.

Table 43: Correlations H12: Total

Correlations			
			Number Of Working Days Lost Due To Sickness
Kendall's τ_b	Social Commitment Of The Company	Correlation Coefficient	-,563**
		Sig. (2-tailed)	0,001
		N	21

** Correlation is significant at the 0.01 level (2-tailed).

Source: Self-elaboration.

Table 44: Correlations H12: Cluster

Correlations				
Type Num				Number Of Working Days Lost Due To Sickness
Observer	Kendall's τ_b	Social Commitment Of The Company	Correlation Coefficient	0,000
			Sig. (2-tailed)	1,000
			N	8
Refuser	Kendall's τ_b	Social Commitment Of The Company	Correlation Coefficient	-0,200
			Sig. (2-tailed)	0,702
			N	4
Brakeman	Kendall's τ_b	Social Commitment Of The Company	Correlation Coefficient	0,215
			Sig. (2-tailed)	0,559
			N	6
Pioneer	Kendall's τ_b	Social Commitment Of The Company	Correlation Coefficient	0,333
			Sig. (2-tailed)	0,602
			N	3

Source: Self-elaboration.

Table 45: Ranks H13: Total

Test Statistics ^a	
	Interested in CSR
Mann-Whitney U	45,000
Asymp. Sig. (2-tailed)	0,465
Exact Sig. [2*(1-tailed Sig.)]	,512 ^b

a. Grouping Variable: Tax Incentives

b. Not corrected for ties.

Source: Self-elaboration.

Ranks H14: *Total***Table 46: Ranks H14: Total**

Test Statistics ^a	
	Interested in CSR
Mann-Whitney U	39,000
Asymp. Sig. (2-tailed)	0,439
Exact Sig. [2*(1-tailed Sig.)]	,488 ^b

a. Grouping Variable: Regulatory Measures

b. Not corrected for ties.

Source: Self-elaboration.

Table 47: Ranks H15: Total

Test Statistics^a	
	Interested in CSR
Mann-Whitney U	1,500
Effect Intensity r	0,802
Z	-3,676
Asymp. Sig. (2-tailed)	0,0002
Exact Sig. [2*(1-tailed Sig.)]	,000 ^b

a. Grouping Variable: Training On CSR Topics

b. Not corrected for ties.

Source: Self-elaboration.

Annex 3: Interview Guideline

Expert interview (semi-standardized)

Responsible Corporate Governance at German SMEs

- o Welcome and introduction - Self introduction of the interviewer. Why expert interview?
 - o Obtain consent to record the interview (tape) and process the content during the examination.
 - o Confidentiality and anonymity is guaranteed.
 - o Duration: In-depth interview will take approximately 60 minutes of your time.
1. Introduction of yourself: Biography; What do you mean by "good corporate governance"; What experiences have you had with CSR; Your (last) position?
 2. In your experience, how do you estimate the percentage of German SMEs that have strategically embedded CSR in their business model?
 - 1 - 20 Employees
 - 21- 49 Employees
 3. Are there any differences with regard to individual branches?
 4. In your opinion, what are the reasons why CSR of (numerous) SMEs is not strategically established in the business model, even though some models for implementing CSR for SMEs have been developed?
 5. In your opinion, what would have to be done to ensure that CSR becomes part of everyday practice, particularly among micro-enterprises (here especially in the construction industry)?
 - Which steps?
 - Which tools?
 - Which success factors are relevant here?
 - Which risks do you see?
 6. Which of the five CSR fields of action should be given special attention?
 - Corporate governance
 - Market
 - Workplace
 - Environment
 - Community
 - All
 7. In which way could SME's ideally control the processes in the different fields of action?

Which tools you would recommend?

Which key figures you would suggest to micro-enterprises in the construction industry that would have to be implemented as a minimum?
 8. What trends do you see in the further development of CSR, especially with regard to the preparation of sustainability reports by SMEs?
 - Private business
 - Public authorities

9. What could a sustainability report from SMEs look like, which are the minimum information you would expect in the report?

10. What influence on CSR can you envision due to the implementation of new technologies in the context of globalization and digitization?

11. Current question regarding the corona pandemic:

What do you think this crisis means for the construction industry, and in particular for the numerous micro-enterprises operating there?

What impact can "good corporate governance" have analogous to the characteristics of CSR discussed above?

12. Before we conclude, I would like to ask you to comment on the following 4 statements with "I agree" or "I do not agree":

- CSR is widely unknown to micro-enterprises (here from the construction industry) as a strategic method of corporate management ("triple value").
- CSR can be effectively and efficiently implemented in SMEs through appropriate strategies.
- Generally recognized reporting standards such as GRI can serve as a basis for sustainability reporting (prerequisite: selection of KPIs is appropriate to the size of the company and does not overburden the company).
- In the medium term (5 a?), the preparation of sustainability reports will become a standard or mandatory for all companies (at least in Germany / in the EU) in order to achieve the jointly defined 17 SDGs.

13. Final question: As an expert, do you have any additional tips for the successful implementation of CSR in micro-enterprises that we have not yet discussed?

Source: Self-elaboration.

Annex 4: Transcription Rules

Figure 62: Transcription Rules

Transcription Rules	
1.	It is transcribed verbatim, i.e. not phonetically or summarizing. Existing dialects are not transcribed as well, but translated as accurately as possible into German.
2.	Language and its punctuation are slightly smoothed, i.e. approximated to written German. Sentence form, definite and indefinite articles etc. are retained even if they contain errors.
3.	Clear and longer pauses are marked as follows: (...).
4.	The interviewer's affirmative utterances (mhm, ah, etc.) are not transcribed if they do not interrupt the interviewee's flow of speech.
5.	Paragraphs of the interviewer are indicated by an "I:", those of the interviewee by a unique abbreviation, e.g. "B1".
6.	Incomprehensible words are indicated by (inc.).
7.	All information that allows the identification of a participant is anonymized.

Source: Self-elaboration.

Annex 5: Business Model Canvas with CSR Aspects

Figure 63: Business Model Canvas with CSR Aspects

Business Model Canvas with CSR - Aspects				
Key Partner	Key Activities	Value Proposition	Customer Relationships	Types of Customers
	Key Ressources	Sustainability Aspects	Sales & Communication Channels	
Expenses			Revenue Sources	

Source: Self-elaboration.

Annex 6: DNK – Declaration of Conformity

Table 48: Typical DNK – Explanation for SME's

Typical DNK - Explanation for SME's (Focus on Construction Industry)		
DNK - Requirements (20)	Realizations / Statements	Performance Indicators (Recommended: 28)
General Informations		
Business Model	Core business of the company founded in 20xx is xxxx - list USP here with vision/ mission statement (what contribution does the company make to society?)	N.A.
Products	List product or service description here. The focus should be on sustainably generated products.	N.A.
Strategy	Exemplary wording: The motivation to be neither directly nor indirectly involved in human rights violations and also to protect the environment is consistently the basis for all operational decisions and for strategic planning. Cultural sustainability is created by the demand for quality workmanship and ensures the preservation of skilled craftsmanship. The focus here is not on the industrial production of goods, but rather on people, their knowledge and skills, and manual labor. The company shows a healthy growth and operates in the region within a radius of 30 km. As an independent micro-enterprise, there are no disclosure obligations, so that no business results are published.	N.A.
Strategy (1-4)		
<i>Analysis and measures (1):</i> The company discloses whether it pursues a sustainability strategy. It explains what specific measures it is taking to operate in accordance with material and recognized	Exemplary wording: The product produced symbolizes for us the uniqueness of each customer. E.g. natural stone for terrace design can be a highly problematic material from a	N.A.

industry-specific, national and international standards.	sustainability point of view. Natural stone extraction, processing and transport often take place in violation of human rights and are associated with environmental destruction. The sustainability strategy therefore covers the entire value chain, from extraction of the raw material to processing and disposal. This essentially includes: Observance of environmental and social standards in the supply chain and in the company's own operations; exclusive processing of natural stone from German and European quarries; training in the company; energy and resource-saving production; avoidance of waste, also through innovations such as the re- and upcycling of old stone plates; dissemination of sustainable craftsmanship in the crafts sector, among customers, among suppliers, in society.	
<i>Materiality</i> (2): The company discloses which aspects of its own business activities have a material impact on aspects of sustainability and what significant influence the aspects of sustainability have on its business activities. It analyzes the positive and negative effects and indicates how these findings are incorporated into its own processes.	Exemplary wording: 1. Social risks due to natural stone extraction and processing. 2. Ecological risks due to climate change and environmental degradation. 3. Customer awareness of sustainability is predominantly lacking. 4. Craftsmanship is offered less and less. Realize opportunities through sustainable management. See also chapters 4.3.2 and 4.7.1.2.3 (materiality matrix).	N.A.
<i>Objectives</i> (3): The company discloses which qualitative and/or quantitative as well as time-defined sustainability targets are set and operationalized and how their	Exemplary wording : 1. Respect for nature as well as observance of the principle of precaution. 2. Respect and promotion of fellow human beings = no purchase of products from	N.A.

degree of achievement is monitored.	socially questionable production; investment in existing and future generations, by passing on knowledge, training and further training in the company; appreciation and respect of employees, colleagues and customers; prohibition of discrimination promotion of fair competition in the sense of fair business and business practices; expansion of scope for decision-making for customers. 3. Respect for fundamental sustainability principles and values. 4. We work primarily with qualitative goals. We use the GRI performance indicators of the DNK to monitor the achievement of objectives. 5. We continuously strive to achieve and maintain these goals (PDCA cycle). Our efforts are expressed in various measures, which are described below in particular in the criteria for environmental protection (11 to 13) and for society (14 to 17).	
<i>Value Chain (4):</i> The company indicates the importance of sustainability aspects for value creation and the depth to which sustainability criteria are reviewed in its value chain.	Exemplary wording : The verification of the entire supply chain for natural stones from overseas with regard to social sustainability criteria is still very difficult. We work with a manageable number of German suppliers. The social aspects of sustainability such as compliance with human rights and ILO core labor standards are guaranteed at the German suppliers. In order to exclude human rights violations, only European or German material is sourced from the German suppliers. Non-sustainable goods are not sourced, not even re-	N.A.

	imports. The social and ecological problems of the supply chain are discussed with the suppliers. The short transport routes, ideally for natural stones from German quarries, ensure a better ecological footprint than goods from overseas.	
Processmanagement (5-10)		
<i>Responsibility</i> (5): Die Management responsibilities for sustainability are disclosed.	Exemplary wording : The business owner is responsible for developing and implementing the sustainability strategy.	Exemplary wording : GRI SRS-102-16: Description of the organization's values, principles, standards and norms of conduct: Transparency, honesty and openness; No bribery; Quality in craftsmanship; Production in domestic operations; Respect for the following values: Human dignity, Solidarity and justice, Environmental sustainability, Transparency and participation in decision-making.
<i>Rules & Processes</i> (6): The company discloses how the sustainability strategy is implemented in operations through rules and processes.	Exemplary wording : The Managing Director applies the objectives, values and standards of conduct for his company in accordance with the Articles of Association of EMB - Wertemanagement Bau e.V. These are defined in writing and apply as a binding set of rules for all processes and operational decisions in the operative business.	
<i>Control</i> (7): The company discloses how and which sustainability performance indicators are used in regular internal planning and control. It discloses how suitable processes ensure reliability, comparability and consistency of data for internal management and external communication.	Exemplary wording : The performance indicators of the DNK according to GRI SRS are used to monitor sustainability performance.	
<i>Incentive systems</i> (8): The company discloses how the objectives and compensation for managers and employees are also based on the achievement of sustainability goals and long-term value creation. It is disclosed to what extent the achievement of these goals is part of the evaluation of the top management level (Executive Board/management) by the	Exemplary wording: Financial incentive systems for managers/employees to achieve sustainability goals are not necessary due to the anchoring of sustainability in our corporate strategy and the high intrinsic motivation of the business owner. Attention is paid to fair remuneration of employees. Collective tariff agreements are complied with.	
		Exemplary wording : GRI SRS-102-35: Compensation policy for executives and employees, broken down into base salary and variable compensation, including performance-based compensation, share-based compensation, bonuses, and deferred or conditionally granted shares: A compensation system with separate sustainability target

managerial accounting body (Supervisory Board/ Advisory Board).		agreements is not required, as sustainability is an integral part of the business model. GRI SRS 102 - 38: Ratio of total annual compensation: For competitive reasons, this performance indicator is not reported.
<i>Participation Stakeholder (9):</i> The company discloses how socially and economically relevant stakeholders are identified and integrated into the sustainability process. It discloses whether and how a continuous dialog with them is maintained and its results are integrated into the sustainability process.	Exemplary wording : Key stakeholder groups identified (see also chapter 4.3.2, Materiality Matrix) are: Customers; Employees; Environment; Suppliers; Competitors/Colleagues; Industry Organizations; Banks; Public and Local Community; Family. Through continuous exchange with the stakeholder groups, the knowledge gained is integrated into the operational processes.	Exemplary wording : GRI SRS-102-44: Customers often focus their inquiries first on price and quality. Most still lack knowledge of environmental and social issues that often accompany imported natural stone from overseas. Therefore, part of the sustainability strategy is to honestly educate customers, raise their sustainability awareness, and show them new ways to build sustainable buildings, etc. Employees: The company provides training on a regular basis. Apprentices learn about the full spectrum of craftsmanship involved in construction. Social and environmental issues in the supply chain are discussed with suppliers. Competitors/colleagues: Dialogue with industry colleagues is intensively sought. Industry organizations: The company is in exchange with various industry organizations, including the German Chamber of Industry and Commerce. The public demands transparency: What does the company do? What does it stand for? Through media coverage, the sustainability issues addressed by the company become public, e.g., through events in the local community. The owner also looks out for the interests of his family through a work-life

		balance. Sustainability values are also passed on to his children in his private life.
<i>Innovations-Productmanagement (10):</i> The company discloses how it uses suitable processes to ensure that innovations in products and services improve the sustainability of its own resource use and that of users. It also discloses whether and how its current and future impact in the value chain and product life cycle is assessed for the main products and services.	Exemplary wording : The company improves its environmental footprint through innovations in its core business by recycling waste demolition. However, before downcycling, it should always be checked whether a higher-value material use is possible. We are one of the few skilled trades nationwide that have incorporated recycling into their core business and are actively driving this forward. Benefits: Recycling conserves the earth's natural stone resources. Waste or downcycling is avoided. The product life cycle of the used natural stone is extended. Recycling also avoids considerable energy consumption and CO2 emissions. Recycling secures jobs in the local trade. Customers usually benefit from a price advantage for the material already available.	Exemplary wording: G4 FS 11 (Percentage of financial assets subject to positive or negative screening based on environmental or social factors): Financial assets do not currently exist and there is no intention to acquire them.
Environment (11-13)		
<i>Use of Natural Ressources (11):</i> The company discloses the extent to which natural resources are used for business activities. This includes materials as well as the input and output of water, soil, waste, energy, land, biodiversity, and emissions for the life cycle of products.	Exemplary wording: The most essential environmental resource for the company's operations is the natural material used. Mining in the quarries and transporting natural stone are energy-intensive and cause greenhouse gas emissions and other environmental damage. Quarrying has a negative impact on soil resources and biodiversity, and the company's use of natural resources at its site is relatively low in comparison. The main use of natural resources is in the form of electricity consumption and the use of fuel for the vehicle fleet.	Exemplary wording : GRI SRS 301 -1 (total weight or volume of materials used in the manufacture and packaging of main products by: i. non-renewable materials used; ii. renewable materials used): Natural stone material from sustainable sources: xxx kg. Renewable sources: Recycled paper, paper consumption: x kg. Non-renewable sources: Building materials: xxxxx kg ready-mixed concrete.

<i>Ressourcemanagement (12):</i> The company discloses which qualitative and quantitative targets it has set for its resource efficiency, in particular the use of renewable energies, the increase in raw material productivity and the reduction in the use of ecosystem services, which measures and strategies it is pursuing to this end, how these have been met or are to be met in the future, and where it perceives risks.	Exemplary wording : Our environmental sustainability goals / measures are: Target: 100% sourcing of natural stone materials from responsible sources. Measure: Purchase of natural stone material that comes 100% from German or European quarries. Goal: Avoidance of long transport routes - to measure: Purchase of primary products from the region. Avoidance of the heavy environmental impact of freight ships. Goal: Resource-saving production in the plant and reduction of the CO2 footprint. Measure: Since 2020, 100% green electricity is used. Measure: We have been a climate-neutral company since 2020. Measure: The impact of emissions on the environment is reduced by appropriate measures such as an extraction system. Noise emissions are kept within the limits permitted for industrial areas. Measure: Waste is separated and the possibilities of disposal via recycling centers are used. Goal: Conservation of the earth's natural stone resources by avoiding natural stone waste and reducing energy consumption. Measure: Use of recycling and upcycling. Goal: Promote recycling and upcycling.	Exemplary wording : GRI SRS 302 1 (Energy consumption): Renewable sources: Green electricity, electricity consumption (in kilowatt hours): xxx kWh (360 days, source: electricity supplier billing). Non-renewable sources: Heating energy (firewood spruce/fir/beech in cubic meters): x cubic meters -1 cubic meter of firewood is equal to about 600 kg. 1 kg has an average calorific value of 4.25 kWh. Therefore x cubic meters of firewood correspond to approx. xx kWh. Diesel consumption (in liters): xxxx liters. xxxx liters of diesel correspond to a total of xxxxxx kWh. Total energy consumption of the company in 20xx: xxxxxx kWh. GRI SRS 302 - 4 (Reduction in energy consumption): Specific conversion factors for calculating the reduction in energy consumption are not available. GRI SRS 303 - 3 (Water withdrawal): Water withdrawal (in liters): xxxx liters. A further breakdown of the amount of water is not yet provided. GRI SRS 306 - 2 (Waste): Non-hazardous waste: xxx kg, hazardous waste: xx kg (2-component adhesive). Waste disposal method: waste is separated and the possibilities of disposal via recycling centers are used. Non-hazardous waste is disposed of via the regional waste disposal company at the waste incineration plant.
<i>Climate-relevant emissions (13):</i> The company discloses greenhouse gas (GHG) emissions in accordance with	Exemplary wording : Scope 1: The main emissions result from the consumption of diesel fuel for the company vehicle fleet. At x %, it has the	Exemplary wording : GRI SRS - 305 - 1 (Direct GHG emissions): Scope 1: Diesel fleet: xxxxx kg CO2e

the Greenhouse Gas (GHG) Protocol or standards based on it and states its self-imposed targets for reducing emissions.	most significant share of the total carbon footprint in 20xx. Scope 2: Green electricity has been used in our operations since 20xx. The calculations according to the GHG Protocol for Scope 2 therefore show zero emissions. Scope 3: The building material "ready-mixed concrete" used and waste disposal are the main contributors to GHG emissions here. Self-set targets: We will also offset the GHG emissions of the 20xx fiscal year in 20xx by investing in an environmental project. In the long term, we plan to switch to a decentralized energy supply, for which a photovoltaic system is to be installed.	(xx tons CO₂e). (Share of total carbon footprint 20xx: xx %). Firewood: xx kg CO₂e (xx tons CO₂e). Total Scope 1:xxx kg CO₂e (xxtons CO₂e). GRI SRS 305 - 2 (Indirect energy-related GHG emissions): Scope 2: Due to the use of green electricity, no GHG emissions were incurred for the consumption of xxxx kWh of electricity in 20xx. GRI SRS 305 - 3 (Other indirect GHG emissions): Scope 3: Use of ready-mixed concrete as a construction material: xxxx kg CO₂e (xx tons CO₂e). Disposal of non-hazardous waste: xxx kg CO₂e (xx tons CO₂e). Office paper: x kg CO₂e (x tons CO₂e). Water: x kg CO₂e (xtons CO₂e). Total Scope 3: x kg CO₂e (xtons CO₂e). The carbon footprint for fiscal year 20xx calculated on the basis of the EcoCockpit tool of EffizienzAgentur xyz totaled xxx kg CO₂e. GRI SRS 305 5 (Reduction of GHG emissions): GHG emissions were reduced to zero by purchasing green electricity as of 20xx. Consequently, no GHG emissions have been generated since 20xx.
Society (14-16)		
<i>Employee Rights (14):</i> The company reports on how it complies with nationally and internationally recognized standards on employee rights and promotes the participation of employees in the company and in the company's	Exemplary wording : Compliance with nationally and internationally recognized standards on employee rights is comprehensively guaranteed within the company and in the supply chain. The company only operates at location x.	N.A.

sustainability management, what goals it has set itself in this regard, what results have been achieved to date, and where it identifies risks.	The objective of complying with workers' rights in the supply chain is ensured by choosing supplier companies for natural stone based in Germany, using natural stone materials from Germany or European countries and purchasing preliminary products and tools from German and European suppliers. The aim is to comply with the legal requirements for the observance of workers' rights at the company's location and to exceed them by providing additional services: The creation of pleasant working conditions through the use of a kitchen is given. We maintain an appreciative attitude, occupational safety and health protection are guaranteed at a high level (see also criterion 15) Sufficient breaks are offered beyond the legal requirements. Voluntary benefits are added to training and retraining contracts that are subject to collective bargaining agreements. Employee participation in sustainability management is continuously promoted through regular information on the sustainability strategy, education on risks in the supply chain of natural products, or training on how to behave towards customers. Ecological behavior on the part of employees is also promoted by providing information on environmentally friendly behavior on site through waste separation, etc. Employees who live near the company are provided with a bicycle as a means of transport to the	
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	workplace and for their own use.	
<i>Equal Opportunity (15):</i> The Company discloses how it implements processes nationally and internationally and what goals it has to promote equal opportunities and diversity, occupational health and safety, co-determination, integration of migrants and people with disabilities, appropriate pay, and work-life balance, and how it implements them.	Exemplary wording : Equal opportunity is practiced in the selection of trainees. Gender does not play a role; women are also trained, although they are rarely found in the construction sector. In recent years, socially disadvantaged people who otherwise have few opportunities in the labor market have been given priority as apprentices. The aim is to give socially disadvantaged people employment. Occupational safety and health protection are very important in the construction industry. Safety shoes, work clothing, safety goggles and hearing protection are provided. Dust emissions in the workplace have been significantly reduced through the purchase of an extraction system. Appropriate pay: To date, training or retraining contracts have been concluded with collective bargaining agreements. The weekly working time is 39 hours (collectively agreed). There is a 1-hour lunch break per working day and additional coffee breaks are spread throughout the day. Overtime is recorded and accumulated for possible bad weather periods. Co-determination: Transparency and co-determination lead to "cooperation at eye level". The assumption of responsibility is encouraged and thus also demanded of the employee, independence is extended. Employee involvement also takes place through monthly	Exemplary wording : GRI SRS 403 - 9 (Work-related injuries) & GRI SRS 403 - 10 (Work-related illnesses): Work-related injuries and illnesses were xxx days in 20xx. GRI SRS 403 - 4 (Employee participation in occupational health and safety): Noise: Working with natural stone, among other materials, can be noisy. It is therefore mandatory to wear hearing protection during certain work. Dusts: Dusts are generated during certain work steps. In this case, the wearing of a respiratory mask is mandatory. The installed extraction system has greatly reduced exposure to dust. Eyes: Due to flying stone splinters, it is advisable to wear protective goggles. Physical stress: Due to the lifting and carrying of materials with high weight, especially the back is heavily strained. Lifting school and back school should prevent damage. GRI SRS 405 - 1 (Diversity): This indicator is not representative for our micro-enterprise. GRI SRS 406 - 1 (Incidents of discrimination): x Incidents.

	development meetings and through daily meetings. The employee has access to data relevant to the order process and completion. The level of transparency for critical and essential data is xx%. There is no insight into business data. The percentage of decisions affecting the process level that are made via consultation/participation/co-decision-making is xx %. Vacation times, childcare times, time off for messengers and visits to authorities can be co-determined.	
<i>Qualification (16):</i> The company discloses which goals it has set and which and what measures it has taken to ensure the employability, i.e. the ability of all employees to participate in the working and professional employees, and to adapt them in view of demographic developments and where it sees risks	Exemplary wording : The aim is to give socially disadvantaged people work. Through training in the craft enterprise, they obtain a recognized vocational qualification that makes it much easier for them to participate in the world of work. Since 20xx, x socially disadvantaged people have received an apprenticeship. In addition, the aim is to provide training that goes beyond the framework plan and to promote the trainees' craft skills. Internships for socially disadvantaged people are offered on a regular basis. Since 20xx, x trainees have been welcomed. Requirements regarding employee health protection and safety issues are brought to the attention of the company through its membership in the Employer's Liability Insurance Association for the Construction Industry (Berufsgenossenschaft Bau) and are met in full (see comments in criterion 15). Personal further training is given high priority. We do not	Exemplary wording : GRI SRS 404 -1 (Number of hours of education and training): The training of an employee to become a bricklayer comprises 40 hours per week, approximately 1,800 hours per year, after deduction of 6 weeks of vacation. There were x persons trained in the reporting year 20xx.

	currently see any risks in the area of employability.	
Human Rights (17)		
The company shall disclose which measures, strategies and objectives are taken for the company and its supply chain in order to achieve that human rights are respected worldwide and forced and child labor as well as any form of exploitation are prevented. The results of the measures and any risks must also be addressed.	Exemplary wording : Our goal is to respect human rights and ILO core labor standards along the entire supply chain. Our procurement strategy ensures respect for human rights through various measures: Sourcing domestic natural stone from German quarries; purchasing European natural stone material from trustworthy countries; excluding problematic natural stone material from overseas or even re-imports; concentrating on a few German suppliers. Due to the long-term business relations, the business partners know the strict procurement criteria of the company and know that the company only purchases sustainable goods. Disclosure of the origin of raw materials and raw products; cooperation with regional partners who also manufacture in their own facilities. The result of our procurement strategy is that the social aspects of sustainability, such as compliance with human rights and ILO core labor standards, are very largely guaranteed in our supply chain. To date, we have not become aware of any reports of human dignity violations in our supply chain. Potential risks: As the European legal situation and its application is no guarantee for violation-free and public welfare-oriented actions, we will increase our efforts to inquire about the responsibility of direct suppliers and thus of the entire supply chain. This also includes educational work about products, plants or	Exemplary wording : GRI SRS 412 - 3 (investment agreements screened for human rights aspects): The significant investments in the business were made in Germany at the company location. The contractual partners are thus subject to German laws, which means that human rights are comprehensively protected. GRI SRS 412 - 1 (operating sites audited for human rights aspects): xxx % are audited. There are x business location(s). GRI SRS 414 - 1 (new suppliers audited for social aspects): The company works with a fixed number of suppliers based in Germany. All suppliers have been specifically selected according to sustainability aspects and comply with human rights criteria. If new suppliers are added, they are also audited with regard to compliance with human rights criteria. GRI SRS 414 - 2 (Social impacts in the supply chain): Due to our procurement strategy and strict selection of suppliers, there are no negative human rights impacts. All suppliers have been known for many years and have been screened for social impacts. No negative social impacts were identified at any of them.

	ingredients. However, checking the supply chain for natural products from overseas with regard to social sustainability criteria is very difficult. Even quality seals such as xxx cannot guarantee that the natural material has not been extracted or processed by children's hands or through wage slavery in the countries of extraction.	
Community (18)		
The company discloses how it contributes to the community in the regions where it conducts significant business activities.	Exemplary wording : Social commitment is practiced by the company in the region through monetary donations and volunteer activities at the company location.	Exemplary wording : GRI SRS 201 - 1 (direct economic value generated and distributed): Support for the community is provided primarily through time-intensive volunteer activities. There is no quantifiable value for volunteer activities performed. Donations 20xx: xxx euros for charitable projects. The value generated is not reported for competitive reasons. As a micro-enterprise, we are not subject to any disclosure requirements for business results.
Political Influence (19)		
All material submissions to legislative procedures, all entries in lobby lists, all material payments of membership dues, all contributions to governments, and all donations to parties and politicians are to be disclosed on a country-by-country basis.	Exemplary wording : In order to carry sustainability goals more strongly into politics, the company owner is involved with the regional guild and tries to exert political influence in ongoing legislative processes.	Exemplary wording: GRI SRS 415 - 1 (Party donations): No political donations.
Conduct in Compliance with Laws and Regulations (20)		
The company discloses which measures, standards, systems and processes exist to prevent illegal conduct and in particular corruption, how they are reviewed, what the results are, and where the risks lie. It describes how corruption and other violations of the law are	Exemplary wording: The company owner has committed himself to the code of conduct of the EMB - Wertemanagement Bau e.V., which explicitly demands "no bribery". As a member of the association, he is obliged not to accept or pay any accept or pay bribes. Employees are also	Exemplary wording : GRI SRS 205 - 1 (Sites screened for corruption risks): The site does not have any corruption risks. GRI SRS 205 - 3 (incidents of corruption): There are no incidents of corruption. GRI SRS 419 - 1 (Non-compliance with laws and

prevented, detected and sanctioned in the company.	sensitized to the issue. They are familiar with the Code of Conduct through their involvement in sustainability management and are aware of the obligation. Further compliance and anti-corruption guidelines as well as due diligence processes, which are common in large companies and corporations, are not suitable for the micro-enterprise. All relevant regulations, laws and ordinances are complied with in the business. Risks for corruption and other violations of the law are not apparent.	regulations): The company complies with laws and regulations. There are no fines.
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Source: Self-elaboration according to (DNK, 2021).