

Strategic CSR in Danish SME's - Communicating CSR for competitive advantage

Helén N. Liebig-Larsen*, Martin Lehmann & Arne Remmen

Department of Development & Planning, Aalborg University, Denmark

*Corresponding Author: Helén N. Liebig-Larsen, hnli08@plan.aau.dk

Martin Lehmann, martinl@plan.aau.dk

Arne Remmen, ar@plan.aau.dk

The possibility of gaining corporate competitive advantage through social and environmental initiatives within a market valuing responsible corporations is attracting more and more attention. Corporate Social Responsibility (CSR) initiatives in themselves, however, seem not to provide a company with much competitive advantage - they must be communicated to gain value. In result, a steadily growing amount of corporate communication of companies' initiatives is evident through channels and methods such as sustainability reporting, advertising, company web pages and public relations documents.

Despite being subject to less stakeholder pressure than most large companies, SMEs traditionally take above average responsibility for their local community and employees, and are also in the process of structuring procedures around issues such as environmental certification and labeling. A preliminary analysis of the implementation and communication of CSR in Danish SMEs (Nielsen and Thomsen, 2009), however, concludes that CSR in Danish SMEs is more of a matter of course rather than based on strategic incentives. Similarly, external CSR communication as an integrated part of overall business strategy is non-existent, and SME managers typically demonstrate a resistance to integrating 'sparkling' and strategic CSR promotion and communication.

Despite these challenges, however, it is suggested that Danish SMEs are in a good position to adopt CSR as more of a strategic marketing and branding tool than demonstrated today - without compromising the real and genuine dedication to the internal and local environment as often found in Danish SMEs.

This paper will investigate the possibility for Danish SMEs to gain competitive advantage through affordably and effectively adopt, communicate and earn recognition for their CSR performance.

The study takes point of departure in the Green Network, a public-private partnership now in its sixteenth year of running in the regions of Central and Southern Denmark (see e.g. Lehmann, 2008; Lehmann, Christensen & Johnson, 2010), and the activities, tools and manuals developed as part of the partnership.

There are two aspects to the research concerning the extent to which CSR adoption and reporting is indeed relevant in the context of Danish SMEs: 'Affordably' in the sense that the SME have the financial means for modeling and carrying out a CSR communication strategy, and 'Effectively' in the sense that what is communicated successfully reach and influence the relevant stakeholders, and that returns in terms of increased public trust and stakeholder relationships in turn is accomplished.

This requires developing a strategy for communicating CSR initiatives and performance in Danish SMEs. Issues to be addressed throughout this process include;

- Identifying the *relevance* for Danish SMEs to communicate on their CSR performance
- Identifying alternatives for *affordable* communication of CSR performance in a Danish SME
- Identifying alternatives for *effective* communication of CSR performance, including channels and stakeholders to be targeted.