

Master thesis (I) Business Administration

The influence of shareholder value and stakeholder value approaches on corporate social innovation.

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## Abstract

This thesis analyses under what conditions shareholder value and stakeholder value approaches influence the scalability success of corporate social innovations (CSI) in Asian developing countries. Drawing on fuzzy-set Qualitative Comparative Analysis (fsQCA) of 34 cases, the research identifies four distinct configurational pathways, continuous resource commitment, relational engagement, strategic social alignment and financially anchored commitment, that lead to successful CSI scaling. The findings reveal that no single condition guarantees scalability; rather, success emerges from specific combinations conditions. Stakeholder value approaches prove vital in contexts with institutional voids, while shareholder-driven strategies succeed when supported by strong internal resources and favourable environments. The most robust outcomes result from when business and social objectives are aligned through shared value strategies. The thesis contributes to CSI theory by demonstrating that shareholder and stakeholder value approaches are not mutually exclusive but can be complementary under certain conditions. These insights have practical relevance for organisations seeking to scale socially impactful innovations in developing countries, aiming to foster inclusive and sustainable development.

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## 1 Introduction

### 1.1 Practical relevance

In today's global economy, organisations are expected to do more than just generate profit, they must also actively aid urgent social and environmental issues like inequality, poverty, and climate change (George et al., 2016). By incorporating corporate social innovation, hereinafter referred to as CSI, into operations and strategy, co-creation opportunities are formed, increasing competitive advantage and shared value (Herrera, 2015). However, practitioners struggle to determine the fit between optimal financial investments, governance structures, and ownership models, desirable to secure long-term success of CSI (Scherer & Voegtlin, 2020).

Several social innovations fail, due to miscalculations in financial scaling and misaligned corporate governance strategies (Mulgan, 2006). Though corporations progressively engage in impact investing and social projects, there seems to be limited evidence on how their governance structure and investment degree correlates to the social outcomes (Voegtlin & Scherer, 2017).

The importance of this research is two-fold: economic and social. Companies that integrate CSI into their core business, can uncover new market opportunities, valued at \$12 trillion, aligned with the United Nations Sustainable Development Goals (Business & Sustainable Development Commission, 2017). At the same time, organisations face increasing pressure from stakeholders to validate their actions and create tangible social impact beyond the traditionally expected responsibilities of an organisation (Matten & Crane, 2005). Despite growing emphasis and pressure on CSI, achieving scalability remains a significant challenge, often compounded by governance limitations and absence of effective mechanisms to support such initiatives (Mulgan, 2006).

The analysed projects for this research are located in Asia. Asian countries foster a diverse cultural and social-economic landscape, which allows economic growth, and the emergence of innovative solutions tailored to the local context (The Hope Institute, 2014). Moreover, their approach is greatly influenced by the cultural norms and values, making it vital to adopt a framework that allows for ethical considerations (Christofi et al., 2024). Asian countries also contribute to innovation through their emphasis on shared norms and trust in formal institutions (Cho, 2021).

Currently, limited research has been conducted that shows the different contributions of corporate governance structures on CSI in developing countries, using a configurational approach. Different conditions of corporate governance structures are often researched in isolation, this research shows the interaction of conditions that generate successful CSI (Saka-Helmhout et al., 2024). This research, using a configurational approach, can provide new and interesting perspectives in this field, adding to the literature on CSI in developing countries.

## 1.2 Academic/theoretical relevance

The management and governance of corporations play a vital role in determining social innovation, (Scherer & Voegtlin, 2020). Despite the increasing acknowledgement of CSI as a vital driver of sustainable development, crucial aspects remain underexplored. The respective contributions of shareholder and stakeholder value approaches to CSI success remain ambiguous, indicating a gap in the literature that this thesis will address (Scherer & Voegtlin, 2020).

A firm's purpose is embedded in national governance systems and shaped by structures like ownership, board composition, and executive incentives (Aguilera & Jackson, 2010). These factors influence whether firms follow shareholder or stakeholder models and how they approach CSI. Dual-purpose firms must manage trade-offs between financial and social goals, relying on governance and institutional context (Battilana et al., 2022).

In strong institutional contexts, shareholder-driven models may succeed due to supportive regulations and markets (Khanna & Palepu, 2010). The shareholder value approach prioritises investor returns and often emphasises short-term gains (Aguilera & Jackson, 2010; Harrison & Wicks, 2013). While it can stimulate innovation, it tends to prioritise economic efficiency over social impact, often at the cost of stakeholder engagement (Scherer & Voegtlin, 2020; Yan, 2019). This limits the commitment needed for socially responsible innovation, closely linked to CSI (Scherer & Voegtlin, 2020; Yan, 2019).

The stakeholder value approach includes broader interests: including employees, communities, and environment (Aguilera & Jackson, 2010; Harrison & Wicks, 2013). This model is more compatible with sustainable development and social innovation, but can increase governance complexity. Still, it supports inclusive decisions, resource access, and legitimacy, vital for CSI (Scherer & Voegtlin, 2020).

Yet, evidence on how governance shapes CSI success remains limited (Schneider et al., 2017), especially in Asia where CSI is under researched (Khan et al., 2021). Most studies are qualitative or theoretical, with few using configurational methods (Saka-Helmhout et al., 2024).

### 1.3 Objective & research question

There appears to be a challenge, as the respective contributions of shareholder and stakeholder value approaches to CSI remains ambiguous. Thus, the following research question was formulated:

*“Under what conditions do shareholder value and stakeholder value approaches influence the scalability success of corporate social innovations in Asian developing countries?”*

This research question aims to establish and analyse the specific conditions under which the value approaches, individually or in combination, influence the scalability success of CSI in Asian developing countries. The outcome condition of this research is *“successful CSI”*, this condition encompasses both a social and an economic dimension.

This question will be researched through the use of Qualitative Comparative Analysis (QCA). The QCA approach encourages the assessment of causal reasoning by analysing how different conditions contribute to a specific outcome (Mello, 2021; Ragin, 1987; Rihoux & Ragin, 2009). For this research, an existing database was utilised, which was generated through a Private Sector Investment (PSI) project. The PSI project was made available for organisations who entered a long-term collaboration with partners in developing countries (Rijksdienst voor Ondernemend Nederland, 2024).

The unit of analysis used for this research, consists of the CSI projects within small and medium-sized enterprises (SMEs). Due to heightened vulnerability for institutional voids in developing countries, limited resources and smaller economic scale make it more difficult for SMEs to adapt and thrive in such environments (Mair & Martí, 2009). Nonetheless, innovation initiatives in SMEs, enable external knowledge sharing, which allows the development of social innovation solutions (Sarwar, 2021). Furthermore, network capabilities and social capital of SMEs facilitate its innovation performance (Sarwar, 2021).

This analysis will provide more understanding around the interplay between the different governance models and their influence on the scalability of CSI. Understanding the interplay

between governance mechanisms can facilitate organisations to generate CSI initiatives that are effective, financially feasible and scalable (Scherer et al., 2013). Comprehension of these mechanisms and their influence is crucial for organisations, while they otherwise may risk inadequate resource allocation, reputational damage and failed projects (Aguinis & Glavas, 2012).

The research acknowledges the unique institutional and economic, environment of developing countries in Asia and its challenges, influencing how corporations scale social innovations. By addressing how governance structures impact CSI outcomes, this research contributes to closing the gap and assisting practitioners to develop more effective and scalable CSI.

#### 1.4 Contribution

This thesis demonstrates a novel way to study successful CSI projects in developing countries, where most existing research tends to be either quantitative or lacks comparative qualitative depth (Saka-Helmhout et al., 2024). By applying a configurational approach, this study contributes to the field by offering a nuanced understanding of how different conditions interact to lead to successful CSI outcomes. Theoretically, it extends stakeholder theory by comparing stakeholder and shareholder-oriented models in development countries. For the scientific community, it provides a novel methodological contribution by applying QCA in the underexplored context of CSI in developing countries. Empirically, the data from PSI projects enrich this study by offering practical insights into key elements which enable a comparative analysis that reveals effective configurations for project success. Practitioners, corporate leaders, impact investors, and policymakers, can benefit from this thesis, as it offers actionable recommendations on how to maximise their social impact.

#### 1.5 Outline of the thesis

The first chapter presents the research problem, objective, and a brief theoretical background. The second chapter, presents a review of the literature and a theoretical framework, discussing CSI and corporate governance models. Chapter 3, outlines the research methodology, highlighting the use of QCA. Chapter 4 elaborates on the findings and the analysis of key conditions of CSI success. The last chapter concludes with key insights, discusses theoretical implications, limitations, and recommendations for further research.

## 2 Literature Review and Theoretical framework

### 2.1 Literature review

#### 2.1.1 Corporate Social Innovation (CSI) in developing countries

CSI incorporates social problem resolution strategies into the fundamental organisational strategies, promoting sustainable development and market competitiveness (Mirvis et al., 2016). Urgent problems of poverty, inequality, and environmental degradation that ask for creative and scalable solutions, where CSI plays a vital role. CSI ensures long-term sustainability, through integrating social value creation into the corporation's business model, which goes beyond traditional corporate social responsibility (CSR) (Porter & Kramer, 2011). Herrera (2015) similarly mentions that co-creation with stakeholders for CSI can create shared value, benefiting both the company and local communities. In developing countries, where businesses are increasingly adopting hybrid models that merge profitability and creating social impact, this objective is especially relevant (Sinkovics et al., 2014). CSI goes beyond traditional CSR, where they focus mostly on compliance, philanthropy and managing outside pressures to improve corporate reputation (Mirvis et al., 2016; Saka-Helmhout et al., 2021; Saka-Helmhout et al., 2024). The dual goal of a CSI initiative *“aims to create both shareholder and social value with the potential to alter the structure of innovation systems, improve employee motivation, and change corporate identities and strategies to increase competitive advantage, while at the same time bringing solutions to societal need”* (Dionisio & De Vargas, 2020, p. 1).

The introduction or adoption of CSI projects in developing countries, with urgent problems, call for creative and scalable solutions. SMEs working in these contexts, face institutional voids that necessitate and enable organisational innovation for social impact (Doh et al., 2017; Mair et al., 2012; Mair & Marti, 2009). When public institutions fail to meet basic needs, businesses can intervene with innovative solutions (Mair et al., 2012; Mair & Marti, 2009). Such initiatives address societal needs and further reach untapped markets at the “Bottom-of-the-Pyramid” (BoP) (Hart & Sharma, 2004; Prahalad & Hart, 2002). Investing in BoP markets can stimulate co-creating solutions with local communities and NGOs, rather than treating communities as passive members (London & Hart, 2011). At the same time, stakeholder pressure from local communities, NGOs, and foreign investors, push businesses toward more social engagement. They expect firms to contribute to development goals rather than focus solely on creating a profit (Halme & Laurila, 2009). This pressure is intensified by increasing global attention to sustainability and social justice,

making CSI a strategic consideration for companies aiming to maintain legitimacy and goodwill (Ansari et al., 2012).

Despite its potential, CSI projects struggle to scale or sustain impact due to misaligned strategies and resource constraints (Mulgan, 2006). Various social innovations projects fail due to miscalculations in financial scaling and misaligned corporate governance strategies (Mulgan, 2006). In other cases, ambiguous ownership in cross-sector partnerships can lead to conflicting priorities, compromising the initiative's focus (Porter & Kramer, 2011). This gap emphasises, there is little information about the link between corporate governance approaches and the success of social innovation efforts (Voegtlin & Scherer, 2017). Additionally, institutional and cultural barriers can hinder CSI. For example, without deep community engagement and governmental support, even well-initiated innovations may fail to gain traction in the local market (Ansari et al., 2012). Complicated procedures or unclear regulations in many developing countries pose further hurdles for firms attempting to implement novel social solutions (Barros et al., 2023). These nations often have a lack of clear legal frameworks for organisations, leading to inconsistent policies and roadblocks, which can discourage corporate initiatives (Barros et al., 2023). These challenges underscore the possible failures of CSI projects in developing countries, while highlighting the importance of choosing appropriate strategies to navigate the local context.

On the other hand, unmet needs and opportunities to leapfrog with innovative solutions in developing countries, offer fertile ground for CSI (Hart & Sharma, 2004). Though, to capitalise these opportunities, companies need to overcome constraints, such as weak institutions and resource scarcity. Companies frequently function as replacements for lacking institutional support, utilising their own capabilities to legitimise and scale projects (George et al., 2021; Mair et al., 2012; Mair & Marti, 2009). This refers to how businesses utilise their internal and external resources to close institutional gaps, which might have a significant impact on CSI success in developing countries. In conclusion, the context of developing countries, offer CSI both potential and obstacles, making it an imperative to research how corporate governance decisions impact the outcome of CSI.

### 2.1.2 Shareholder value approach for successful CSI

The shareholder value approach, institutionalised within the Anglo-American model of corporate governance, prioritises maximising shareholder returns as the firm's primary goal (Aguilera &

Jackson, 2010; Friedman, 1970). The shareholder theory suggests that businesses are likely to scale social innovation opportunities, when demonstrating potential for financial returns (Sundaram & Inkpen, 2004). While this model can foster economic growth and innovation, it often overlooks broader social concerns, potentially undermining trust and engagement crucial for social innovation (Yan, 2019).

CSI challenges the theory of Friedman (1970), by demonstrating that businesses are able to generate long term profits, while also addressing social issues. When integrating social impact in the business model, it is able to drive financial success through enhancing brand reputation and expanding the market (Jack & Suri, 2011; Yunus et al., 2010). However, scholars have increasingly questioned the rigidity of the shareholder model in modern businesses, stating that the shareholder approach has a single-minded focus, and is neither a legal requirement nor always beneficial to the business performance (Smith & Rønnegard, 2016; Stout, 2013).

### 2.1.3 Stakeholder value approach for successful CSI

In contrast, the stakeholder model, aligned with the coordinated or German model of governance, emphasises the importance of engaging multiple stakeholder groups, including employees, communities, and governments, in corporate decision-making (Aguilera & Jackson, 2010; Freeman, 1984). This approach fosters long-term sustainability, trust, legitimacy and ethical business practices, essential for CSI (Donaldson & Preston, 1995).

The theory of Freeman (1984) aligns with CSI, as CSI integrates social impact into the business model to ensure businesses address the needs of the various stakeholders. Businesses may mitigate risks, foster innovation and enhance trust when prioritising stakeholder relations, which can eventually contribute to sustainable business growth and societal well-being (Porter & Kramer, 2011). Therefore, the stakeholder theory may serve as a practical application to CSI, where addressing societal issues can create corporate success, through fostering inclusive development in developing countries (Donaldson & Preston, 1995; Freeman, 1984).

Ansari et al. (2012), support Freeman's theory by stating that engaging with stakeholders, is crucial for a CSI project, to become successful. Where there is a lack of community engagement and institutional support, CSI might still fail to gain traction (Ansari et al., 2012). This is further supported by Prahalad and Hart (2002), who state that local participation may enhance trust and enable the alignment of CSI and the needs of the targeted communities. Moreover, the stakeholder

approach may allow forming partnerships with NGOs and governments, which assists overcoming institutional barriers while providing regulatory support and enhancing program credibility (Yunus et al., 2010).

In conclusion, existing literature provides insights into corporate governance and CSI, though there remains to be a gap in understanding how governance models influence the scalability of CSI projects in developing countries. This gap explains the need for a theoretical framework that incorporates shareholder and stakeholder governance structures with key contextual factors to evaluate their influence on successful CSI. The following section will present this framework and employs the literature discussed prior, to establish the conditions under which CSI prospers.

#### 2.1.4 Key conditions shaping impact on success CSI in developing countries

The factors that contribute to the success of social innovation are divided into three main factors. The factors are drawn from the literature from Neumeier (2016), Murray et al. (2008), Bradley et al., 2012 and Bocken et al., (2014), as they prioritise the engagement of stakeholders, contributions of economic nature, and social networks. Thus, these theories were incorporated to create the following key factors: strategic commitment, financial resources and social resources.

##### 2.1.4.1 *Strategic commitment*

Strategic commitment is key for the success of projects in developing countries. This commitment is often evidenced by some type of investments, which signal a transition from initial implementation to long-term sustainability (Bocken et al., 2014). Achieving systemic change through sustainable business models, necessitates continuous resource allocation beyond one-off efforts (Bocken et al., 2014). Such ongoing investments are central for building infrastructure, fostering stakeholder relationships, and enhancing innovation processes. Moreover, the International Monetary Fund (IMF) shows that efficient public investment management, including proper project appraisal and consistent funding, is crucial for maximising the benefits of these investments (Eltokhy et al., 2024).

Unlike initial investments that may signal intent, recurring investments demonstrate a sustained commitment to strategic objectives (Smit & Trigeorgis, 2004). Firms engaging in follow-up investments, tend to exhibit enhanced performance outcomes, as these investments facilitate the realisation of strategic goals and competitive advantage (Indriyani et al., 2025). Therefore,

strategic commitment, is not simply a financial indicator, but a reflection of a project's potential for enduring impact and alignment with broader development goals, which serves as a tangible indicator of a business's enduring dedication to strategic initiatives.

#### *2.1.4.2 Financial resources*

The effectiveness, scalability, and long-term sustainability of CSI initiatives are hampered by various institutional, financial, and structural obstacles, notwithstanding their potential. Capital is crucial in overcoming entry barriers, funding R&D and finance operational costs, linked to the development of CSI project in developing countries (Bradley et al., 2012). Capital allows organisations to experiment in contexts where the traditional infrastructure might be lacking or experience institutional voids. Financial resources are crucial, as a project that shows potential for success, is more likely to attract essential funding (Neumeier, 2016).

In the context of developing countries, World Bank (2024) finds that a 1% GDP investment boost can raise output by 1.6% in five years, stressing the value of sustained funding. The lack of sustainable funding is a key obstacle for organisations, especially in BoP markets, where standard investment models and financial resources are frequently unavailable (Ha Le et al., 2024). Thus, it can be challenging for organisations to obtain funding from traditional financial institutions. As a result, government grants, impact investment, and donated funds may be utilised, even though these sources are not consistently dependable or viable (Ha Le et al., 2024). Without integrative financial mechanisms, organisations might struggle to maintain high performance and respond to increasing demands, thus limiting potential sustainable growth and societal impact (Jabłoński, 2016). By presenting government-backed funding arrangements, hybrid financial mechanisms and impact investments, financial constraints can be mitigated and enable capital access in developing countries. Moreover, policies promoting such combined finance arrangements, may provide long-term financial security for organisations operating in high-risk markets, such as developing countries (Ha Le et al., 2024).

While financial capital is essential, it must be complemented by other resources to enable effective, inclusive innovation (Bradley et al., 2012). Capital alone is not sufficient; its impact depends on how it interacts with and adapts to the local context.

### 2.1.4.3 *Social resources*

Social resources, such as the relationship between stakeholders can be seen as vital for CSI outcomes. Relational or institutional and regulatory barriers may create significant difficulties to the success of the CSI. Numerous developing countries have a deficiency of clear regulatory frameworks for social entrepreneurship, making it difficult for enterprises to operate efficiently and gain legitimacy (Barros et al., 2023). Therefore, organisations need to gain social legitimacy and institutional support, which, if not acquired, can restrict their ability to form trust, generate partnerships, and acquire resources (Adomako & Nguyen, 2024). These restrictions can further result in inconsistent policies, complex licensing procedures, and bureaucratic inefficiencies, discouraging organisational activity (Barros et al., 2023).

In many developing countries, organisations experience difficulties with gaining public and governmental recognition, as their aim to create profit and social impact, forms scepticism among stakeholders (Adomako & Nguyen, 2024). Organisations operating in developing countries, face numerous relational barriers, making it challenging for them to scale their impact (Gururaja, 2024). While relational collaborations, with governments for example, advances investments in digital infrastructure, training programs, and trade policies, supporting businesses expanding into new markets (Gururaja, 2024).

## 2.2 Theoretical framework

### 2.2.1 Defining successful CSI in developing countries

It is crucial to identify what successful CSI means in this research. This thesis suggests that successful CSI is characterised by sustaining economic viability, social impact and scalability. Financial viability, scalability and social impact, are traits of successful CSI programs in developing countries (Saka-Helmhout et al., 2021; Sanchez & Ricart, 2010). In order to guarantee success, these programs frequently utilise innovative business models, strategic partnerships, and community engagement to ensure both profitability and impact. Several successful CSI projects function as examples the shared value concept from Porter and Kramer (2011), which emphasises how organisations can generate financial profits while addressing societal concerns as well. Further elaborations on the shared value concept, can be found in appendix 13.1.

Fundamentally, a CSI project must create shared value, generating economic value for the firm, while simultaneously addressing social needs.

One key dimension of CSI success is economic value creation for the organisation, while contributing to societal issues. This aligns with the argument that social innovation at the “bottom of the pyramid” should be embedded as viable business models, not just philanthropy (Prahalad and Hart, 2002). Thus, successful CSI initiatives should contribute to the organisation’s financial performance or at least be self-sustaining. The financial aspect of CSI initiatives in a developing country, shows to be significant for the project to be successful. When a project increases competitiveness or opens new markets for the company, it is more likely to sustain and scale up over time.

Furthermore, the second dimension for successful CSI, is social impact. To create social impact, such as, reducing poverty, improve access to healthcare, promote education, ensure environmental sustainability, and improve quality of life (Halme & Laurila, 2009). Positioning social and environmental values into the business model leads to the creation of shared value, benefiting both the company and the community (Bitencourt et al., 2024). Hence, the success of the CSI initiative, illustrates the importance of the initiative to generate social impact as well. Though CSI aims to create social impact, this depends on factors beyond the company's direct control, such as market conditions and institutional policies, thus is considered as an external outcome.

A third crucial aspect of CSI success is scalability. As many social innovations start as a pilot project, however, little achieve broad impact or become embedded into the long-term organisational strategy (Mulgan, 2006). CSI initiatives commonly, have plans for growth and replication, ensuring that the benefits reach a larger population in the long-term. The goal of scalability is to expand the reach of CSI to enhance social impact and arises when the project reached the planned performance level (Webb et al., 2010). In this context, scalability, refers to the company's ability to expand CSI projects through financial growth or replication, rather than an observed increase in social reach (Saka-Helmhout et al., 2024).

In summary, for the purposes of this thesis, “*successful CSP*” refers to CSI initiatives that generate economic value, social impact and demonstrate potential for scaled impact in the long-term.

### 2.2.2 Governance approaches in CSI: Shareholder vs. Stakeholder models

Despite growing attention to CSI, the influence of corporate governance models on its scalability remains underexplored. Linking shareholder and stakeholder models to national governance systems can clarify the structural factors that shape firm behaviour and social outcomes (Aguilera

& Jackson, 2010). These institutional contexts inform how firms balance financial and social goals (Battilana et al., 2022).

The shareholder and stakeholder value approaches both offer benefits for specific people and types of groups (Aguilera & Jackson, 2010). Both approaches can face challenges with CSI initiatives. Balancing the often competing interests of various stakeholders, can present governance complexities. Decision-making can become slower or more problematic when firms must negotiate trade-offs between profit and social good, or among diverse groups' interests (Battilana et al., 2022). Without a clear strategy, a broad stakeholder focus could risk reduce organisational objectives. Hence, businesses must adopt an approach that identifies stakeholders who align closely with strategic goals and values of the firm (Harrison & Wicks, 2013). Despite these challenges, the trend towards greater stakeholder inclusivity, has increased in both business practices and theory.

Strong institutional surroundings, allow a shareholder-driven approach to work, as regulatory frameworks are present for the market to function (Khanna & Palepu, 2010). Though a limitation of the traditional shareholder model, is its tendency toward short-term financial metrics, which can undervalue long-term social investments. Scholars have critiqued the shareholder model for potentially hindering CSI, as it may lead to underinvestment in projects with high social value but modest immediate profits, and it may create internal resistance (Smith & Rønnegard, 2016; Stout, 2013). Rather than viewing shareholder and stakeholder models as strictly opposed, some scholars propose integrative frameworks that encourage elements of both for responsible innovation (Bacq & Aguilera, 2021; Voegtlin, & Scherer, 2017). Though, firms recognise that creating long-term profitability and social impact can be mutually reinforcing instead of conflicting (Smith & Rønnegard, 2016; Stout, 2013), managing grand societal challenges requires SMEs to transcend traditional governance models (Scherer & Voegtlin, 2020).

The literature suggests that neither the shareholder nor stakeholder approach alone guarantee success. Instead, the scalability success of CSI is likely to depend on a combination of the firm's governance orientation and the conditions under which the initiatives are implemented.

In other words, while theory distinguishes shareholder and stakeholder focused approaches, it remains unclear when and how the models contribute to the success of social innovations. This knowledge gap is significant, as governance implementation is likely to affect resource allocation,

project goals, and partnerships within the CSI initiatives. To address this gap, this research analyses how different conditions, influence the success of CSI projects in developing countries.

Scherer and Voegtlin (2020), provide a novel perspective on the convergence of the corporate governance structures and responsible innovation. Arguing that when addressing grand societal challenges, businesses are required to go beyond traditional governance structures, proposing a reflexive and participatory governance framework, which emphasises effectiveness, legitimacy and efficiency as key dimensions to evaluate corporate governance approaches.

Combining the shareholder theory of Friedman (1970), stakeholder theory of Freeman (1984) and arguments of Scherer and Voegtlin (2020), there seems to be a gap as to how the different corporate governance structures contribute to CSI. This emphasises the need for more research that integrates the different governance value approaches to assess their influence on CSI outcomes.

Based on the literature, this research argues that the success of CSI in developing countries is shaped by strategic commitment, social and financial resources that influence whether firms adopt a shareholder or stakeholder value approach. This research will use shareholder and stakeholder value theory as the main theoretical lens, whilst analysing how key conditions mediate CSI outcomes. As such, this thesis contributes to the literature by bridging the gap between corporate governance approaches and their practical impact on CSI projects in developing countries.

### 3 Methodology

#### 3.1 Contextual factors

The CSI projects that were analysed for this research are located in Asia, while Asian countries foster a unique environment for social innovation (The Hope Institute, 2014). Moreover, they also contribute to innovation through their increased value in shared norms and trust in formal institutions (Cho, 2021). This analysis focusses on SMEs, while innovation initiatives in SMEs allow external knowledge sharing and development of social innovation solutions (Sarwar, 2021). Furthermore, SMEs' social capital and network capacities support their innovative performance (Sarwar, 2021).

The dataset, generated from the PSI projects, is utilised for the analysis. This data provides insights into PSI-funding amounts, follow-up investment, and financial contributions, which can indicate shareholder value approaches. Moreover, the projects also show employment data, knowledge transfers, and outgrower participation, which can indicate stakeholder value approaches. This allows a comparative analysis of shareholder versus stakeholder value approaches. The unit of analysis consists of CSI projects within SMEs in Asian developing countries.

#### 3.2 Research design

As mentioned prior, this research utilised QCA, more specifically the crisp-set QCA (csQCA), as the main methodological approach. QCA bridges the gap between quantitative and qualitative research and can be beneficial for researchers through its ability to systematically compare and assess cases by analysing the configurations of conditions to identify patterns across those cases (Ragin, 1987). QCA recognises that different combinations of conditions can lead to the same outcome, the so-called, multiple conjunctural causation (Ragin, 1987; Rihoux & Ragin, 2009; Schneider & Wagemann, 2012; Thomann & Maggetti, 2020). QCA remains to be an underused method in CSI, which can provide new and interesting perspectives in this field and add to the literature (Saka-Helmhout et al., 2021; Saka-Helmhout et al., 2024). The use of QCA recognises that different configurations of conditions can lead to specific outcomes, as it realises that causality is complex and is context depended. The focus on causal complexity and configurational analysis aligns with post positivism, where they highlight the interplay between structures and mechanisms in creating observed phenomena (Schneider & Wagemann, 2012; Vennix, 2019; Mello, 2021).

The post positivism paradigm assumes there is an objective reality, though it acknowledges the limitations, such as the theory laden observations. While QCA utilises systematic procedures, such as the truth table and Boolean minimization, the post positivism paradigm fits properly. Additionally, this research employs a deductive approach, integrating existing literature and theories (Vennix, 2019). The primary aim of this deductive approach to QCA research, is to evaluate existing knowledge rather than generate new knowledge (Thomann & Maggetti, 2020).

### 3.2.1 The use of Qualitative Comparative Analysis

The Boolean algebra allows csQCA to simplify complex data structures in a holistic and logical way (Ragin, 1987; Rihoux & Ragin, 2009; Schneider & Wagemann, 2012; Thomann & Maggetti, 2020). This makes QCA a valuable instrument for exploring causal relationships in social phenomena. Applying csQCA, enables rich and detailed information, as dichotomous data, entails that the conditions or outcomes are presented as either 1 (meaning presence) or 0 (meaning absence) (Schneider & Wagemann, 2012). The QCA is applicable and not limited to, medium-N research designs, where the cases are too small for an in-depth qualitative analysis and too large for a conventional statistical method (Rihoux & Ragin, 2009). QCA allows handling complex, causal relationships while including equifinality, where several pathways lead to the same outcome (Rihoux & Ragin, 2009). Moreover, QCA also allows for conjunctural causation, where a combination of conditions lead to a specific effect rather than isolated factors. When comparing this to traditional quantitative approaches, QCA can provide more nuanced causality analysis, where case specific configurations are considered, rather than the average effect. This approach is effective when analysing multiple cases that are small enough to provide some specificity and details, yet are large enough to allow analysis of cross-case patterns (Mello, 2021; Rihoux et al., 2021). This thesis analysed 34 finalized CSI projects selected from the PSI dataset (2005–2011), focusing on SMEs in Asian developing countries that met predefined scope conditions.

### 3.2.2 Case selection

This thesis applies a comparative analysis of project cases within the PSI dataset. The projects were conducted from 2005 to 2011. In order for the number of cases to be comparable and reliable, at least four cases are required per condition (Mello, 2021). The database was retrieved from the PSI Projects and consists of 205 projects, from which a selection of cases was made to match the applicability of the research. First, the case selection is based on the scope conditions of this

research (Goertz, 2006). The following scope conditions were applied; 1), “finalized projects” of CSI, 2), projects that are processed and documented accurately in the dataset, including all significant data, 3), projects that meet all the dimensions of the CSI definition mentioned prior 4), only CSI projects in Asia, and 5) only CSI projects of SMEs. The applicable cases have been restricted to 34 cases, which is the final sample of this research. In appendix 1, a list of the cases in different Asian countries can be found.

### 3.2.3 Data collection

As mentioned prior, a dataset was used to research the proposed research question and further contribute to the knowledge gap. The data for this thesis derives from the PSI and was organised into a dataset that is appropriate for QCA. PSI was accessible to Dutch and international firms forming long-term partnerships with local associates in developing nations (Rijksdienst voor Ondernemend Nederland, 2024). The aim of PSI was to encourage sustainable economic growth by enhancing investment in notably innovative initiatives within the private sector of developing countries (Rijksdienst voor Ondernemend Nederland, 2024). These initiatives have played a vital role in boosting local economic growth and alleviating poverty (Netherlands Enterprise Agency (RVO), 2013). Some limitations arose, when utilising this dataset. Such as, incomplete or missing data in free text spaces and relevant external conditions that were obscured. To manage these limitations, a transparent calibration procedure was applied, as well a clear approach and coding rules for each condition and outcome to improve the consistency. When data is missing, these cases were excluded from configurations.

### 3.2.4 Outcome condition calibration

The main idea of the outcome condition calibration is to realise whether the concepts are present or absent in a particular case of the study. The outcome condition that this thesis analysed is “*successful CSI*”. The outcome condition, states that a particular case is either present (1) or absent (0) in csQCA. CSI, in this thesis, is established as having a social and economic component (Dionisio & de Vargas, 2020). Thus, this research includes both components, to assess the outcome condition.

To apprehend the social component, this research will look at three indicators from the dataset. These indicators will be assessed, by looking at their positive societal influence. The social component can be comprehended via employment creation, trained labour and an increase in

income for local workers (Saka-Helmhout et al., 2021). Thus, the indicators from the dataset are allocated accordingly from the dataset: employment realised, knowledge transfer realised and effect on income. The project is assessed as socially successful, if it significantly increases the number of jobs, knowledge transfer and income of the local workers. Income is considered high, when the income generated is above the country average, or if the data mentions an increase in the prior established income (1), and low when the generated income did not indicate changes (0). To determine whether there is a high or low job creation, the jobs created will be divided by the recipient firm size. When this is higher than or equal to one, there is a high job creation (1) and when this is lower than one, there is a low job creation (0). Trained labour is established by subtracting the expected knowledge transfer from the realised knowledge transfer. When this outcome is positive, high knowledge transfer is established (1). When this outcome is negative, low knowledge transfer is established (0).

To apprehend the economic component, this research will look at the internal rate of return (IRR). The IRR is a representative rating of the economic success for a project (Saka-Helmhout et al., 2021). Since there is no prior knowledge of what constitutes a high or low IRR in this context, the average IRR of 12% in this sample, is utilised as a cut-off number. A project is deemed to have a low economic outcome if its IRR is 12% or less (0), and a high economic outcome if its IRR is greater than 12% (1).

The outcome of “*successful CSI*” is dichotomised based on these four indicators, which can be found in appendix 2. Projects that meet 3 or more out of 4 indicators will be assigned membership (1), and less than 3 out of 4 indicators as non-membership (0). This dichotomization reflects the gradation of social and economic success CSI initiatives (Mello, 2021; Ragin, 1987; Rihoux & Ragin, 2009).

### 3.2.5 Causal conditions calibration

Corporate governance models, financial resources, strategic commitment and social resources are included as the causal conditions, while scientific literature relates these to impactful CSI outcomes. Due to several limitations with the used database, not all details of every potential project feature was available. Therefore, the database is appropriate for past events and the documented information in the data provided. The selected conditions are in regard to the available information and the substantiation of the scientific literature of these conditions (Ragin, 1987;

Rihoux & Ragin, 2009; Schneider & Wagemann, 2012; Thomann & Maggetti, 2020). It is ideal to have a balance between the number of conditions and the number of cases within QCA. However, the number of conditions selected should be complex enough to allow for the exploration of various configurations of relevant factors (Mello, 2021).

The condition “*Financial resources*” is measured, through the firm’s financial commitment (Gundlach et al., 1995), in contributing resources for the overall project funding. Partnerships involving firms with strong financial commitment are more likely to achieve CSI outcomes (Saka-Helmhout et al., 2021). To assess this, the ratio of external funding received to the firm's own contributions was calculated. Projects with a ratio larger than 1, indicated that they received more funding than the firm invested, were considered to have low financial commitment and were assigned a value of 0. Projects where the firm's contribution exceeded the funding received, were considered to demonstrate high financial commitment and were assigned a value of 1.

The condition “*Stakeholder engagement*” was measured via the collaboration of the tripartite partnership. The tripartite model fosters a more integrated and effective approach to CSI by leveraging the unique strengths and perspectives of each stakeholder group (Hasan, 2017). The three main stakeholders typically involved are, government, business and civil society, such as the local community an NGO or university (Hasan, 2017). When all actors were involved, this condition was assigned a value of 1. If there was at least one of these three actors absent, the condition was assigned with a 0.

The condition “*Shareholder value*” was measured via the categorised joint ventures (JV) based on the applicant's ownership share to assess the governance structure of partnerships. In developing countries, they suggest that when the local partner (the applicant) holds a majority share, it can reduce opportunistic behaviour by the foreign partner and enhance knowledge transfer between firms (Saka-Helmhout et al., 2021). To quantify this, they compared the ownership shares: if the applicant owned more than 50%, the JV was classified as a majority JV and assigned a value of 1, reflecting strong governance and control. If ownership was exactly 50%, indicating equal partnership, it was considered the crossover point and given a value of 0.5. When the applicant held less than 50%, indicating a minority stake, the project was assigned a value of 0, suggesting weaker governance influence.

The condition "*Strategic commitment*" is evaluated through the lens of follow-up investment, which serves as a tangible indicator of a company's enduring dedication to strategic initiatives. Unlike initial investments that may signal intent, subsequent investments demonstrate a sustained commitment to strategic objectives, reflecting adaptability and responsiveness to evolving market (Smit & Trigeorgis, 2004). Such reinvestments often encompass additional funding rounds, scaling operations, or enhancing capabilities, underscoring the firm's long-term strategic orientation. Empirical studies suggest that firms engaging in follow-up investments tend to exhibit improved performance outcomes, as these investments facilitate the realisation of strategic goals and competitive advantage (Indriyani et al., 2025). To operationalise this condition, firms that have follow-up investments, were assigned a value of 1. Contrariwise, firms without these follow-up investments were assigned a value of 0.

The condition "*Social resources*" was measured via the length of the project. Where the time spent between the companies can build a relationship. Research on organisational culture suggests that meaningful change generally takes no less than three years (Wilhelm, 1992). Since new initiatives often demand that partners transition to sustainable business practices (De Silva et al., 2019), it is reasonable to expect that meaningful results from social innovation will similarly require a minimum of three years to emerge (Saka-Helmhout et al., 2021). Thus, projects that had duration of 3 years or more, were assigned with a value of 1. Projects that took less than three years were assigned with a value of 0.

### 3.3 Data analysis method

For the data analysis phase, the raw data table was compiled, containing all cases after the calibration process. This ensured that the data was structured and standardised. Secondly, the necessity analysis was performed, to determine whether certain conditions were required for an outcome to occur. Afterwards, the truth table was constructed, systematically organising the data to identify certain patterns and relationships between the conditions. Then, the contradictions were analysed within the dataset and these inconsistencies were then addressed. Next, the logical remainders were analysed, which entails deciding how to treat the cases with ambiguous or missing data. Boolean minimization was used to conduct a sufficiency test to identify the simplest and most explanatory configurations within the data. Finally, the solutions were obtained and interpreted, drawing insights from the results, followed by a robustness check to validate the

consistency and reliability of the findings. These steps are aligned with the QCA literature (Mello, 2021; Ragin, 1987; Ragin, 2014; Rihoux & Ragin, 2009).

### 3.4 Research ethics

This research takes into account several ethical considerations. Firstly, as of the first of October 2018, all researchers of Dutch universities, engaging in research, must adhere to the guidelines of The Netherlands Code of Conduct for Research Integrity (2018). In this code of conduct, there are five main principles, or virtues researchers towards the appropriate choices of all situations, namely; Honesty, Scrupulousness, Transparency, Independence, Responsibility, (The Netherlands Code of Conduct for Research Integrity, 2018). This thesis thus, adheres to these principles and complies to The Netherlands Code of Conduct for Research Integrity (2018). Secondly, the data processed for this thesis also adheres to the General Data Protection Regulation (GDPR). The GDPR, consists of several guidelines and principles which are formed in order to harmonise data privacy laws across nations (General Data Protection Regulation (GDPR), n.d.). Finally, to avoid plagiarism, texts and other messages from authors, will be cited and paraphrased accordingly.

### 3.5 Research quality criteria

This research ensures rigor and validity by employing QCA with an already established dataset. The choices of conditions and outcomes are grounded in theoretical existing literature and relevant frameworks, which ensures for conceptual relevance and clarity. Moreover, the dataset is critically assessed for completeness, appropriateness and verifiability. All data transformations and coding decisions are documented and justified in forms of memos, which can be found in appendix 12. The calibrations of the data into memberships sets, are theoretically informed. The calibration anchors are explained and consistently applied. The robustness of the findings is evaluated through robustness checks, which include a consistency threshold, frequency cut-offs and diverse calibration schemes where necessary. The truth table and the minimization process are conducted systematically, where the logical remainders and contradictory configurations are carefully considered and analysed. The resulting solution terms are interpreted taking into consideration theoretical expectations and empirical probability. Lastly, all analytical steps are presented in a rather clear and reproducible way, which allows the reader to trace logic from the data to the final conclusions.

## 4 Analysis and Findings

### 4.1 Data exploration

This chapter presents the calibrated data, analyses, results, and interpretations of the solutions obtained with QCA. A csQCA analysis was performed with the software fsQCA 4.1 (Rihoux & Ragin, 2009) and different solutions are presented which result from the minimization analysis. The research question “*Under what conditions do shareholder value and stakeholder value approaches influence the scalability success of corporate social innovations in Asian developing countries?*” or put differently, which are the configurations (or pathways) that lead to successful CSI? is explored and approached via the minimalization formulae. While QCA allows for case-based return, the findings are systematically challenged with the empirical reality of key cases. Out of the 34 cases analysed, 16 have full membership and 18 have non-membership of the set successful CSI. A concluding section synthesises the main insights drawn from the descriptive analysis, which can be found in appendix 4. In appendix 5, an overview of the selected cases for this analysis can be found, including an individual case description.<sup>1</sup>

The aim of the following QCA analyses is to identify relationships of necessity and sufficiency between the outcome and different configurations of causal conditions. Specifically, the analyses explores whether the outcome is a subset of specific conditions or whether certain combinations of conditions are subsets of the outcome.

### 4.2 Analysis of necessity

The first analytical step consisted of the identification of those necessary conditions in which the outcome has occurred. A certain condition is necessary, when the outcome cannot arise without it and when the condition is absent, the outcome does not occur (Mello, 2021; Ragin, 1987; Rihoux & Ragin, 2009; Schneider & Wagemann, 2012). For this thesis, a necessary condition is defined as a condition that must be present for successful CSI to occur. To assess this, the criterion of this research is twofold: consistency, which shows how often the condition is present when the outcome occurs and coverage, which shows how much of the outcome is explained by the condition (Schneider & Wagemann, 2012; Thomann & Maggetti, 2020). A condition is considered potentially necessary if its consistency is at least 0.9 and its coverage is at least 0.5 (Mello, 2021). However, when each condition was tested individually, none met these thresholds, therefore no

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<sup>1</sup> The case names were coded, based on the case descriptions.

single condition was necessary for CSI success. Deviant cases were evaluated in light of the consistency of the configurations. Configurations with consistency scores below 0.5 were not considered causally interpretable, thus these cases were not treated as meaningful deviant cases (Schneider & Wagemann, 2012). Appendix 6 illustrates the outcome of the necessity test. The necessity analysis for the absence of the outcome also did not find any single necessary conditions. This test assesses whether there are any conditions that are necessary for the outcome not to occur. Appendix 7 illustrates the outcome of the negated necessity test. Overall, the findings show that there is no single necessary condition for successful CSI in the sample, implying that multiple different combinations of factors can lead to successful CSI. The following step was to perform functional equivalents analyses, using the logical OR +, with a combination of conditions (Schneider & Wagemann, 2012). Nonetheless, this procedure should be theory-driven rather than mechanically applied and thus was deliberately not applied, as there was no convincing theoretical foundation to substantiate its use (Schneider & Wagemann, 2012).

#### 4.3 Analysis of sufficiency

The next step is the analysis of sufficiency which consists of identifying combinations of conditions and assess whether they consistently lead to the outcome. This is done by constructing truth tables and consistency scores both for the presence and the absence of the outcome. The standard analysis developed by Ragin (2008) and Ragin & Sonnett (2004), is performed when confronted with a truth table that contains logical remainders (Schneider & Wagemann, 2012). It enables the production of three different solutions: the complex, the parsimonious and the intermediate solution. The first one, does not include assumptions about logical remainders, therefore it is more descriptive; the second one, includes all logical remainders; and the third one, only includes convenient counterfactuals. The distinction between the three solutions lies in how they use logical remainders as simplifying assumptions (Schneider & Wagemann, 2012).

A condition is considered sufficient when its presence consistently leads to a particular outcome, even though that outcome may still arise without it occurring (Mello, 2021; Ragin, 1987; Rihoux & Ragin, 2009; Schneider & Wagemann, 2012). To explore this, a truth table is developed. This table functions as a structured overview, mapping various combinations of the causal conditions alongside the cases that present them. The process continues with logical minimisation, a technique that simplifies the truth table by reducing the number of causal paths to those that are most essential

for explaining the outcome (Ragin, 1987; Schneider & Wagemann, 2012). The constructed truth table can be found in appendix 8. A frequency threshold of 1 is applied to exclude configurations that were not observed in any case. While a higher cut-off, such as 2, might filter out potentially idiosyncratic cases, this thesis decided not to use a higher cut-off due to the limited number of total cases. This reflects a common trade-off in QCA between maximising coverage and ensuring analytical robustness (Alamos-Concha & Saka-Helmhout, 2023; Saka-Helmhout et al., 2024). In this instance, retaining more configurations is preferred to preserve diversity among cases. Additionally, a consistency threshold of 0.8 is enforced (Rihoux & Ragin, 2009; Thomann & Maggetti, 2020). As a result, configurations falling below this threshold are considered insufficient and are coded as lacking the outcome.

No configurations in the truth table revealed contradictory cases: identical causal conditions led to the presence and the absence of the outcome. This was positive as the same combinations should not result in both the presence and absence of an outcome, challenging causal inference (Schneider & Wagemann, 2012).

This thesis demonstrates a solution consistency score of 0.91 and explains 63% of the outcome (solution coverage = 0.63), indicating the identified conditions are well-supported by the data and effectively explain the observed outcomes. The parsimonious solution is emphasised due to its clarity and equal performance relative to the more detailed models (Schneider & Wagemann, 2012). These solutions are presented using Boolean logic. In this notation, the conditions with the “~” symbol in front of the condition, indicate absence. The symbol “\*” signifies logical AND, and “+” represents logical OR, capturing multiple valid pathways. The Boolean expression for the parsimonious solution is shown below:

$$(\text{strcom}^*\sim\text{socialres}^*\sim\text{stakeeng}^*) + (\text{socialres}^*\sim\text{finanres}^*\text{stakeeng}^*) + (\text{strcom}^*\text{socialres}^*\text{stakeeng}^*\sim\text{shareval}) + (\text{strcom}^*\text{finanres}^*\sim\text{stakeeng}^*\text{shareval}) = \text{succsi}$$

Configuration charts are useful tools to visually represent QCA results (Fiss, 2011). These diagrams typically display configurations along one axis and causal conditions along the other. Solid black circles signal the presence of a condition, while the circle with crosses denote its absence. If a cell is left blank, it indicates that the condition has no bearing on that particular solution, essentially meaning irrelevant for that pathway. Additionally, the parameters of fit are usually displayed alongside these visuals. For instance, raw coverage quantifies the share of the

outcome that a configuration explains, while unique coverage shows the portion of the outcome that is exclusively explained by a specific path, not shared with others (Schneider & Wagemann, 2012). The diagram's lower section lists cases associated with each individual solution (Mello, 2021). Bold cases indicate that they are uniquely covered by only one pathway, while the other cases belong to more than one solution pathway.

Table 8: Configuration chart

Pathway	1	2	3	4
Strategic commitment	●		●	●
Social resources	⊗	●	●	
Financial resources		⊗		●
Stakeholder engagement	⊗	●	●	⊗
Shareholder value			⊗	●
Raw coverage	0.25	0.25	0.1875	0.1875
Unique coverage	0.125	0.125	0.0625	0.0625
Consistency	1	0.8	1	1
Solution coverage	0.625	0.625	0.625	0.625
Solution consistency	0.91	0.91	0.91	0.91
Cases	<b>40BanPackWalbeek</b> 116IndProcHeusden <b>177ThaGenB.V.</b> 183VieProdWassenburg	77ChiProdHilverda 84ChiGenSyngenta <b>113IndMedRoosen</b> <b>122IndGenDe</b> <b>173ThaProdR.J.H</b>	77ChiProdHilverda 84ChiGenSyngenta <b>152PakGenTrouw</b>	<b>42BangDigiKimball</b> 116IndProcHeusden 183VieProdWassenburg

The parsimonious solution, chosen for its maximum simplification and revealing potentially relevant causal paths that may not be captured in the complex solutions, is presented in the Fiss chart above. Across the four resulting paths, strategic commitment is a frequent condition, appearing in three of them. Stakeholder engagement is present in every path, twice as a presence, twice as an absence. In this chart, each path is linked to three or more cases, with some overlap

between them, resulting in a reasonable case count. The overlapping cases are displayed in bold in the Fiss chart. No inconsistencies were observed within these solutions. The recurring factors across successful cases include stakeholder engagement, strategic commitment and social resources. The below explained cases are selected, based on their unique coverage of one pathway. More case elaborations that demonstrate the pathways listed below, can be found in appendix 11.

### ***Pathway 1: Continuous resource commitment***

The first pathway is well demonstrated by case 40BanPackWalbeek, a Bangladeshi project that aimed to produce high-quality polyethylene (PE) packaging. The Dutch partner, Walbeek Foods BV, had a long-standing trading relationship with Kamico Bangladesh Ltd., the local partner. The project aimed to diversify from trade into local production by establishing a full-colour PE bag manufacturing facility. Kamico, with experience in various business areas, including toxic waste management, became active in implementing this industrial transformation. Their direct field presence and knowledge facilitated the setup of a JV named Wellpac, encompassing factory construction, machinery procurement, and employment creation (120 jobs). Despite the shift in activity scope, both partners maintained close collaboration and follow-up investment materialised of €700,000. This long-term capital commitment and strategic shift exemplify trust and sustained cooperation, key features of this pathway.

### ***Pathway 2: Relational engagement***

Located in Thailand, project 173ThaProdR.J.H., illustrates the relational engagement pathway very well, which aimed to establish the country's first standardised coco peat factory. The Dutch applicant, RJH Beheer BV, collaborated with local partners including AIF Ltd. and EuroSubstrates (a Sri Lankan affiliate). Civil society stakeholders such as grower organisations (Chetai) and orchid producers were directly involved in demonstration trials, indicating a broad stakeholder engagement process. The project not only aimed at reducing the environmental impact of untreated coco peat but also at lowering import dependency by producing growing media locally. Thai partners gained access to advanced technology and research support, allowing them to move up the value chain. The environmental relevance and stakeholder-driven testing process reflect relational engagement principles. While no follow-up investment was realised, the collaboration itself crossed multiple countries and actors with aligned environmental and economic interests.

### ***Pathway 3: Strategic social alignment***

A case that exemplifies the strategic social alignment pathway is 152PakGenTrouw, a project based in Pakistan titled "Feed for Milk". Led by Trouw Nutrition International BV (TNI), part of the multinational Nutreco, the project aimed to establish a facility for producing high-quality pelletised ruminant food in Sheikhpura. The local partner, Vandana Ltd., already active in conventional feed production, joined the initiative alongside civil society stakeholder Syed Babar Ali Trust, which co-financed the local contribution. The project also involved Blue Link, a related investment fund, ensuring long-term capital support. Due to corporate governance constraints of Nutreco's, TNI could not enter the JV immediately, but ensured its involvement via contractual commitments. Eventually, TNI planned to acquire a majority stake, signifying a long-term strategic vision. A distinguishing feature of this case is the integration of farmer education and local distribution networks to build market potential and enhance milk productivity, a socially inclusive factor aimed at doubling smallholder incomes. The alignment of commercial strategy with social impact, participation from civil society, and long-term planning mark this project as an instance of strategic social alignment. Though follow-up investment was modest, the embedded vision and commitment were substantial.

### ***Pathway 4: Financially anchored commitment***

The financial significance of a CSI project is well illustrated by case 42BangDigiKimball, where a Bangladeshi initiative, introduced digital printing technology to modernise the garment printing sector, ensuring the transfer of technical knowledge and equipment. Strategic alignment between partners enabled the swift implementation of technology upgrades. However, limited consultation with local stakeholders appeared to restrict broader buy-in, which may have impacted the project's adaptability to local needs. Although local actors were involved, there is no straightforward evidence of active civil society or grassroots stakeholder engagement during project setup. Instead, the outcome appears driven by strategic commitment and sufficient financial resources, illustrating that projects can succeed even in the absence of broad stakeholder collaboration when other conditions align.

#### 4.4 Analysis of sufficiency for the negated outcome

The following step was conducting the sufficiency analysis for the negated outcome. Conducting a sufficiency analysis for the absence of the outcome is advisable, given that the existence of certain conditions may not mirror the effects of their absence (Ragin, 2008; Thomann & Maggetti, 2020). This step is primarily intended to verify compliance with the principle of causal asymmetry. Further elaborations, such as the truth table and the Fiss chart, can be found in appendix 9. These findings confirm that the analysis of conditions leading to a successful CSI outcome, is indeed asymmetrical, as recommended.

#### 4.5 Robustness check

The conditions for this analysis, have been recalibrated several times. To evaluate how dependable the findings are, robustness checks were conducted. This robustness check, revisits certain analytical conditions to determine if the outcomes remain consistent under slightly altered assumptions. This process serves to verify that the conclusions drawn are not overly dependent on specific methodological choices made earlier in the thesis. To assess robustness, an adapted version of the protocol by Oana and Schneider (2021) introduced by Alamos-Concha (2025) was applied, modifying the consistency threshold, outcome calibration, and frequency cut-off.

Three alternative solutions (S1–S3) were produced by varying these restrictions. S1 (higher consistency threshold) largely replicated the initial solution, confirming the strength of key configurations. S2 (altered calibration of the outcome) resulted in lower coverage and little overlap with the original solution. S3 (higher frequency threshold) yielded minimalistic single condition terms and eliminated conjunctural causation. The results are thus partially robust, as some configurations remained stable while others were more sensitive to analytical changes. The entire robustness check can be found in appendix 10.

## 5 Conclusion and discussion

This chapter presents the main conclusions drawn, relating them to the prior introduced theoretical foundation. It also highlights theoretical implications, acknowledges the research limitations, and proposes directions for further research. The original research question, was as follows: *“Under what conditions do shareholder value and stakeholder value approaches influence the scalability success of corporate social innovations in Asian developing countries?”*

### 5.1 Conclusion

The analyses with QCA revealed that CSI scalability success is not driven by a single factor, but rather by combinations of conditions that balance or align shareholder-centric and stakeholder-centric approaches. Collectively, the four pathways mentioned prior, illustrate that multiple configurations can lead to CSI success. The influence of shareholder value and stakeholder value approaches is context dependent. For example, a stakeholder value approach demonstrates to be significant when community engagement and trust are dominant, whereas a shareholder value approach can succeed when supported by strong resources and a favourable context. Importantly, the most resilient outcomes tend to occur when shareholder and stakeholder value are synergistically aligned, either within a single strategy or through partnerships that exchanges strengths from the parties involved. This suggests that framing shareholder versus stakeholder may be too simplistic; in practice, scalable CSI in Asia often arise from integrating profit motives with social purpose, complementary. All identified pathways demonstrate ways that organisations can contribute to societal goals while also ensuring viability and growth of innovation.

This research concludes that both shareholder and stakeholder value approaches have important roles in scaling CSI in Asian developing countries, although their influence is effective only under particular configurations of conditions: strategic commitment, social resources, financial resources, stakeholder engagement and shareholder value. By recognising and connecting those conditions, firms can successfully scale CSI.

### 5.2 Theoretical implications

The primary contribution of this research is the configurational approach to successful CSI, in Asian developing countries. By identifying multiple configurational pathways, through which shareholder and stakeholder value approaches, individually or in combination, enable the successful scalability of CSI. The pathways mentioned above demonstrate that there is no single

procedure for scaling CSI. Both shareholder value and stakeholder value approaches can lead to success. Nonetheless their effectiveness depends on their interaction with other conditions. The analysis reinforces core concepts from stakeholder theory: considering stakeholder interests, engagement, and legitimacy is often a vital success factor in complex environments (Donaldson & Preston, 1995; Freeman, 1984). In pathways where stakeholder engagement was present, companies leveraged trust, local knowledge, and co-creation with communities to achieve impact. This aligns with the view that managing stakeholders can enhance a business's long-term performance and legitimacy (Freeman et al., 2004). By involving marginalised communities and valuing grassroots feedback, companies can uncover innovative ideas and access untapped markets. This aligns with the claim that the insights essential for 'competitive imagination' often reside at the fringes of stakeholder engagement (Hart & Sharma, 2004). Thus, a stakeholder value approach is likely to be effective when success depends on adapting to local needs, gaining community acceptance, and fostering creativity due to resource constraints, common conditions in developing countries. Pathway 2 and pathway 3 exemplify this: even without strong profit drives, those projects scaled through social stakeholder-centric strategies, supporting the involved benefits of stakeholder engagement in CSI.

On the other hand, the analysis also illustrates insights from the shareholder theory. A shareholder value approach can drive scaling when the innovation aligns with a viable business model and receives internal investment. In pathway 4, having a clear profit motive and strategic alignment meant the business treated the CSI project as important as any JV, dedicating resources and management attention to develop it. The shareholder theory would predict that when social innovation opportunities show potential for returns, companies will be motivated to scale them (Sundaram & Inkpen, 2004). This affirms that financial resources and financial commitment are essential conditions in profit oriented CSI projects, when well-backed and supported within the firm. However, the role of the shareholder approach is dual-purposed. If pursued in isolation, a narrow focus on profit can challenge a CSI's social impact or cause stakeholder repercussion (Porter & Kramer, 2011). This is why even the shareholder-driven pathways in the QCA still required stakeholder cooperation or legitimacy to succeed (Saka-Helmhout et al., 2021). The pathways reflect the principle of enlightened self-interest, the perception that even firms focused on maximising profits can achieve better long-term results by recognising and incorporating stakeholder concerns (Jensen, 2001). Essentially, these successful cases avoided the drawbacks of

pure short-term shareholder primacy by either implicitly or explicitly balancing it with stakeholder considerations.

From a theoretical standpoint, these findings demonstrate the complementarity of shareholder and stakeholder theories in explaining successful CSI. Shareholder theory helps understand the importance of economic viability and internal commitment, CSI projects scale when they have solid (willingness) business foundations. Stakeholder theory explains the importance of external relationships and social impact, CSI projects scale when they earn the support of those they affect and utilise collective resources. In developing countries, where markets and governments can fall short, the stakeholder perspective develops to be salient, where businesses often must collaborate with NGOs, communities, and governments to compensate for institutional shortages (Saka-Helmhout et al., 2021). At the same time, without the focus and resourcing those businesses provides, many CSI projects might remain small programs. Hence, the greatest amount of scaling is frequently experienced when stakeholder value and shareholder value approaches converge. This is fundamentally what pathway 3 demonstrated, and it reflects the notion of shared value creation as a driver of scalable social innovation (Porter & Kramer, 2011). By aligning profit with purpose, firms can justify major investments in social innovation and integrate it into their core strategy, while delivering genuine solutions that stakeholders embrace.

Important to note is that the QCA results implicitly emphasise how institutional context influence which approach is effective. In relatively stronger institutional settings, a shareholder-driven approach with formal structures can work, as rules and support are in place for markets to function and the firm can focus on efficiency (Khanna & Palepu, 2010). In more institutionally weak settings, a stakeholder-centric approach is often necessary to overcome market failures and gain trust (Mair et al., 2012). This relates to private firms often taking on roles that governments or markets typically play in developing countries, which naturally requires a stakeholder orientation (Doh et al., 2017). For instance, empirical studies have shown that companies investing in BoP markets succeed by co-creating solutions with local communities and NGOs, rather than treating communities as peripheral members (London & Hart, 2011). When formal institutions and immediate profits are lacking, engaging stakeholders and leveraging social capital is the viable path to scale (Saka-Helmhout et al., 2021). Contrariwise, when a clear profit opportunity is present and institutions help reduce risk, corporations can lean more on shareholder reasoning. However,

even then, long-term success is enhanced by inclusive practices. Though not fully integrated in this research, additional discussion on the role of institutional variation can be found in appendix 13.2.

### 5.3 Managerial implications

The results of this research offer actionable directions for managers aiming to scale CSI in Asian developing countries. Rather than implementing a one-size-fits-all strategy, managers must recognise context specific configurations of stakeholder engagement, resource allocation, and value orientation. The success of different pathways, ranging from stakeholder driven to shareholder driven or hybrid shared value models, shows that their effectiveness depends on aligning with local institutional and economic environment. In settings characterised by institutional voids, stakeholder-oriented approaches rooted in trust, legitimacy, and relationship building are particularly fundamental. In contrast, shareholder driven approaches can succeed when formal institutions are well established and profit outcomes are evident, though they still require strategic commitment and contextual sensitivity. Across all configurations, internal strategic commitment appeared as a recurring factor, emphasising the importance of embedding CSI within core business operations rather than addressing it as a peripheral initiative. Managers are thus advised to encourage teams with strong interpersonal capabilities and invest in long-term partnerships that balance commercial viability with local context. Moreover, hiring or training boundary spanners who can operate securely between corporate logics and local stakeholder needs. Further managerial implications can be found in appendix 14.

### 5.4 Critical reflection on the limitations of the research

While this thesis yields valuable insights, several limitations must be acknowledged. Methodologically, the use of QCA with a sample of 34 cases presents intrinsic constraints. Although QCA is compatible with small to large-N samples and is effective for finding complex causality (Mello, 2021; Ragin, 2008; Rihoux & Ragin, 2009), the number of cases in this thesis provides modest generalizability of the specific configurations identified (Merton, 1949).<sup>2</sup> Different or additional cases might reveal new pathways or modify the relative importance of certain conditions. Moreover, QCA results are sensitive to how conditions and outcomes are

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<sup>2</sup> Merton's (1949) middle-range theory, emphasises the development of modest generalizations, empirically grounded propositions that apply specifically to the cases studied, rather than claiming universal validity

calibrated. Despite basing calibrations on theoretical and empirical knowledge, the process involves subjective thresholds. Therefore, different calibration choices might create slightly different solutions.

A further limitation lies in the possibility of omitted conditions. The thesis focused specifically on shareholder and stakeholder value approaches and a limited set of causal factors. However, other variables, may also influence CSI scalability, but were not included in this research. This suggests the need for caution in interpreting the completeness of the causal explanations.

There are also theoretical and contextual constraints. The exclusive focus on shareholder and stakeholder theories, while insightful, does not capture the full theoretical spectrum potentially relevant to CSI outcomes. Other frameworks or theories may provide complementary or alternative explanations.

Finally, the geographical and sectoral scope presents limitations. All cases were drawn from Asian developing countries, many from specific regions and industries. The socio-economic and institutional dynamics of Asia may differ from those in other continents, meaning the identified pathways may not generalise globally. Moreover, case selection bias exists: the 34 cases analysed were predominantly successful or well documented CSI initiatives, potentially excluding less visible or failed cases.

## 5.5 Directions for future research

Building on these limitations, several promising directions emerge for future research. First, scholars should consider expanding the geographical scope to include CSI cases from other developing regions. This would assess whether the configurations identified in this thesis are context specific or more broadly applicable across different institutional environments. Similarly, examining sectoral differences, could refine sector specific insights and recommendations for practices.

Second, future research would benefit from adopting a longitudinal and process oriented approach to studying CSI scalability. While this thesis provides a static view of successful configurations, longitudinal research could reveal how CSI projects evolve over time, when certain conditions become more critical, and how scaling unfolds in phases.

Third, integrating mixed-methods approaches would enhance causal explanations and contextual richness. Combining QCA with in-depth qualitative research, could uncover the mechanisms and actor dynamics underlying the observed configurations (Alamos-Concha et al., 2022). Additionally, an embedded case study approach could examine governance dynamics in CSI scaling. For example, how corporate governance interacts with stakeholder governance throughout the scaling process.

Overall, future research should aim to develop more holistic and dynamic models of CSI by integrating multiple theoretical perspectives and empirical strategies. This would advance understanding, not only of how CSI can be scaled, but also of the organisational capabilities, institutional conditions, and stakeholder relationships that enable it to deliver inclusive and sustainable impact.

## 6 References

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## 7 Appendices

### 7.1 Appendix 1 Asian countries

*Table 1: List of projects in Asian countries*

<b><i>Asian country:</i></b>
Bangladesh
China
India
Indonesia
Mongolia
Pakistan
Philippines
Thailand
Vietnam

### 7.2 Appendix 2 Dichotomization table of the outcome

*Table 2: Dichotomization of the outcome*

<b><i>Outcome</i></b>	<b><i>Measure</i></b>	<b><i>Attribute</i></b>	<b><i>csQCA 2-point</i></b>
<b><i>Successful CSI</i></b>	High economic outcome and high social outcomes	At least three outcomes are present	1
	Low economic outcome and high social outcomes or high economic outcome and low social outcomes	Less than three outcomes are present	0

7.3 Appendix 3 Calibration table of the conditions

Table 3: Calibration of the causal conditions

<i>Condition</i>	<i>Measure</i>	<i>Attribute</i>	<i>csQCA 2-value point (dichotomised)</i>
<i>Financial resources</i>	Financial commitment	Applicant's contribution exceeds recipient's	1
		Applicant's contribution is less than recipient's	0
<i>Strategic commitment</i>	Follow-up investments	Present	1
		Absent	0
<i>Social Resources</i>	The duration of the project	Three years or more	1
		Less than three years	0
<i>Stakeholder engagement</i>	Tri-partite engagement	All actors present	1
		At least one actor is absent	0
<i>Shareholder value</i>	Ownership share	Recipient has larger share	1
		Recipient has smaller share	0

#### 7.4 Appendix 4 Descriptive analyses

Table 5 outlines the descriptive statistics relevant to this study. The dataset includes 34 complete cases, with no missing values. Mean values for the variables range from 0.38 to 0.56, with “Strategic commitment” at the lower end and “Social Resources” at the higher end. Notably, there is no outstanding score from the descriptive analysis, which indicates a balanced distribution of membership and non-membership in the conditions. The outcome variable, successful CSI, has a mean of 0.47 and a standard deviation of 0.50, indicating that the presence and absence of the condition is roughly balanced.

*Table 5: Descriptive statistics*

Variable	Mean	Std. deviation
Shareval	0.5	0.45
Stakeeng	0.41	0.49
Strcom	0.38	0.49
Socres	0.56	0.50
Finres	0.50	0.50
Succsi	0.47	0.50

In the set of social resources, 15 cases have full non-membership (0), while 19 cases have full membership (1). For stakeholder engagement, 21 cases have full non-membership, and 13 cases have full membership. In the set of financial resources, 17 cases are fully out of the set (0), and another 17 cases are fully in (1), indicating a balanced distribution. The shareholder value set shows more complexity: 14 cases have full non-membership, 14 cases have full membership, and 6 cases have partial membership (0.5). Finally, in the set of strategic commitment, 13 cases have full membership while 21 cases have full non-membership. These distributions reflect how strongly or weakly each condition is present across the analysed cases.

## 7.5 Appendix 5 Case Descriptions

### Selected Case Descriptions

#### Case 40: PSOM06BD01

Title: High quality printed PE packaging materials for export from Bangladesh.

Outcome Status: Finalized

#### Description:

The Dutch applicant Walbeek Foods BV (3 employees) is supplying supermarkets in the Netherlands and abroad with food and non-food products, including specialty paper and poly-ethylene (PE) bags since 1976. Walbeek Foods is part of a group of companies owned by Ambtman Beheer BV. The Bangladeshi partner Kamico Bangladesh Ltd. (14 employees) is since 1994 engaged in a variety of activities, ranging from trade in packaging materials, fruits and vegetables to management of a large ORET funded project for the disposal of toxic waste. The project partners have been trading for more than five years. As there is a growing market for higher quality packaging (colour with closing systems), the project partners see an opportunity to diversify their activities from trade to production of high quality PE bags in Bangladesh.

The project will set up a full-colour poly-ethylene (PE) production facility in Dhaka, including factory and offices for the production of PE bags (luxury Low Density PE shopping bags, non-KOMO certified LDPE garbage and draw string bags and full-colour printed High Density PE bags). For this the project partners will set-up a JV named Wellpac. The production line will include a raw material mixer, a PE film blower and printing, cutting, spooling and waste recycling equipment. The project will also include training, office equipment and vehicles. The production capacity will be approx. 250 MT per month (3,000 ton per year). The project will create 120 employees.

#### Case 41: PSOM06BD21

Title: Pilot professional Bio Fertilizer Plant Bangladesh

Outcome Status: Finalized

#### Description:

WWR Bangladesh is a joint venture between World Wide Recycling BV (WWR) and Waste Concern Consultants (WCC). WWR specialises in the field of high quality and sustainable waste treatment. It operates both as an investor and an operator. WCC is a consultant company specialising in waste recycling. It is closely linked to its sister organisation Waste Concern. A NGO in the field of waste management.

WWR Bio Fertilizer is a 100% daughter of WWR Bangladesh.

#### Problem and Business Opportunity

In Dhaka only 50% of the waste is collected on a daily basis. The rest is dumped on illegal dump sides, road sides, open drains and leads to flooding during the rainy season due to blockages. The stagnant water also leads to mosquito borne diseases and environmental degradation.

Furthermore, the continuing increase in waste also leads to a shortage of waste disposal sites.

Therefore, the project proposes to set up a recycling centre concept, meaning a land fill in combination with several recycling installations to turn organic waste into compost. This compost will, in its turn, be sold. This will lead to an increase in the use of organic fertiliser, and a decrease in the use of artificial fertiliser, which will have a positive impact on the environment.

#### Case 42: PSOM06BD22

Title: Introducing digital printing technology for garment tagging in Bangladesh

Outcome Status: Finalized

#### Description:

Kimball Systems, daughter of Checkpoint Systems, is involved in the manufacturing and distribution of (alarm) labels and tags. It provides a global service of just in time delivery of labels and tags at the point of manufacturing. It serves companies that outsource garment manufacturing. It also provides security solutions and tracing technologies for stock management and product flow.

Label Technologies Ltd. is a Dhaka based company involved in the manufacturing of price tags and labels. The company caters to the garment export industry in Bangladesh.

Kimball and Label Technologies have been cooperating for the last 11 years. The companies serve the low and middle quality garment industry by Kimball supplying pre-printed price tags to Label Technologies, while Label Technologies adds price information in Bangladesh.

#### Problem & Business Opportunity

Although the garment industry is a major industry in Bangladesh, the printing and tagging industry is lagging behind in technology and mostly serves the middle and lower quality segments of the garment industry. The problem is that the traditional way of printing using offset machines is not flexible and does not produce high quality complex tags. As a result, lead times are longer and last minute changes (such as price changes) cannot be made. Furthermore, this printing does not allow high quality and complex tags and labels to be printed, while this is especially demanded by the high quality segment. As a result, a large number of tags has to be imported into Bangladesh on a yearly basis.

Therefore, this project proposes to introduce advanced printing technology into Bangladesh by setting up a facility to digitally print high quality and complex tags and labels, such as high quality bar coded price tags and labels, brand labels with artwork and printed accessories, and colour for size (coloured dots denote different data, such as different sizes) to serve the high quality segments of the market. Staff will mostly be trained in quality control, ISO 9001-2000 and ISO 14000 and operation of the equipment.

Case 43: PSOM06BD24

Title: Bigbag production in Bangladesh

Outcome Status: Finalized

#### Description:

A. de Winter Beheer (DWB) is a holding company. One of its daughters, Winza Products, specialises in the production and trading of PP and PE woven packaging products. It has established joint ventures in Thailand and China.

Business Trade Syndicate Ltd. (BTS) is a trading company focusing on petrochemical products. One of its shareholders is a member of the board of directors of Miracle Industries Ltd. (MIL) a company that produces and sells PP/HDPE/LPDE/LLPDE, paper bags and sacks.

Winza has been buying, since 2001, PE bags from MIL.

### Problem & Business Opportunity

Bangladeshi packaging industry only covers small sized bags and the production of low quality and low priced bigbags for stones. Currently, there is no modern industrialised high quality bigbag production in Bangladesh to serve the food, pharmaceutical and chemical industry, which require a significantly higher technology level, quality requirements and stricter safety regulations than the current bigbag production can offer. A bigbag or Flexible Intermediate Bulk Container (FIBC) is a solid bag made of Polypropylene (PP) or Polyethylene (PE) that is used for packaging of all kinds of bulk. The average size is one cubic meter and it is usually placed on a pallet.

Therefore, the project proposes to set up a production facility to produce and develop high quality bigbags for the food, chemical and pharmaceutical industry for export. Training will be given, among others, on quality management (ISO, HACCP) and operating the equipment.

Case 44: PSOM07BD01

Title: Permess Southeast Asia Ltd.

Outcome Status: Finalized

### Description:

The Dutch applicant Permess (42 employees) develops and produces high-quality interlining products for high-end applications (major fashion brands) for the garment industry. In addition, Permess supports their major clients during the development/design of their new apparel collections to apply specific quality of interlinings in their clothes. The Bangladeshi partner Newtex Pacific Ltd (40 employees) is a buying office for the associated companies within the Newtex group of companies. The Newtex group is a collective noun for a number of associated garments and textile companies that cooperate under this name. These companies include 4 Ready Made Garments factories and 3 backward linkage factories (textile, knitting and dyeing). The two project partners have known each other for more than 15 years.

The project partners will establish a JV to setup a factory for the production of 3,000,000 m<sup>2</sup> interlining materials that will be located in Dhaka. The factory will include a building including

office, powder coating production facility, a small laboratory for quality testing and a technical service centre. The facility will be Oko-tex certified. Demand for interlining material is increasing and the project partners foresee further growth of the market in Bangladesh for interlining material.

Case 47: PSOM08BD03

Title: Pilot (geo-) graphic data service providing Bangladesh

Outcome Status: Finalized

Description:

Agra Hawar (applicant) is an IT company offering an independent web-based (geo-)graphical data service platform for municipalities and (institutional) real estate management (e.g. hospitals, airports and large office and industrial buildings). Agra Hawar is the main client of the customised software development of ERP Systems Ltd. (recipient). Agra Hawar and ERP Systems have been working together for several years. Now, the two partners want to jointly invest in a data service providing service for geo-graphic data from Bangladesh.

For maintenance and exploitation of large office buildings, hospitals and/or public buildings there is a need of up to date technical drawings and documentation about the building infrastructure. Main reasons are new laws, mainly established after large-scale disasters (such as the fireworks-explosion in Enschede), and the wish to optimize facility management processes and costs.

It appears that accurate and up-to-date topographical and construction-technical maps/information are often lacking. This is for instance hampering the work of emergency services of ambulances and fire-fighting in case of disasters. In addition, the communal (financial and infrastructural) damage yearly caused by construction activities where improper and out-dated maps have been used, is enormously.

Building, maintaining and continuously up-dating a system of accurate maps is a time-consuming activity. Through the above mentioned platform of the applicant, clients can outsource management and up-dating of topographical and construction maps. The business opportunity is to let the customers outsource creation and maintenance tasks of the geographical

maps and technical drawings. These activities are offered by the new joint venture using internet technology. Agra Hawar and ERP Systems Ltd. will set up a joint venture to provide the information in a web-based environment where customers and subcontractor can directly interact about location and progress of infrastructural works, post projects and revision drawings and place remarks and smaller changes. All posted revision material will be processed by the joint venture back into the main geographical maps or technical drawings that are published through internet technique.

Case 73: PSOM06CH21

Title: Hebei Proportional Hydraulic Plant

Outcome Status: Finalized

Description:

Core Business Consortium Members

AMCA is specialised in hydraulic fluid power. It is the only company in The Netherlands specialised in the design and manufacturing of load-sensing proportional valves. It has developed a new generation of load sensing proportional valves (LPV), the Advanced Proportional Valves (APV).

DEOU is a trading/marketing company in China specialising in the sale of technical products. It is the distributor for AMCA's products in China. AMCA and DEOU established a joint venture in 2004 to assemble and test black/white valves.

Problem & Opportunity

The Chinese market for LPV is expected to grow with 10-20% in the coming years. Although LPVs and APVs are sold in China, there is no local production yet of LPVs and APVs. All APVs and LPVs have to be imported. However, the price of imported APVs is often too high to be competitive in the Chinese market. Therefore, the project proposes to introduce APV technology to China and to establish a joint venture to produce high quality APVs and APV parts.

These APVs will be sold on the local market and exported to Korea and The Netherlands. Technical assistance will be given in product knowledge, procurement, quality control and production.

Case 74: PSOM06CH22

Title: Piloting organic production of premium roses in an integrated supply chain

Outcome Status: Finalized

Description:

Van den Berg Roses (VDB Roses) specialises in the cultivation of top quality roses and is one of the leading rose producers in The Netherlands.. It has production facilities in The Netherlands and in Kenya.

Kunming San Xin Greenhouse Engineering is a supplier of agricultural equipment and constructs greenhouses. In this way it provides tailor made solutions to the horticulture industry.

CHC Agriculture is an agent for several Dutch horticulture companies. It has sales offices in Kunming and Shanghai and a network of customers.

Problem and Business Opportunity

Although China is a large producer of roses, the quality of the majority of the roses is very poor. This low quality is caused by a lack of understanding of proper growing techniques and chain management and the use of varieties of inferior quality. Furthermore, most rose varieties cultivated in China are grown illegally, i.e. royalties are not being paid. Another issue is that the production of roses, although cultivated year round, shows big discrepancies in supply depending on the season, resulting in big differences in price and limited availability depending on the season. Finally, roses are not cultivated in an environmentally friendly way.

Therefore, this project proposes to set up an integrated cold chain involving state of the art rose production, post harvesting and marketing to produce and sell high quality roses. In this project new varieties will be introduced and legally cultivated. Special attention will be paid to cultivate roses in an environmentally friendly way through the use of, among others, organic crop protection.

Case 76: PSOM07CH03

Title: Establishing a modern European quality dental laboratory in Dalian

Outcome Status: Finalized

Description:

Bonnes Wehl Exploitatiemaatschappij (Bonnes) is the parent company of Tandtechnisch Laboratorium Bonnes b.v., which specialises in the production of dental laboratory products and is run by the two brothers Bonnes.

Dalian Dr. Sha Cosmetic Plastic Surgery & Dental Centre (Dr. Sha) specialises in plastic surgery and dental health care. The company is run by Dr. Sha.

In China the demand for high quality dental laboratory products is growing. However, there is a lack of high quality dental laboratory products in China. Presently, most dental laboratory products in China come from Shenzhen. However, these products have to be shipped to Dalian over a long distance and the quality of these products is average.

Therefore the consortium proposes to establish a dental laboratory in Dalian to produce high quality dental laboratory products such as crown and bridge work and frame and acrylic dentures. Target will be the dental clinics of Dr. Sha and other dental clinics in Dalian and Northeast China. The Laboratory will be up to DEMAQS (Dentalprosthesis Manufacturers Quality System) quality standard, the standard for dental laboratory products.

Case 77: PSOM07CH04

Title: Propagation of young plants, selection and production of carnation, Limonium and alstroemeria under a Fair-trade label

Outcome Status: Finalized

Description:

Hilverda is a leading company in the selection, breeding, propagation and production of various cut flower varieties, such as Carnation, Limonium and Alstroemeria. Hilverda exports to more than 70 countries worldwide. Hilverda produces carnation cuttings in Kenya in cooperation with Finlay Flowers.

Pure Tea is a Chinese tea and coffee trading company located in Kunming. It exports to Europe, the Middle East, Japan and Korea and serves the domestic market. Pure Tea has a close relationship with Finlays.

China is a major producer of cut flowers, while the domestic market for flowers is increasing rapidly. The main production area is located in Yunnan and the main flowers produced are carnation and rose. The problem is that the quality of carnations produced is low and medium, partly due to a lack of understanding of proper growing techniques and chain management and partly due to the use of cuttings and propagation material of inferior quality. Secondly, most carnation varieties, but also Limonium, are grown illegally, without royalties being paid. This hampers the development of the flower export sector, as flowers over which no royalties have been paid cannot be exported.

At the same time, the production of cuttings is rapidly shifting to countries with lower labour costs, such as China. For companies involved in propagation it is therefore important to be present in these markets.

Therefore, the consortium proposes to jointly invest in the propagation, selection and production of carnation, Limonium and alstroemeria cuttings (young plants) and the introduction of new varieties of carnation, Limonium and alstroemeria. Also an outgrowers scheme will be part of the project. These cuttings will be produced under FLO, the Fair Trade Label, which will be a first in China. Secondly, close attention will be paid to breeder's rights. This project will closely cooperate with Finlay, which operates in China under the name Taikoo Flowers. Taikoo will establish a production base to produce high quality carnations under the Fair Trade Label for export. The project will supply high quality carnation cuttings to Taikoo.

Case 79: PSOM07CH24

Title: Creating an innovative cold chain for marketing of certified cut flowers and bouquets

Outcome Status: Finalized

Description:

Top Flora International specialises in the sourcing and export of flowers, flower bouquets and ornamental plants. Its customers are international retail chains, such as supermarkets, discounters and garden centres.

Kunming May-Sun Trading company is a Chinese company involved in the import and export of flowers, young plants and bulbs. One of its markets is Japan. The company also specialises in the preservation of flowers.

CHC Agriculture is an agent for several Dutch horticulture companies. It has sales offices in Kunming and Shanghai and a network of customers.

Although the production of flowers in Yunnan is developing rapidly and the quality is improving, there is a lack of cold chain facilities, such as handling, packing and cold storing. This seriously hampers the development of export, as the flowers deteriorate in quality and freshness. As a result, low quality flowers are being exported and growers are forced to organise handling, packing, storage and transport themselves. On the other hand it also hampers the development of the Chinese market. Supermarkets are forced to organise the supply of flowers themselves, the quality of flowers is low due to bad handling, packing and storage, and the product range is limited as they only offer individual flowers and cannot offer, for example, readymade bouquets.

As a result the consortium proposes to set up facilities for proper post-harvesting, packing and cold storage for flowers under MPS Florimark Trade. Flowers will be sourced from outgrowers and flower companies and will be sold to supermarket chains in China and exported to countries such as Japan. It will also introduce new marketing concepts to China. It will introduce and sell readymade flower bouquets to supermarkets, starting with Beijing and Shanghai.

Case 82: PSOM08CH03

Title: Production of safe and modern herbal medicinal products and food supplements.

Outcome Status: Finalized

Description:

SU BioMedicine (SUB), the applicant is a spin off company of TNO. SUB is specialized in proving the biological effects and giving scientific evidence for the beneficial effects of herbal

medicine. It is the first company able to provide scientific evidence and quality control for herbal medicinal products especially Traditional Chinese Medicine (TCM).

The proposed recipient Chengdu Zhonghui Pharmaceuticals is a Chinese producer of TCM. Traditional Chinese Medicines are medicines based on a mixture of different herbs.

The European market for single and multi-herb supplements is huge. It is expected to grow from EUR 6 billion in 2006 to EUR 7.24 billion in 2010, representing 38% of global sales. The total of Chinese herbal exports to the EU is only 1.5% and only consists of export of TCM as food supplements. There are two reasons. The first reason is European legislation. Currently, import of TCM as a food supplement is possible under the current "Warenwet" is possible in some EU countries. However, EU legislation requiring EU GMP (Good Manufacturing Practice) for food supplements is in preparation and expected to become effective latest in the next 2 to 3 years. As a result Chinese TCM manufacturers will not be able to export to the EU anymore, because in China, there are no manufacturers that are able to produce under EU GMP standards. EU GMP already is a requirement for TCM to enter the market as medicinal products. The second reason is that TCM are not yet accepted as western medicines, because there is no scientific evidence yet that TCM have demonstrated efficiency. SUB is the first company able to provide scientific evidence for TCM.

Therefore, the project the partners propose to start producing TCM for the Western European market under EU GMP certification. First, products will be sold as herbal food supplements. After approval by the EU has been obtained the products will be sold as food supplements with a health claim or claim on reduction of disease risk and finally as herbal medicinal products. For this purpose, three products have been selected to be produced that focus on combating diabetes type II, obesity and high cholesterol. Two products are newly developed by SUB and one product has been developed by Chengdu Zhonghui Pharmaceuticals.

For this purpose a tablet machine will be purchased and installed. Both during the installation and for production EU GMP guidelines will be enforced. A consultancy company specialised with EU GMP will be involved during the whole course. Farmers will supply herbs to the joint venture under Good Agricultural Practice (GAP) and Good Collecting Practice (GCP).

Secondly, the new joint venture will produce TCM under EU GMP for other TCM producers that want to export to Europe and will help them to enter their products on the European market.

Case 83: PSOM07CH05

Title: Manufacturing of burner installations in Nanchang, China

Outcome Status: Finalized

Description:

Costerm specialises in the area of boiler and burner techniques. In the field of boilers, it specialises in techniques such as low NOx emissions. It has a daughter company in Switzerland that specialises in the design and fabrication of burners with a capacity of 1.5 - 40 MW.

Wan Fang International is a company that specialises in the sale and service of burners and its accessories. It has a network of eight offices covering the major cities in China.

Jiangxi Jianglian energy and Environment Co. belongs to the top ten Chinese boiler producers. It produces boilers that are coal, gas and oil fired.

As the Chinese economy is rapidly developing, the demand for industrial burners is also increasing. At the same time, due to industrial development, pollution is increasing rapidly in China. As a result, the Chinese government stimulates the use of cleaner fuels such as gas and oil and tries to reduce the use of coal. The Chinese government stimulates the use of cleaner fuels through subsidies and regulations, though, in some areas, restricting the use of coal fired burners and through actively promoting conversion from coal to gas.

However, in China there are no producers of good quality burners with a capacity of 1.5 - 60 MW that use natural gas or oil. These burners are all imported; mostly from Europe.

The consortium, therefore, proposes to set up a production facility to produce high quality burners that use gas, oil, or both (dual fuel). Boilers will be produced for the local Chinese market and for export.

Case 84: PSOM08CH06

Title: CHINABEE

Outcome Status: Finalized

Description:

In China the pollination of protected crops, especially tomatoes, is still done artificial. This means that chemical produced hormones are manually distributed in the greenhouses to pollinate the crops. Artificial pollination leads to a less quality product, but is also not very environment friendly and rather labour intensive. Within this project Syngenta Bioline Bees b.v. (SBB), a producer of high quality bumblebees, together with the proposed recipient Tianyi Biological Control Company (Tianyi), wants to start the mass production of bumblebees for the Chinese market. The bumblebees produced in this project will be sold to growers of tomatoes for pollination purposes. The partners will not form a Joint Venture. Instead a royalties agreement will be entered between two partners. SBB will also make its knowledge about the production-breeding of bumblebees available to the recipient.

Within the project a production facility will be set up, with different rooms for the different stages of production of bumblebees. SBB will also support Tianyi with the setup of a sales and marketing organisation.

Case 96: PSOM06PH21

Title: Improving Horticultural Practices in the Philippines through Piloting Year-Round Availability of Safe and High Quality Vegetable Plug Transplants

Outcome Status: Finalized

Description:

The Dutch applicant East West International BV ( EWBV, 12 employees) has a controlling interest in vegetable seed companies in Thailand, the Philippines, Indonesia, India and Vietnam. The company utilises breeding and research programs to benefit the lives of farmers in Asia. All country operations are strong independent companies with leading positions in their respective markets. East West has grown into a network encompassing 850 personnel, 5 breeding stations, 800 seed distributors, 5,000 contract farmers and millions of commercial growers. The Philipino partner East West Seeds Company Inc. (EWPH, 354 employees) is a 100% subsidiary of EWBV

and is developing and marketing improved open pollinated and hybrid vegetable seeds and selling technology related to vegetable growers.

The project will setup an 1.5 environment-friendly production facility for high quality vegetable plug transplants for eggplant, tomato, hot pepper and papaya seedlings employing 50 direct employees and including 2,000 small-scale farmers (400 ha seedling). The project will also include 3 mobile vegetable plant health clinics (for disease diagnostic, soil analysis, digital learning equipment), 4 strategically located demonstration farms (maintained by small farmers) and will train 2,000 farmers on Good Agricultural Practices.

Case 112: PSOM06IN01

Title: Manufacturing and marketing of custom-made enriched coir-based growing media.

Outcome Status: Finalized

Description:

Meeuwisse mixes growing media with ingredients that are imported in Den Hoorn.

To maintain the present market position in the Netherlands and to expand market share on the international market, Meeuwisse started its cooperation with Elfferich and Kaveri.

Elfferich is a trader of mixtures. Kaveri, based in the region of Bangalore, is a producer of coir based media.

A clearly present trend in the growing media sector is the application of coir-based mixtures as a substitute product for regular peat. Taking into consideration the favourable characteristics of coir, its excellent transport opportunity and the increasing environmental concern for regular peat, this trend is expected to persevere. Therefore it is expected that coir-based mixtures will conquer a relevant and stable share of the growing media market.

The project partners will build a factory in order to manufacture custom-made coir-based mixtures of coir-pith, -fibres and -chips. With the custom-made products the Joint Venture will be able to conquer new markets and attract (new) customers. Meeuwisse provides extensive know-how concerning the ultimate coir-composition, Kaveri takes care of the implementation of the factory and Elfferich is dedicated to locate international markets.

The objective of the project partners is to manufacture high quality custom-made coir-based growing media in the region of Karnataka, India and market these products on the international and local market.

A JV will be established on the following division of shares: 25% Meeuwisse; 25% Elfferich and 50% Kaveri.

Case 113: PSOM06IN02

Title: High-tech, fine mechanical metalworking for the medical industry in Kanpur

Outcome Status: Finalized

Description:

Roosen Industries is a supplier of fine mechanical metal components and semi-manufactured articles of often complex nature. Their clients are in automotive and in the medical industries. Especially in producing machines and parts for the medical industries very high precision is required.

Euro Footwear Ltd, based in Kanpur, is a manufacturer of leatherwear (shoes and gear for horse-riding) and metal parts. The main clients of Roosen, such as Philips, Siemens and General Electric, are moving their production to Asia. To fulfil their demand for high precision metalwork against lower prices and faster deliveries, it is a necessary step for Roosen to follow. Besides that, the domestic market for high precision metalwork in India is growing rapidly.

The aim of the partners is to set up a joint venture (50/50%) and to establish a fully operational production facility for high precision metalwork, at the same quality and high tech level as in Europe.

Case 114: PSOM06IN03

Title: Verga Attachments Ltd

Outcome Status: Finalized

Description:

Verhoeven Grondverzetmachines bv, purchaser, seller, renter and repairer of excavating machines and extensionparts, is a family owned company, based in Maarheeze. Track-In International Ltd. manufactures and assembles crawler equipment and is based in Bangalore.

Verhoeven sells imported machines from i.e., Japan (Takeuchi, Berco, Komatsu) and

Verhoeven is in need of cost effective attachments (graafbakken) of high quality and frames for the machines they sell. Currently Verhoeven purchases attachments that are made in India but is in need for a constant volume and quality.

The joint venture (50:50%) is going to manufacture work tools, attachments and track frames which will be used for different applications in the earthmoving, demolition, mining agriculture and land develop industry. Beside the attachments and trails for Verhoeven's market in Europe, it is the aim of the JV wants to target the domestic market and global market.

A fully operational ISO-certificated production facility, working at the same quality and high tech level as in Europe, is going to be established in Bangalore.

Case 115: PSOM06IN21

Title: New production plant in Chennai (India) for the purification and bottling of raw sea water into high quality drinking water

Outcome Status: Finalized

Description:

The Dutch company Holland Mineral Water Machinery and the Indian company Today's Writing Products will invest in a pilot plant for the production of mineralised drinking water in the region of Chennai, Tamil Nadu. The strategy of the partners on the long term is to realise a nationwide network of plants.

Holland Mineral Water developed an installation for the purification of seawater. The purification technology is aimed at realisation of a constant and high-quality product with relatively low costs due to the energy saving system of the installation. After purification, the healthy minerals will be injected and the mineralised water will be bottled in the plant.

Partner TWPL has an impressive track record regarding distribution and sales of all kind of different pens on the Indian market. TWPL will be responsible for the distribution and sales using the same channels as they use for other products.

Because of the rapid growth of the population and the national income of India, the shortage of healthy drinking water, the growing awareness regarding health and environment and the low price (compared to imported mineralised water), the product has a lot of potential on the local market. It will contribute to the development of the country regarding the solution of the shortage of healthy drinking water, it will generate employment and it is environmental friendly. During the pilot a purification installation will be realised. The partners take the adjacent bottling line for own account.

A joint venture (50%:50%) will be set up between Holland Mineral Water and TWP.

Case 116: PSOM06RI22

Title: Aloe Vera Processing on Bali -medicine against unemployment-

Outcome Status: Finalized

Description:

Heusden Veste is specialized in business development with a focus on the development of real estate. The owners of Heusden Veste cooperate with and established in 2002 Pt. Aloe Vera Bali from private sources. Pt. Aloe Vera in the past four years has specialized on Aloe Vera growing on Bali. The strategy has been to see the potential of Aloe Vera cultivation. Now this potential is proven, a second focus is on establishing Aloe Vera export and processing facility. The technology for the processing of Aloe Vera will be provided by the Dutch companies BioClin BV and Cuckoo BV which are sister companies. BioClin's core business are R&D, development, production, and supply of medical and personal care products. Aloe Vera is the main base ingredient for BioClin products and BioClin is the greatest European expert on Aloe Vera. BioClin is interested in assisting in development of high quality Aloe Vera on Bali, also as a potential client for the products

The partners of Heusden Veste, Mr. Henk Swanenberg and Mr. Peter van Leeuwen have holiday houses on Bali for some years already. They got attached to the island and its inhabitants. Since

they both have a vast experience in business development, they started investigating business opportunities with the main aim to contribute to the economic and labour market development of Bali.

It appears that worldwide over the past 20 years, Aloe Vera demand has grown more than supply. Barbadosis Miller is the highest quality variety in the past four years. Swanenberg and Van Leeuwen invested almost one million Euros from own private sources and concluded that Aloe Vera growing, processing and export would be feasible.

These conclusions are the starting point of a long term aim: to achieve a serious export position. In the next two years 2007 and 2008, the first step can be made in a pilot, focusing on Aloe Vera processing facility and export of the produced gel, concentrate, juice and powder. The market will dictate the composition of these semi-final products. The capacity of processing facility will be the output from 60 ha's. On the long term, the partners aim at 500 to 1,000 ha cultivation of Aloe Vera on Bali.

The staff of the local PT and the farmers will receive training aiming in mastering all skills concerning operation and maintenance of the factory, including quality - and export management.

At the end of 2008, 250 people will be employed in the chain from the plantation/farmers to the factory. After the pilot phase the PT is also planning to develop a so-called Plasma model in contracting outgrowers for the production of Aloe Vera. The plan is to contract about 400 farmers.

Investments in order to achieve all these plans will be continued after PSOM. In the years 2009-2011

the investment rate of about 250.000 Euros/year will be continued. After this the investment rate may increase dramatically to one to two million Euros/year. Concerning spin off effects all revenues earned in this project will be reinvested in Bali, either in Aloe Vera business or in other projects of commercial and social interest.

Case 117: PSOM06RI25

Title: Multi-Functional Cardiovascular Infrastructure Indonesia

Outcome Status: Finalized

Description:

Diagram Health Care B.V. (DHC) is the applicant and has been established only recently. It is supported by Diagram B.V. (17%) and the Maatschap Cardiologie Zwolle (83%). This Maatschap has 16 cardiologists of which 8 have roots in Indonesia. One of the founding members comes from Indonesia. Because of the fact that DHC exists only shortly this contract will be co-signed by Diagram BV which company will financially guarantee the total own contribution to the PSOM project. Diagram BV has been set up in 1996 and can now be regarded as one of the top R&D institutes in cardiology worldwide. The recipient is PT Diagram Health Care Indonesia which is a JV between Diagram Health Care BV ( 49%) and the Puri Cinere Hospital in Jakarta (51%). This PT has only been set up in 2004. However, already in August of this year this PT opened the new cardiac Cinere clinic in Jakarta. This clinic can only provide basic intervention cardiology like catheterisation and general cardio care. The focus of the PSOM project will be to extend the playing field for this clinic by setting up a state-of-the-art cardiac clinic in which all known heart procedures can be performed. The new clinic in Jakarta will offer combined therapies like hybrid procedures e.g. interventional, electrophysiological and cardiac surgery procedures in combined sessions.

CardioVascular Diseases (CVD) are a threat to developing countries in particular Indonesia. Due to

genetic tendencies Indonesians are more sensitive to diabetes. Diabetes is considered one of the main causes of CVD. Approximately 20 million Indonesians deal with CVD and annually about 220,000

deaths occur. At present more than 90.000 Indonesians are going to Singapore and Hong Kong for the more complicated cardio treatments. The main idea of this PSOM project is to try to develop and keep as much know how on the cardio medical sector in Indonesia and make it possible to treat as many people from Indonesia in the future in the cardiac clinic in Jakarta.

It is expected that the new cardiac centre will employ at the end of this pilot phase 114 people of which 5 cardiologists, 12 assistants, 19 technicians, 38 medical staff and 40 administrative staff. The plan is to have performed at the end of the pilot phase of this PSOM project 485 cardiac treatments. To realise this a continuous training programme of specialists and other medical experts from Zwolle will be executed. Gradually this new centre will be developed to a highly qualified complete cardio centre. During the two years following the pilot phase investments will be implemented in order to double the capacity. This will imply a follow-up investment of about EUR 1 million.

The PT partners will create a social foundation to support poor people which ask for cardiac treatment but cannot afford this. Large medical companies will be asked also to support this initiative. This foundation will be managed from senior people in the medical sector outside the direct scope of the PT. Philips Medical Systems has already offered to support this foundation.

Case 118: PSOM06RI26

Title: CINCO - added value to spices by means of supply chain control and processing

Outcome Status: Finalized

Description:

Koninklijke Euroma B.V. was established in 1899. Its mission is to be the best supplier of top quality spices in all forms and mixtures to the European food industry. This is achieved through innovative products and solutions, consistently high quality, delivering the solutions industry demands, and maintaining a maximum level of food safety. PT Van Buchem Indonesia PMA was established in 2005 in order to develop and exploit a wide experience in food industry and products. Both companies together draw on more than 10 years' experience in sourcing, supply chains, trading in spices and seeds, including 5 years specific experience in Indonesia. The mission is to develop a sustainable farmer to supplier chain at the grassroots, such that high quality products can be guaranteed. Together the two companies form a complementary team for carrying out and achieving the deliverables on this project.

Current practise is to collect spices (e.g., nutmeg, cinnamon) on the islands of Indonesia, through a vast network of local collectors and traders, and subsequently ship them to the Netherlands for

processing, packaging and distribution. This often leads to consignments of damaged or rejected products with subsequent economic losses, and there is no control over the supply chain, in particular the steps in Indonesia. This shortcoming represents a business opportunity which the project partners wish to exploit by establishing a processing plant in Jakarta where the spices can be sorted, cleaned, graded, processed and packaged for niche markets (high grade foods and pharmaceuticals) and whereby an integrated supply chain control can be guaranteed. By do so, the local farmers are of pivotal importance and can enjoy improved compensation by supplying high quality products. At the moment the PT has contacts with a company in Semarang who has a strong network with farmer cooperatives producing nutmeg and cinnamon.

The project partners will establish a JV to develop a supply chain linking the farmers/suppliers with a new processing plant in Indonesia, through to the processing and distribution network of Koninklijke Euroma in the Netherlands, where the overall quality is ensured by a tracking and tracing system covering the entire chain. The project will add high value to various spices and natural products, locally in Indonesia, so they can be used as high quality ingredients in the food- and pharmaceutical industry. This will be established in cooperation with local farmers, who will be trained to grow full supply chain controlled products. Training forms an essential part of the project and can be divided into two parts. Training courses, given in both the Netherlands and Jakarta, are meant to raise the level of awareness and skills of the personnel who will be responsible for running the processing plant, and secondly, supportive training will be provided to farmers during the entire second year of the project, to improve quality awareness and yield.

The processing plant in Jakarta will employ about 50 people and between 50 and 100 farmers will be involved in this new JV operation.

In case the pilot project becomes a success additional investments of EUR 400,000 are planned for the processing of other spices and natural products and adding more added value to the existing operation. Two years after the pilot phase the annual turnover of the JV is estimated at EUR 400,000.

Case 122: PSOM07RI21

Title: Intiplasma Blueberry Project Indonesia

Outcome Status: Finalized

#### Description:

The applicant De Weert Beheer BV, through its affiliated company Westerbouwing is specialised in soft fruit. The applicant has a vast network in berry production, material and varieties, nursery and trade. The recipient PT. Strawberindo Lestari has developed a successful business in growing and marketing high quality strawberries in Southeast Asia. Together the applicant and the recipient have been involved in a raspberry PSOM project in Indonesia which has recently been successfully finalised. For this project Allseasons Holland BV was set up in which Mr. H. Bijlmer (100% owner of PT. Strawberindo) has a share of 80% and Killiberry BV of Mr. G. De Weert has a 20% share. With the support of financing from FMO (a loan of 3 million euros) the consortium will double its capacity of strawberries and raspberries in the next three years.

As the demand for berries, including strawberries, raspberries, blueberries and blackberries all over the world has been growing and the majority of the customers of Allseasons Holland BV is requesting for blueberries, the partners see an excellent business opportunity to diversification into blueberry production and marketing. To achieve the objective of creating a sustainable business of blueberry production the consortium has opted for the Intiplasma business model. This model consists of the Inti which is a private sector company and the Plasma which are the small holder farmers that surround the Inti. However the blueberry plant requires an extended juvenile period with only limited production in the first years of cultivation. The maximum productivity of this perennial crop is reached after 5 years. This is the reason for the consortium to request for PSOM financing. The Blueberry Farm is projected to be based about 1 km uphill from the strawberry and raspberry production sites in Kampung Sarongge, Cianjur.

Case 149: PSOM06PK01

Title: ProFarm Pakistan LTD

Outcome Status: Finalized

#### Description:

CRV Holding BV is an international cattle-breeding cooperative, selling 6.5 million sperm straws per year. The Blue Link (TBL) initiates partnerships and participates in ventures in developing countries, offering services like project management and business development.

In 1996, employees of Nestlé Pakistan, to uplift dairy communities by increasing milk production, established Rural Development Foundation.

Artificial Insemination is an important tool for farmers to increase the milk yield from their animals. Based on the increasing demand for milk, demand for high quality genetic material and adequate insemination service is growing.

Nestlé Pakistan (NP), in need of milk of high quality and in high quantities, has been looking for a partner who could offer high quality bovine semen. In return, NP offers the use of the network of Nestlé milk collection centres.

To serve the market of potentially 9 million cows in the Punjab, CRV, TBL and RDF propose to establish a Joint Venture, ProFarm Pakistan (PFP).

PFP will sell high quality semen through a marketing, sales and service network. 570 AI-technicians will be trained and sell semen through a network of a main office and 19 field offices. PFP will reach at least 132,000 farmers. Hardware includes LNG containers, AI guns, two vehicles and office furniture.

Case 151: PSOM06PK21

Title: Muta Pakistan Project (MPP), Production and sublimation of sportswear

Outcome Status: Finalized

Description:

The Dutch (Friesian) company Muta Sport B.V. produces and trades sportswear, sports equipment and accessories. The Pakistani company Capital Sports is a manufacturer and exporter of hand stitched balls (mainly footballs) and goal keeper gloves.

Muta Sport is specialised in custom-made textile products for team sports. This is being done by using the process of digital sublimation.

In Pakistan the textile industry is enormous. However, the technique of digital sublimation is unknown. The objective of the project is to establish a production facility of high quality custom made sportswear, making use of the process of digital sublimation.

The project will be located in Sialkot, the centre of the sportswear industry.

A joint venture will be established between Muta (60%) and Capitol (40%).

Case 152: PSOM07PK21

Title: Feed for Milk

Outcome Status: Finalized

Description:

The consortium, led by Trouw Nutrition International BV (part of Nutreco), aims to establish a feed production facility in Sheikhpura for the production of well-balanced high quality ruminant feed (for cows and buffaloes). The feed will be in palletised form or pressed cakes to enable adequate feeding. The market for palletised high quality feed is highly underdeveloped. To bring this market to potential, the consortium will educate local farmers through a fine meshed network of education and distribution points throughout the Punjab. More advanced feeding of ruminants can increase milk production by 30% - 40%, potentially doubling a farmers milk income. The project is located in Sheikhpura, outside Lahore.

The recipient, Vandana Ltd., is a small, local producer of conventional ruminant feed (in mash form). They will enter the JV with their assets (not in PSOM budget). Project partner Syed Babar Ali Trust will finance the cash contribution from the Pakistan side. Project partner The Blue Link will finance the majority of the required capital through a related investment fund.

As TNI cannot enter into an joint venture from the start (due to Nutreco's corporate governance regulations), a joint venture will be established between the other project partners. During the PSOM project period, this JV will have a contractual agreement with TNI to ensure their commitment. At the end of the project, TNI will buy its share in the JV. TNI aims at a majority share on the long term.

Case 172: PSOM06TH01

Title: Manufacturing of composite aircraft interior parts in Thailand

Outcome Status: Finalized

Description:

The Dutch applicant Aeroworks Composites BV (15 employees) is manufacturing composite aircraft interior parts and the newest addition to the Aeroworks Group. Aeroworks Composites is a merger of two companies (engineering and manufacturing): one a former subsidiary of Fokker Aircraft (producing ceiling panels, side walls, overhead bins, closets, lavatory units and class dividers) and the other as Dutch Thermoplastic Components (design, engineering and production of small thermoplastic composite components). The Thai partner Siam Aviation Industries Ltd. (established in 2000) is a manufacturer of high-quality aluminium aircraft interior and lightning components for export. Quality products are designed both standard and to customers' requirements. Aeroworks Composites BV and Siam Aviation Ltd. both belong to the Aeroworks Group. Where Siam aviation produces the traditional aluminium parts, the JV will develop production capacity in the new technology composites.

The project will set up a certified facility for the serial production of composite aircraft components (seats). For this, a separate JV will be established (applicant 90% and Siam 10%) for the certified production line (EASA and ISO9002) including 1) renovation & adaption of building (600-1,000 m<sup>2</sup>), 2) production & processing equipment (freezer unit, hydraulic press, milling machine, oven and moulds for seat pan and seat back), 3) maintenance and testing unit and 4) office & administration. In addition, a promotion campaign will be designed and an International Manufacturing Fair will be attended. The project will create 30 jobs.

Case 173: PSOM06TH21

Title: Standardised coco-peat production for Thailand

Outcome Status: Finalized

Description:

The applicant, RJH Beheer BV, is a leading producer of tailor-made growing media in Europe. The recipient, AIF LTD, has considerable interests in shrimp production and agricultural supplies. Project partner Mrs Rattacha Dechanuphap has an Agricultural degree and her family

are relatively large coco nut producers in Songkla. Project partner, EuroSubstrates is a Sri Lankan processor of growing media in which the applicant has a 51% interest.

The increasing trade in growing media with Thailand, despite the high transport costs, attracted the attention of the project partners. Peat moss and rockwool from Europe as well as coco peat from India and Sri Lanka are imported at very high costs. In the landed price of peat moss & coco peat in Thailand the transport component is higher than the original FOB price at departure. The project partners are triggered to correct this situation through local coco peat-production in Thailand. In the global market Thailand is a niche market and is not part of global strategy of the Van der Knaap Group.

The project will establish the first coco peat factory in Thailand, with technology from the Dutch applicant. They will produce standardised coco peat locally, suitable for horticulture, from a waste product of the coco fibre industry. Several reasons support the project idea. First off all Thailand is one of the largest coconut producers, but there is no local production of standardised coco peat. Local coco peat is dumped as waste or sold untreated. Secondly, coco peat waste poses an environmental problem as it accumulates and leaches out in ground water. Untreated coco peat gives irregular growth. It has unfavourable chemical and physical characteristics.

The project partners are leading producers of tailor made growing media in Europe and a leading coco peat producer in Sri Lanka and India. Current exports to Thailand are subject to very high transport costs. The grower organisations (i.e., Chetai) and orchid producers want to participate in the proposed demonstration trials. The envisaged Thai production of local standardised coco peat will replace peat based growing media imported from Europe (over 110.000 m<sup>3</sup>), Rockwool (waste problem) and the still limited imports of coco peat. Through participation in this project the recipient will have access to:

1. Critical technology, know how from the project partners to produce coco peat locally.
2. Continued international based R&D in product and product application innovations by the applicant.

3. Involvement in the production chain that is now beyond reach. From being another supplier of semi processed raw material this project will give the recipient the opportunity venture in a new business in which it is involved from sourcing the raw material to the final users. Through this project Eurosubstrates will maintain trade that is now limited by the large transport costs involved in sending large volumes from Sri Lanka.

Case 175: PSOM07TH01

Title: Unikon Asia Ltd.

Outcome Status: Finalized

Description:

The Dutch Applicant W.M.A. van Weeghel Beheer BV is the holding company of Unikon BV (23 employees, group) located in Barneveld and designs, constructs and supplies industrial washing machines. Unikon has official distributors in 20 countries. The Thai company SMT Industrial Services Co. Ltd. (6 employees) is an agent and distributor of Unikon and other products in Thailand. The project partners worked together for over 2 years in Thailand.

The project partners will establish a JV (49% applicant and 51% local partner) to setup a factory for the production, assembly, sales and services of high-quality industrial washing machines (T-1200 series). The project partners plan to start production in Thailand of relatively small cabinet washers. After two years of manufacturing cabinet washers, further development is planned towards more complex tunnel washing systems. The project partners will first target the food industry in Thailand and surrounding countries. However, Unikon products can also be used in other sectors such as the medical (disinfection) and pharmaceutical sector.

Case 177: PSOM08TH01

Title: Innovative boat building in Chonburi Thailand

Outcome Status: Finalized

Description:

BV Scheepswerf an Machinefabriek v/h A. van de Grijp sells and leases dredging and related equipment to industrial users. The company wants to diversify its activities. Recipient Global Boat builders Co. Ltd. was established in 2007 to become a shipyard and a producer of high quality small size motorboats. Project partner Yacht Dimension Co. Ltd. is a boat building company in Thailand.

The project partners will set-up a boat building facility for the production of four types of boats (identified by 4 different length of the hull in meters, e.g. 12.00, 9.50, 8.20 and 7.20) made out of a sandwich of waste wood, polyester and epoxy composites. The company will invest in production infrastructure (a climate controlled production room with air-conditioning, vapour extraction equipment and dust collection equipment, 3-phase power supply), production tools and equipment (moulds and surface working machinery, lift, cranes, etc.). The pilot project will cover investments in the production of the 8.20 meter hull type of boats. Yacht Dimension was given a contract for the construction of three prototypes for this types of boats. The project will be located in the vicinity of Pattaya near Sattahip.

Case 183: PSOM06VN24

Title: Pilot production Medical Devices and its subassemblies for export, Vietnam

Outcome Status: Finalized

Description:

The Dutch applicant Wassenburg & Co. BV (65 employees) main economic activity is the development, manufacturing and sales of systems for cleaning (washing & disinfection) and storing of medical devices (flexible endoscopes) as well as peripheral equipment for these machines. The Vietnamese partner Wassenburg Vietnam Ltd. (1 employee) is currently a representative office of Wassenburg & Co BV and was established on 7 July 2007 in Vietnam as a 100% daughter of Wassenburg & Co BV. The Vietnamese consortium partner Viet Han Electronic Co. Ltd. (15 employees) is manufacturing electrical switchboards and equipment and will be preferred supplier of Wassenburg Vietnam Ltd. and as such will have her employees trained by Wassenburg. The project will setup a production facility including factory, offices and training facility in Vietnam for the production of ISO9000 and ISO13485 certified sub-assemblies units that will be assembled into certified final products (Endoscope Washer

Disinfector and Endoscope Reprocessors) in the Netherlands. As Wassenburg needs to expand its production capacity due to opportunities in the market and the production of sub-assemblies is labour intensive, Wassenburg has been looking to various countries in Asia (e.g., China and Thailand) to setup an initial sub-assembly production facility. In a later stage, Wassenburg is planning to change this production facility into a production factory to cover the demand for these machines in Asia. The initial sub-assembly production facility will produce sub-assemblies for the production of 125 machines in 2008.

Case 184: PSOM06VN26

Title: Cable harness: 'made in Vietnam'

Outcome Status: Finalized

Description:

The Dutch applicant ECS-Electronics BV (153 employees) is a producer of tow-bar harnesses. ECS was founded in 1993 in the Netherlands and has developed and specialised itself as a major cable-solution company for the automotive industry all over Europe by producing car specific tow-bar harness sets, fog-lamp kits and park distance control sets. ECS is specialised in small batches of production quantities. Since 2005, ECS is working on market-research of the Asian markets. The Vietnamese partner ECS Electronics Ltd (1 employee), was established in August 2006 and is a 100% daughter company of ECS in the Netherlands.

The project will setup an ISO14.001 certified factory for the production of cable harnesses especially related to the caravan industry. For this, a production factory will be build including production facility (2,500m<sup>2</sup>), offices (250m<sup>2</sup>) and various hardware and 92 employees will be trained.

Case 194: PSOM07VN21

Title: Flexible CPP packaging solutions made in Vietnam

Outcome Status: Finalized

Description:

The Dutch applicant Dillewijn Group BV (132 employees) is a holding company of various companies, including Van Dillewijn Verpakkingen B.V. and is a trader in paper and plastic packaging materials, mostly for the flower and ornamental industry. The local Vietnamese company Up State Enterprise Co. Ltd. (150 employees) is specialised in the production of flower packaging materials (mainly BoPP flower sleeves).

The project partners will establish a Joint Venture to set up a factory for the production of CPP plant packaging materials. CCP is a stretchable and very strong material printed, folded and sealed on specially tuned equipment. The required technology is substantially different from manufacturing BoPP (bi-oriented polypropylene) flower sleeves, which uses readymade firm sheets which are much easier to process (print, cut and seal). Whereas CPP plant packaging is currently only produced in the Netherlands, Germany and Colombia, BoPP flower sleeve production is done world-wide. The pilot project will include: 1) the establishment of a new JV between Up State and Van Dillewijn, 2) a fully equipped and operational facility for custom designed plant CPP packaging, 3) promotion activities to inform the industry about the new products and shorter lead times and 4) a bankable business plan for follow-up investments to reach full commercial scale. The facility will be ISO9001 certified as well as Ethical Trading Initiative (ETI) and BRC. The project will be located in one wing of the existing production facility of Up State, which will be rented from the local Vietnamese partner. The project will be located on an industrial park near HCM City.

Case 195: PSOM07VN23

Title: Pilot production of high-quality marine electronic components & installations Hai Phong Vietnam

Outcome Status: Finalized

Description:

The Dutch applicant Eilander Elektro BV (El Tec, 57 employees) is a company that designs, engineers, manufactures and delivers electronic switch boards and integrating electrical and electronic monitoring and control systems on board of vessels, tankers, inland ships, container vessels and yachts. Also, El Tec conducts the design, engineering, production and delivery of energy saving installations and industrial electronic installations. The local Vietnamese company

Heijco JSC. Ltd. (130 employees) is a joint stock company supplying industrial, civil and marine electronic materials and equipment. Also they trade in power generators, tools machines, ship engines and materials and equipment for the marine industry. The project is planned to be located near Hai Phong. With the proposed project, the Dutch applicant El Tec follows the market that is currently shifting (parts) of their production to countries like Vietnam.

The project partners will establish a Joint Venture to set up a manufacturing facility for the production of marine electronic monitoring and control systems. During the pilot project, the Joint Venture will mainly focus on the production of electronic switch boards that will monitor and control the marine vessel, but will also include the integration of electrical and electronic monitoring and control systems on board of the vessels (not only assemblage). The project partners will build an energy safe facility for the set-up of a workshop to produce 32 marine auxiliary switch boards, 4 marine main switch boards & electrical installation for 4 vessels during the pilot project. The Joint Venture recruits and trains in total 60 workers/engineers and the facility will be ISO9000:2001 certified. The partners have planned to use the full capacity of 35 switch boards per year in 2013. Besides the production of the switch boards, the project partners will also produce the rest of the electronic monitoring and control systems of which the switch boards is part.

7.6 Appendix 6 Analysis of necessary conditions for the outcome condition

<b>Conditions tested:</b>	<b>Consistency</b>	<b>Coverage</b>
Strategic commitment (strcom)	0.562500	0.692308
Social resources (socialres)	0.500000	0.421053
Financial resources (finanres)	0.437500	0.411765
Stakeholder engagement (stakeeng)	0.375000	0.428571
Shareholder value (shareval)	0.468750	0.441176
~Strategic commitment (~strcom)	0.437500	0.333333
~Social resources (~socialres)	0.500000	0.533333
~Financial resources (~finanres)	0.562500	0.529412
~Stakeholder engagement (~stakeeng)	0.625000	0.500000
~Shareholder value (~shareval)	0.531250	0.500000

## 7.7 Appendix 7 Analysis of necessary conditions for the negated outcome condition

<b>Conditions tested:</b>	<b>Consistency</b>	<b>Coverage</b>
Strategic commitment (strcom)	0.222222	0.307692
Social resources (socialres)	0.611111	0.578947
Financial resources (finanres)	0.555556	0.588235
Stakeholder engagement (stakeeng)	0.444444	0.571429
Shareholder value (shareval)	0.527778	0.558824
~Strategic commitment (~strcom)	0.777778	0.666667
~Social resources (~socialres)	0.388889	0.466667
~Financial resources (~finanres)	0.444444	0.470588
~Stakeholder engagement (~stakeeng)	0.555556	0.500000
~Shareholder value (~shareval)	0.472222	0.500000

## 7.8 Appendix 8 sufficiency analysis

The steps for the sufficiency analysis. The minimisation process of the sufficient analysis yields three types of solutions (Ragin, 1987; Schneider & Wagemann, 2012; Rihoux & Ragin, 2009; Mello, 2021):

- The parsimonious solution condenses explanations to the fewest necessary conditions.
- The complex solution retains all observed configurations and is typically more detailed.
- The intermediate solution strikes a balance between the two.

The parsimonious solution is stressed in this research, due to its simplicity and equal performance comparative to other, detailed models (Schneider & Wagemann, 2012). The parsimonious solution, also allows revealing potential relevant causal paths that may not be captured in the complex solution.

*Table 6: Truth table*

strcom	socialres	finanres	stakeeng	shareval	number	sucsi	raw consist.	PRI consist.	SYM consist
1	1	1	0	1	2	1	1	1	1
1	0	1	1	0	2	1	1	1	1
1	0	0	0	1	1	1	1	1	1
1	1	1	1	0	1	1	1	1	1
1	1	1	0	1	1	1	1	1	1
0	1	0	1	0	2	1	0.8	0.8	0.8
1	0	1	0	1	1	0	0.666667	0.666667	0.666667
0	0	1	0	1	4	0	0.5	0.5	0.5
0	1	1	0	1	3	0	0.333333	0.333333	0.333333
0	1	0	0	1	3	0	0.125	0.125	0.125
1	1	0	0	0	1	0	0	0	0
0	0	1	0	0	1	0	0	0	0
1	0	1	1	1	1	0	0	0	0
0	1	1	1	0	1	0	0	0	0
0	0	0	1	1	1	0	0	0	0
0	1	0	1	1	1	0	0	0	0
0	1	1	1	1	1	0	0	0	0
1	1	1	1	1	1	0	0	0	0

## 7.9 Appendix 9 sufficiency analysis for negated outcome

As illustrated in table 7 below, the consistency levels for most rows in the truth table are relatively high. However, all rows are only supported if it is supported by just a single case. The Fiss chart below presents the results of the sufficiency analysis for the negated outcome, identifying three distinct pathways that lead to the absence of the outcome. Each pathway represents a unique combination of causal conditions sufficient to explain failure or underperformance across specific cases.

Pathways 1 and 2 share several common features. Both pathways include the absence of strategic commitment and shareholder value, and the presence of financial resources. Notably, social resources are also absent in Pathway 1. These patterns suggest that projects driven primarily by financial input, without long-term strategic alignment or shared value creation, are unlikely to achieve desired outcomes. Both pathways demonstrate high consistency, indicating that whenever these combinations are present, the negative outcome consistently occurs. However, they explain only a small portion of the negated outcome (each with raw coverage of 0.11, and unique coverage of 0.05), and are backed by a limited number of cases.

Pathway 3 reveals a different dynamic. Despite showing strategic commitment and stakeholder engagement, it lacks financial resources, which may have constrained implementation. This configuration has a slightly lower but still robust consistency score of 0.83. Importantly, it accounts for a larger portion of the negated outcome (raw and unique coverage of 0.27), suggesting it is more empirically significant. This indicates that even when social alignment and engagement are present, insufficient financial capacity can undermine success.

Collectively, the three pathways achieve a solution coverage of 0.72 and solution consistency of 0.92, demonstrating that these configurations together explain a substantial share of the failed cases. The recurrence of some cases across multiple pathways (175ThaGenW.M.A.) points to overlapping causal mechanisms. Overall, the findings highlight the critical importance of aligning strategic intent and stakeholder value with adequate financial support to avoid project underperformance.

Table 7: Truth table for negated outcome

strcom	socialres	finanres	stakeeng	shareval	number	~succsi	raw consist.	PRI consist.	SYM consist
1	1	0	0	0	1	1	1	1	1
0	0	1	0	0	1	1	1	1	1
1	0	1	1	0	1	1	1	1	1
0	1	1	1	0	1	1	1	1	1
0	1	1	1	1	1	1	1	1	1
0	0	1	1	1	1	1	1	1	1
0	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1
0	1	0	0	0	3	1	0.875	0.875	0.875
0	1	1	0	1	3	0	0.666667	0.666667	0.666667
0	0	1	0	1	4	0	0.5	0.5	0.5
1	0	0	1	0	1	0	0.333333	0.333333	0.333333
0	1	0	1	0	2	0	0.2	0.2	0.2
1	1	0	1	0	2	0	0	0	0
1	0	1	0	1	2	0	0	0	0
1	0	0	0	0	1	0	0	0	0
1	1	1	1	0	1	0	0	0	0
1	1	1	0	1	1	0	0	0	0

Table 9: Configuration chart for the negated outcome

Pathway	1	2	3
Strategic commitment		⊗	
Social resources	⊗		•
Financial resources	•	•	⊗
Stakeholder engagement			⊗
Shareholder value	⊗	⊗	
Raw coverage	0.11	0.11	0.27
Unique coverage	0.05	0.05	0.27
Consistency	1	1	0.83
Solution coverage	0.72	0.72	0.72
Solution consistency	0.92	0.92	0.92
Cases	<b>117IndGenDiagram</b> 175ThaGenW.M.A.	<b>149PakGenCRV</b> 175ThaGenW.M.A.	<b>96PhiPlantEast-West</b> <b>112IndGenElfferich</b> <b>114IndGenVerhoeven</b> <b>115IndProdHolland</b> <b>194ViePackDillewijn</b>

## 7.10 Appendix 10 Robustness check

### **Robustness check**

To assess robustness, an adapted version of the protocol by Oana and Schneider (2021) introduced by Alamos-Concha (2025) was applied. The initial parsimonious solution (consistency  $\geq 0.8$ , frequency  $\geq 1$ ) revealed four sufficient configurations involving combinations of strategic commitment, stakeholder engagement, social resources, and the absence of either financial resources or shareholder value.

The Robustness check protocol allows us to assess both the various sources of robustness and their effect on the QCA solutions (Boolean expression, parameters of fit, subset relations, and types of cases) in a more systematic way (Oana & Schneider, 2021). However, the protocol was adapted for use with fsQCA software, as the most recent version was originally designed for R.

I adapted the Robustness check protocol suggested by Oana & Schneider (2021), to the following steps:

1. Producing the initial solution.
2. Determining the changes in raw consistency threshold, calibration and frequency cutoff.
3. Producing alternative solutions for the various analytic changes considered & compare the alternative solutions with the initial solution.
4. Interpreting the robustness results.

#### *1. Producing the initial solution*

I created an initial Parsimonious Solution (PS), used for meaningful interpretation. I used a raw consistency threshold of  $\text{incl.cut} = 0.8$  and a frequency cut of  $\text{n.cut} = 1$ . The initial solution (PS) indicates that having *socialres* and *stakeeng* and absence of *finanres* or having *strcom* and *socialres* and *stakeeng* and absence of *shareval* or having *strcom* and absence of *socialres* and *stakeeng* or having *strcom* and *shareval* and absence of *stakeeng* is sufficient for successful CSI.

Step 1; production of initial solution;

(parsimonious solution)

frequency cutoff: 1

consistency cutoff: 0.8

raw unique

coverage consistency

-----  
socialres\*~finanres\*stakeeng 0.25 0.125 0.8

strcom\*socialres\*stakeeng\*~shareval 0.1875 0.0625 1

```

strcom*~socialres*~stakeeng 0.25 0.09375 1
strcom*~stakeeng*shareval 0.21875 0.0625 1
solution coverage: 0.625
solution consistency: 0.909091

```

2. *Determining the changes in raw consistency threshold, calibration and frequency cutoff.*

For analysing how different analytical choices affect the PS, three additional solutions (S1, S2, S3) were created. In each solution, the analytic decision made for the PS is altered. For S1, the **raw consistency threshold of 0.8 is modified to 0.9**. To obtain solution 2, the outcome condition ‘successful CSI’ (succsi) **calibration anchors was modified**. The reason for this choice is that succsi was iteratively revised during the analysis. In this study, the focus was on the different levels of outcomes of succsi. In this robustness procedure, a fuzzy-set calibration was used to indicate the of the four outcomes, with a focus on the different levels of successful CSI rather than its presence of absence. Thus, the case is fully in the set when there is presence of these 4 aspects of succsi together; three aspects score 0.67; two aspect scores 0.33 and one or zero aspects scores 0.00. For S3, the frequency cut-off was set to two cases instead of one.

Step 2;

**Raw consistency from 0.8 to 0.9.**

```

frequency cutoff: 1
consistency cutoff: 1
raw unique
coverage consistency
-----
strcom*socialres*stakeeng*~shareval 0.1875 0.1875 1
strcom*~socialres*~stakeeng 0.25 0.09375 1
strcom*~stakeeng*shareval 0.21875 0.0625 1
solution coverage: 0.5
solution consistency: 1
this is solution 1 (S1)

```

**Recalibration succsi.**

```

frequency cutoff: 1
consistency cutoff: 0.8
raw unique
coverage consistency
-----
strcom*~socialres*shareval 0.15006 0.15006 0.833333

```

~strcom\*socialres\*~finanres\*stakeeng 0.120048 0.120048 0.666667  
solution coverage: 0.270108  
solution consistency: 0.75

**Frequency cut-off from 1 to 2 cases.**

frequency cutoff: 2  
consistency cutoff: 0.8  
raw unique  
coverage consistency

-----  
strcom 0.5625 0.3125 0.692308  
stakeeng 0.375 0.125 0.428571  
solution coverage: 0.6875  
solution consistency: 0.55

*3. Produce alternative solutions, compare them with the initial solution*

**Solution 1 (S1): Altering consistency**

Solution obtained:

STRCOM \* SOCIALRESSTAKEENG\*~SHAREVAL +  
STRCOM\* ~ SOCIALRES\* ~ STAKEENG +  
STRCOM\*~STAKEENG\*SHAREVAL à SUCCESSFUL CSI

All the three pathways in S1 overlap with the initial PS. There is no change in these three pathways. The consistency values in these pathways are very strong. Pathway two and three (STRCOM\*SOCIALRES\*STAKEENG + STRCOM\*~STAKEENG\*SHAREVAL), have the same consistency values in PS (raw consistency: 0.8) as in S1 (raw consistency: 0.9). There were two cases removed when adjusting the consistency, which had pathway one of PS, thus that pathway was also removed.

**Solution 2 (S2): Altering calibration of one condition**

Solution obtained:

STRCOM\*~SOCIALRES\*SHAREVAL +  
~ STRCOM \* SOCIALRES \* ~ FINANRES\*STAKEENG  
à SUCCESSFUL CSI

There are no overlaps with the PS and the S2. The solution coverage values of the altered calibration are very low (solution coverage: 0.270108). The similarities in pathways, they both include  $strcom \sim socialres \rightarrow shareval$ , however the pathways in PS and S2, have different unique coverage and raw coverage values in the.

### **Solution 3 (S3): Altering frequency cut-off**

Solution obtained:

STRCOM + STAKEENG → SUCCESSFUL CSI

S3 contains only two pathways to successful CSI, consisting of only one condition per pathway. PS and S3 do not overlap in a single pathway. Fixing the frequency cut-off at 2 cases caused a change in the solution. The parsimonious solution no longer included conjunctural causation.

#### *4. Interpreting the robustness results.*

The sensitivity of the results was checked by evaluating their robustness. The robustness checks partially confirmed the credibility and trustworthiness of the findings. As can be seen in the supplementary file below, which shows that thematic diversity is not an issue, most cases are aligned with research expectations, and the initial solution is relatively robust in terms of fit.

Table 10: Robustness check, adapted calibration

<i>Outcome</i>	<i>Measure</i>	<i>Attribute</i>	<i>fsQCA 4-point</i>
<i>Successful CSI</i>	High economic outcome and high social outcomes	4/4 outcomes	1
	Low economic outcome and three high social outcomes or high economic outcome and two social outcomes	3/4 outcomes	0.67
	Low economic outcome and two high social outcomes or high economic outcome and one social outcome	2/4 outcomes	0.33
	Low economic outcome low social outcomes	Less than 2 outcomes	0

## 7.11 Appendix 11 Pathways case elaborations

### ***Pathway 1: Continuous resource commitment***

Another case in this pathway is 177ThaGenB.V., based in Thailand and centred around innovative boat building. Dutch firm Van de Grijp partnered with local company Yacht Dimension Co. Ltd. to establish a boat-building facility using composite materials like waste wood and epoxy. The initiative marked a diversification effort for the Dutch partner and a capacity-building leap for the local partner, Global Boat Builders Co. Ltd. Initial collaboration led to the development of prototypes and investment in infrastructure such as climate-controlled production rooms and lifting equipment. The project realised follow-up investment of €150,000, signalling a sustained commitment post-initial support. Although the detailed dynamics of cooperation aren't elaborated in reports, the physical and financial capital continuation suggests a shared strategic vision typical of the continuous resource commitment pathway.

### ***Pathway 2: Relational engagement***

Another case that demonstrates this pathway as well is 113IndMedRoosen, a project based in Kanpur, India, focused on high-precision metalworking for the medical industry. Dutch company Roosen Industries partnered with Euro Footwear Ltd., an Indian manufacturer of leather goods and metal parts. As global demand for precision components shifted to Asia, the JV aimed to establish a production facility matching European standards. This project involved intensive cooperation between industrial players, not only to transfer advanced technical knowledge but also to integrate into both local and global supply chains. The shared long-term vision and strategic interest in sustaining high-quality output laid the groundwork for a strong inter-organisational relationship. While the project did not realise follow-up investments, the mutual engagement and capacity-building with external institutes, highlight the extended and trust-based relational approach typical of this pathway.

### ***Pathway 3: Strategic social alignment***

Case 77ChiProdHilverda also illustrates the importance of strategic commitment, social capital, and proactive stakeholder engagement, focusing on young plant propagation in China. Representing a configuration driven by strategic commitment, despite the absence of substantial financial support. The project thrived by leveraging strong relationships with local agricultural

institutions and networks. Collaborative decision-making and regular consultations with farmers allowed the team to refine propagation techniques and adapt quickly to climate and market demands. Although financial resources were limited, the strong social infrastructure compensated, underpinning sustained progress.

## 7.12 Appendix 12 Recalibrations and memos

### *Conversation with expert 1*

Thursday 20-2-2025 18:01.

Email to prof. dr. A.U. Saka-Helmhout regarding one of her lectures about social innovation. Afterwards we had a conversation regarding the topic of my thesis research. She provided interesting insights, which I wanted to further explore. Thus, the below email was sent to gain more information and inquire interesting insights.

*“Dear prof. dr. A.U. Saka-Helmhout,*

*Hopefully, you are doing well.*

*Earlier today, we discussed my previous Master Thesis research topic, and the inaccuracy of this topic with the dataset.*

*I am thinking about another research topic/ question that would possibly fit the data set, and I was wondering whether you could share your thoughts with me as I found your insights very helpful.*

*As you mentioned, it might be too straight forward to only include the investment part in the research.*

*Thus, I might want to include the ownership share of the organisations with the amount of money spent by those organisations and look at the outcome/ results of the social innovation. Do you think this would be a valuable addition?*

*This was what I came up with as research question;*

*"Under what configuration of conditions do the amount of money organisations invest in social innovations, combined with their ownership share in joint ventures, influence the success and scalability of social innovation outcomes?"*

*However, I am very interested in hearing your point of view and other possibilities you might recommend.*

*Thank you in advance for your reply.*

*Kind regards,*

*Roos Klasen”*

Very quickly, Ms. Saka-Helmhout, replied to my email with the below response. This response helped me look into the article of Schrerer and Voegtlin (2020). The authors discuss responsible innovation and the potential and limitations of various models of corporate governance. This sounded very interesting to me as the subject of my research could shift from employees to the corporate governance structure of the company.

Thursday 20-2-2025 21:23

“ *Dear Roos,*

*Thank you for your email.*

*Your research question can work if you connect it to a clear gap in the corporate social innovation literature. See for example the following article.*

<https://journals.aom.org/doi/epub/10.5465/amp.2017.0175>

*These authors link corporate governance approaches to responsible innovation, arguing that shareholder value, stakeholder value, and political CSR approaches vary in their contributions to responsible innovation (see table 1). Could you analyse the configuration of conditions under which shareholder value vs. stakeholder value approaches influence the success of social innovation? This would be novel.*

*All the best,  
Ayse”*

When reviewing more literature about this topic and reconstructing my research design to the new topic, I asked for my thesis supervisor whether she could review my new research topic. This was later on approved by Ms. Alamos Concha. Thus, the new topic follows; “The influence of shareholder and stakeholder value approaches on successful CSI”

Afterwards, we had to create a presentation for the entire circle group. Though, I wanted feedback before the presentation from Ms. Saka-Helmhout, as I had constructed a conceptual model. The conceptual model consisted out of resources (Financial, human, social, resources) influencing the outcome “successful CSI”. She mentioned this could be accurate and further advised me to have a look at the Bradley et al. article and integrate this information in the literature review.

Then we had the circle presentation within the master thesis group. I received feedback and most feedback was to gather more knowledge regarding the research method, as I did not dive into this aspect as much. Thus, I started to look into QCA more, and see how to move further. After the hand in of my research proposal, I sent my second examiner an email to ask whether she could clarify some of the notes she provided.

## ***Conversation with expert 2***

Thursday 10-4-2025 12:30

*“Dear Ms. Bartosch,*

*Thank you for your feedback regarding my Master Thesis Proposal.*

*I was wondering whether you could enlighten/ elaborate on some of your comments and might be able to offer some suggestions moving forward.*

- *“You are very fundamentally discussing shareholder versus stakeholder approaches, although you could also talk about established differences in corporate governance. Corporate governance research on this has hardly been considered so far. This would also help you to differentiate between the two more clearly, namely not just as strategies (as it sometimes sounds in the current version) but specifically as different models of corporate governance.” - Do you mean that I need to link corporate governance models to the shareholder and stakeholder value approaches,. So link shareholder approach to “The Anglo-American model” and the stakeholder value approach to the “The German model of corporate governance” ?*

*“I was wondering whether it might make sense to anchor the definition and differentiation of the shareholder versus stakeholder model and its measurement even more firmly in corporate governance research.” - As I have described the definitions of the shareholder and stakeholder value approaches, would you like me to elaborate this more or do you have other suggestions?*

*Overall, I was wondering whether you have some suggestions on how to shorten the “proposal” part. As I know, the proposal is too long. However, I found it difficult to effectively remove certain parts of the proposal, as I am uncertain on which parts could be removed.*

*Thank you in advance for your response.*

*Kind regards,*

*Roos Klasen”*

Ms. Bartosch provided the following response:

Friday 18-4-2025 12:57

*“ Dear Roos,*

*Thanks for reminding me. I had on my agenda that I respond to you prior to my vacation, which starts tomorrow.*

*Please find my response to your questions below, highlighted in yellow.*

*Kind regards,  
Julia*

*Indeed, this is what I meant. You don't need to do that very elaborately or in order to add additional literature. However, and also linked to your other two questions, this could help you to shorten your text. You don't need to write it yourself then, but you could instead refer to established discussions.*

*For a corporate governance paper, you can for instance look into this paper:  
Aguilera, R. V., & Jackson, G. 2010. Comparative and International Corporate Governance. **The Academy of Management Annals**, 4(1): 485-556.  
As I described in my comment you cited above, in my view, your proposal mainly describes the stakeholder versus shareholder focus as corporate strategies. However, this is also engrained in the respective corporate governance system in a country and has also materialized in specific firm level structures (like the ownership, management remuneration etc.).*

*Linking the “purpose” of a firm (or its strategy) with such contingencies is well described in this paper: Battilana, J., Obloj, T., Pache, A.-C., & Sengul, M. 2022. Beyond shareholder value maximisation: Accounting for financial/social trade-offs in dual-purpose companies. **Academy of Management Review**, 47(2): 237-258.*

*In my view, and as said above, some of your discussion could be shortened by referring to well established differences between stakeholder versus shareholder systems. In my view, you don't need to elaborately describe this discussion but could more strongly cover this by citing relevant literature.*

*I recently summarized it here, maybe that helps: Bartosch, J., & Raab, J. (2022). Corporate Responsibility: An Overview. *Organising for Sustainable Development*, 15-30.”*

Afterwards, I revised my literature review, to shorten the text and the information regarding the shareholder and stakeholder approaches. This made it more focused on the literature that is already existent and reference in the proposed articles. Though, I waited with the introduction and methodology part, as I was not certain yet on which content would be essential for the analyses and discussion part.

### *Meeting with thesis supervisor*

Wednesday 17-4-2025 15:30 meeting with Ms. Alamos Concha.

The calibration table and dichotomization table needed to be revised. I send the revised document to Ms. Alamos Concha to receive feedback and move on to the analysis part. She provided feedback again. However, I felt like I kept revising the calibration and it was not doing any better. After reviewing her feedback again, I decided to contact a fellow peer, who is also doing his Master Thesis, using QCA.

### *Feedback from fellow peer*

Tuesday 29-4-2025 12:30 meeting with fellow peer

To do list.

- Make less quantity; present/ absent.
- Substantiation; robustness check & theory
- Calibration; new excel; in CSV.
- Data job income (succCSI)
- Jobs created (dichotomisation)
- Tri-partite make fuzzy set.
- Necessity analysis; Analyse --> necessary condition --> outcome and succsi (consistency; 0.9 and coverage 0.5).
- Necessity analysis; And then everything again but for the negated outcome (so ~sucCSI, and all the conditions)
- Sufficiency analysis: analyse --> truth table, then the raw consistency needs to be  $> 0.75$ .
- You can also make a certain threshold (look into the literature, where you look at the outcome, and if it has 1 case you can disregard or, or maybe 2 cases)
- Because you need to explain the configurations, so for example, financial resources and stakeholders value together shape sucCSI explain this path way (for example, 4 cases have this)

*Meeting with thesis supervisor*

Analysis before meeting Ms. Alamos Concha

8-5-2025

Mean and Std. Deviation

Variable	Mean	Std. Dev.	Minimum	Maximum	N Cases	Missing
humanres	0.5	0.5	0	1	34	5
socialres	0.5588235	0.4965277	0	1	34	5
finanres	0.5	0.5	0	1	34	5
stakeeng	0.7764706	0.1926271	0.33	1	34	5
shareval	0.2647059	0.4411765	0	1	34	5
succsi	0.49	0.2842948	0	1	34	5

Necessity analysis for outcome condition

Analysis of necessary conditions		
Outcome variable: succsi		
Conditions tested:		
	Consistency	Coverage
humanres	0.560624	0.549412
~humanres	0.439376	0.430588
socialres	0.539616	0.473158
~socialres	0.460384	0.511333
finanres	0.459784	0.450588
~finanres	0.540216	0.529412
stakeeng	0.89976	0.567803
~stakeeng	0.376951	0.826316
shareval	0.280312	0.518889
~shareval	0.719688	0.4796

Necessity analysis for the negated outcome variable

Analysis of necessary conditions		
Outcome variable: succsi		
Conditions tested:		
	Consistency	Coverage
humanres	0.441754	0.450588
~humanres	0.558248	0.569412
socialres	0.577279	0.526842
~socialres	0.422723	0.488667
finanres	0.53864	0.549412
~finanres	0.461362	0.470588
stakeeng	0.923877	0.606188
~stakeeng	0.341984	0.780263
shareval	0.249712	0.481111
~shareval	0.75029	0.5204

Stakeholder engagement appears to be a necessary condition for failure (~sucCSI), indicating that most failed projects were characterised by some form of stakeholder involvement. This unexpected pattern warrants further qualitative investigation into the nature and timing of engagement.

Truth table;

humanr es	socialr es	finanr es	stakeen g	sharev al	numb er	succ si	raw consist.	PRI consist.	SYM consist
1	0	0	1	0	1	1	1	1	1
1	0	1	1	0	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1
1	0	1	1	0	2	1	0.7462 69	0.5	0.5
0	0	1	0	1	3	1	0.7136 75	0.50370 4	0.66666 7
1	1	1	0	0	1	1	0.67	0.50746 3	0.50746 3
1	0	1	1	0	1	1	0.67	0.50746 3	1
1	0	1	0	1	1	1	0.67	0.50746 3	1
1	1	0	1	0	1	1	0.67	0.50746 3	1
1	1	0	0	0	3	1	0.6616 92	0.33333 3	0.33333 3
1	0	1	0	1	1	0	0.5796 02	0.37407 4	0.49753 7
1	1	0	1	0	5	0	0.4987 53	0.4	0.44370 9
1	1	0	0	1	5	0	0.4981 27	0.20238 1	0.33333 3
0	1	1	0	1	1	0	0.4962 41	0.33	0.49253 7
0	1	1	0	0	1	0	0.4273 5	0.33333 3	0.39881
1	1	1	0	0	2	0	0.33	4.44811 e-08	5.90145 e-08
0	1	1	0	0	1	0	0.33	0	0
0	0	0	1	0	1	0			
0	1	0	1	0	1	0			

Solution;

Intermediate Solution

A compromise between the complex and parsimonious solutions.

Uses only "plausible" counterfactuals, based on substantive knowledge (the researcher must specify which simplifying assumptions are theoretically valid).

Considered the most theoretically informed and interpretable.

### *Meeting with thesis supervisor*

14-5-2025

Meeting with Ms Alamos Concha, where we discussed the latest development in the calibration and the analysis of my Master Thesis

We started discussing the new condition I added, based on the literature, which is Strategic commitment. (review theoretical framework for the theory on this topic).

The condition Strategic commitment, has the indicator in the data set “follow up investment”.

As mentioned and discussed with Ms. Alamos Concha, two conditions (or part of the indicator of the conditions, cannot have the same indicator.

Thus, I had to recalibrate the indicator for the shareholder value. Before the meeting I already researched some other options as I already thought this might happen and thus instead of using the IRR for the shareholder value condition, I have now used the ownership share for the calibration of the shareholder value condition. For this condition a crisp-set calibration was also used.

Together with Ms. Alamos Concha, we decided to also switch to a crisp-set calibration for the outcome condition. This was previously a fuzzy set calibration. However, after doing the analysis with crisp-set, the results were better.

Moreover, after the new indicator for the shareholder value condition was established, the coverage was also higher (better than the previous indicator).

### *Conversation with expert 3*

18-5-2025

Email contact with Ms. Saka-Helmhout, I sent an email regarding the missing data for tri-partite involvement, to be measured via the involvement of the three actors.

Firstly, try to find more information in the PDF file. However, there were not any mention of the absence of these actors. Then, I looked at the projects individually to see whether they would mention the actors, but they did also not do this. I then contacted Ms. Alamos Concha and Ms. Saka-Helmhout. Ms. Saka-Helmhout, mentioned that I had to remove the missing cases. However, this would leave me with only 13 cases, which were (for me) too little cases. Thus, I adopted the indicator for the stakeholder engagement condition. I discussed the indicator “form of partnership”, with Ms. Alamos Concha and Ms. Saka-Helmhout, and they both approved of this idea.

18-5-2025, 15:23

*“Dear prof. dr. A.U. Saka-Helmhout,*

*How are you?*

*I am currently doing the fsQCA analysis for my master thesis.*

*For the condition “stakeholder engagement” I have the indicator tri-partite involvement.*

*For the “civil society” part, I have now looked at the dataset, to see whether the project had any involvement with for example an NGO, University or hospital.*

*I have now noted these involvements with several projects, however for many there is no mention of civil society involvement.*

*Do you maybe have suggestions for how to locate the original measurements or alternative sources for these variables in the cases with missing data?*

*Or can you share any guidance on handling gaps in the database?*

*Thank you in advance for your time and effort.*

*Kind regards,*

*Roos Klasen”*

Ms. Saka-Helmhout, replied very quickly with the following information:

19-5-2025, 09:32

*“Dear Roos,*

*I am well, thank you. I hope the same holds for you and that your MSc thesis is progressing well.*

*It is indeed the case that not all projects mention collaborations with NGOs or other societal actors. The data come from the investing Dutch companies themselves. They participated in the Dutch government's survey. Hence, the database is the original source of information.*

*The only way to overcome missing data, in this case, is to remove the projects that do not highlight NGO/societal actor involvement. I do not know how many cases you would need to exclude as a result, but you cannot exercise permutation or imputation on this database given its qualitative nature.*

*Wishing you all the best,*

*Ayse”*

Afterwards I looked at the dataset and tried to undertake the steps that Ms. Saka-Helmhout mentioned. However this left me with non-satisfactory results. Thus I replied the following.

20-5-2025, 09:29

*“ Dear prof. dr. A.U. Saka-Helmhout,*

*Thank you for your response.*

*This would mean I have to delete 21 cases (out of 34), I think this might be too much, or do you disagree.*

*Would it be possible to shortly meet today, to discuss this?*

*Thank you again for your time and effort.*

*Kind regards,*

*Roos Klasen”*

Afterwards, I went to Ms. Saka-Helmhout’s office to discuss the matter. She advised me to discuss with my supervisor and see what would still be feasible.

### *Meeting with thesis supervisor*

22-5-2025

Meeting with Ms. Alamos Concha, regarding the tri-partite condition indicator (of the three actors). Mentioned that I could use the same reasoning as done before, with supporting evidence from her, as well as Rihoux. When there is something that is otherwise obvious, which is not to be found in the (in this case) dataset, it can be seen as absent, and thus assigned with non-membership, “0”.

In calibrating the condition, I incorporated Lange’s (1966) conceptualization of “argumentum ex silentio”, which posits that the absence of mention in a source can, under specific conditions, serve as a form of evidence. Lange argues that when an author was expected to record an event, clearly aware of it, and motivated to include it, their silence becomes suggestive of the event’s non-occurrence. Though he cautions that such arguments are never logically conclusive, they can hold probabilistic weight, especially when contextualised within a broader evidence base. In my calibration, I applied this framework for the condition of the tripartite stakeholder engagement. Whenever a key indicator was notably absent from an otherwise comprehensive and relevant source, it was coded as non-membership reflecting absence.

### *Recalibrations throughout the analysis*

Shareholder value condition:

There was a need for recalibration, as the 'stakeholder engagement' was almost constant. Thus, the calibration from fuzzy set, went to the crisp set calibration. Where if there is one actor (or more) missing from the tri-partite, there is non-membership (0). If all actors are involved, then there is full membership (1).

Afterwards, the output of fsQCA, was still not favourable and thus, I went back to take a look at my calibration for the "shareholder value" condition. This condition was initially measured with the expected sales value and the realised sales value. For the recalibration, I used the IRR, while many authors established this measure as an accurate metric for shareholder value. Though, the results of this analysis were also not favourable.

After this, I recalibrated the condition "shareholder value" once again.

Firstly the IRR, though this was tautological, due the indicator also being in the outcome condition. Then I changed it to the realised sales; comparison of the pre-project estimates and the actual sales estimates. This calculation aligns with Rappaport (1986) and Kaplan and Norton (1996). Where if the value created (= actual sales – expected sales) exceeds zero, shareholder value is created thus will be assigned with 1 (full membership). If this measure is below zero it will be assigned with 0 (non-membership). (More explanation in the literature review, about Kaplan and Norton and Rapaport.)

Multiple recalibrations;

Truth table 2, shareholder value condition, calibrated, changed to metric IRR

socialr es	finanr es	stakeen g	sharev al	humanr es	numb er	succ si	raw consist.	PRI consist.	SYM consist
0	0	0	1	1	1	1	1	1	1
1	0	1	0	1	1	1	1	1	1
1	0	0	1	1	1	1	1	1	1
1	1	0	0	1	1	1	1	1	1
1	0	1	0	0	2	1	0.67	0.50746 3	1
1	1	0	1	0	2	0	0.67	0.50746 3	1
0	0	0	1	1	1	0	0.67	0.50746 3	1
1	0	1	0	0	2	0	0.67	0.50746 3	1
0	0	0	1	1	1	0	0.67	0.50746 3	1
1	0	0	0	0	3	0	0.55666 7	0.33830 8	0.66666 7
1	0	1	0	0	3	0	0.55666 7	0.33830 8	0.66666 7
1	0	1	0	0	1	0	0.5	0.25373 1	0.5
0	0	1	0	0	2	0	0.33	0	0
1	1	0	0	0	2	0	0.33	0	0
1	0	1	1	0	2	0	0.33	0	0
0	1	1	0	0	2	0	0.33	0	0
0	0	1	0	0	2	0	0.33	0	0
0	1	1	0	0	2	0	0.33	0	0
1	1	1	0	0	2	0	0.33	0	0
0	1	1	0	0	2	0	0.33	0	0
1	0	1	0	0	2	0	0.33	0	0
0	0	1	0	1	1	0	0.33	0	0.333

Truth table 3, shareholder value condition calibrated, changed to ownership share

socialr es	finanr es	stakeen g	sharev al	humanr es	numb er	succ si	raw consist.	PRI consist.	SYM consist
0	0	0	1	1	1	1	1	1	1
1	0	1	0	1	1	1	1	1	1
1	0	0	1	1	1	1	1	1	1
1	1	0	0	1	1	1	1	1	1
1	0	1	0	0	2	1	0.67	0.50746 3	1
1	1	0	1	0	2	0	0.67	0.50746 3	1
0	0	0	1	1	1	0	0.67	0.50746 3	1
1	0	1	0	0	2	0	0.67	0.50746 3	1
0	0	0	1	1	1	0	0.67	0.50746 3	1
1	0	0	0	0	3	0	0.55333 3	0.4275	0.59523 8
1	0	1	0	0	4	0	0.5	0.25373 1	0.5
1	0	1	0	0	1	0	0.5	0.25373 1	0.5
0	0	1	0	0	4	0	0.4175	0.36512 3	0.40119 8
1	1	0	0	0	2	0	0.33	0	0
1	0	1	1	0	2	0	0.33	0	0
0	1	1	0	0	2	0	0.33	0	0
0	0	1	0	0	2	0	0.33	0	0
0	1	1	0	0	2	0	0.33	0	0
1	1	1	0	0	2	0	0.33	0	0
0	1	1	0	0	2	0	0.33	0	0
1	0	1	0	1	1	0	0.33	0	0.333

Truth table 4, outcome variable from fuzzy to crisp (and ownership share for shareval):

socialr es	finanr es	stakeen g	sharev al	humanr es	numb er	succ si	raw consist.	PRI consist.	SYM consist
0	1	1	0	1	2	1	1	1	1
1	1	0	0	1	1	1	1	1	1
1	0	1	0	1	1	1	1	1	1
1	0	0	1	1	1	1	1	1	1
1	1	0	0	1	1	1	1	1	1
1	0	1	0	0	2	1	1	1	1
1	1	0	1	0	2	1	1	1	1
0	0	0	1	1	1	1	1	1	1
1	0	1	0	0	2	1	1	1	1
0	0	0	1	1	1	1	1	1	1
1	0	0	0	0	4	0	0.5	0.5	0.5
1	0	1	0	0	4	0	0.5	0.5	0.5
1	0	1	0	0	3	0	0.33333 3	0.33333 3	0.33333 3
0	1	1	0	0	3	0	0	0	0
0	0	1	0	0	2	0	0	0	0
0	1	1	0	0	2	0	0	0	0
1	1	1	0	0	2	0	0	0	0
0	1	1	0	0	2	0	0	0	0
1	0	1	0	1	1	0	0	0	0

Strategic commitment condition:

New conditions truth table

- Strategic commitment = follow up investment crisp set
- Shareholder value = IRR
- Outcome, succsi = fuzzy

strcom	socialres	finanres	stakeeng	shareval	number	succsi	raw consist.	PRI consist.	SYM consist
1	1	0	0	1	2	1	0.835	0.802395	1
1	0	1	0	1	2	0	0.835	0.802395	1
1	1	0	1	0	2	0	0.67	0.507463	1
1	1	0	1	0	1	0	0.67	0.507463	1
1	0	0	1	1	1	0	0.67	0.507463	1
1	0	1	0	1	1	0	0.67	0.507463	1
1	1	1	0	0	1	0	0.67	0.507463	1
0	1	1	0	1	2	0	0.666667	0.57265	0.797619
0	1	0	0	1	2	0	0.665	0.59802	0.746269
0	1	1	0	0	1	0	0.5	0.253731	0.5
0	1	0	0	0	5	0	0.334	0.169576	0.225166
0	1	0	1	0	1	0	0.33	0	0
0	1	1	0	0	1	0	0.33	0	0
0	1	0	0	0	1	0	0.33	0	0
0	1	0	0	0	1	0	0.33	0	0
0	1	1	0	0	1	0	0.33	0	0
0	1	1	0	0	1	0	0.33	0	0
0	1	0	1	0	1	0	0.33	0	0
0	1	1	0	0	1	0	0.33	0	0
0	1	1	0	0	3	0	0.33	0	0

## 7.13 Appendix 13 Further elaborations

### 7.13.1 Shared value concept

As briefly mentioned in chapter 2 of this research, alongside Friedman's shareholder theory (1970) and Freeman's stakeholder theory (1984), Porter and Kramer's (2011) concept of shared value creates a third, distinct paradigm in theorizing the role of corporations in society. Shared value emphasises that companies can simultaneously pursue economic success and address societal challenges, not through secondary CSR efforts, but by integrating social issues into their core strategies (Porter & Kramer, 2011). In this sense, it presents a hybrid idea that seeks to merge market-based efficiency with social impact.

This approach aligns with institutional theory and organizational legitimacy (Suchman, 1995), as it allows firms to maintain competitive advantage while enhancing their social license to function. It also resonates with resource-based views of the firm, suggesting that capabilities developed through social engagement, such as local knowledge, trust, and adaptive innovation, can become unique, inimitable resources (Hart & Dowell, 2011). Moreover, shared value is conceptually linked to CSR and inclusive innovation, both of which advocate for aligning profit with purpose through embedded social strategies (Baron, 2001).

Empirical studies have supported the effectiveness of the shared value model. For instance, empirical analyses demonstrate how integrating social concerns into product design, supply chains, and local ecosystem development can lead to measurable business gains and social enhancements (Porter et al., 2012). Furthermore, studies of CSI in developing markets show that firms adopting shared value principles tend to perform better in achieving both commercial scalability and social impact, particularly when supported by cross-sector collaboration (Saka-Helmhout & Álamos-Concha, 2023).

This concept provides both a normative justification and a practical mechanism for aligning business success with societal impact. In the context of CSI, it enables firms to move beyond compliance and philanthropy, towards transformative models of engagement that are both sustainable and systemically impactful.

### 7.13.2 Institutional variation

To further strengthen the configurational analysis, greater attention to institutional variation, particularly country-level differences, would provide deeper explanatory power. Institutional contexts deeply shape how businesses access resources, engage with stakeholders, and implement CSI. National institutions, including legal systems, corporate governance structures, and labour relations, create distinct rules of the game that influence corporate behaviour (Aguilera and Jackson, 2010). These differences can lead organizations in different countries to configure innovation strategies in ways that reflect local expectations and constraints. For instance, in contexts marked by institutional voids or weak regulatory enforcement, as discussed by Doh et al. (2017), firms may rely more heavily on informal networks or NGO partnerships to deliver social value, thus altering the configurational patterns observed in successful CSI cases.

Moreover, the role of institutional variation aligns closely with the QCA logic of equifinality, where multiple, context-dependent pathways can lead to the same outcome (Ragin, 1987; Ragin,

2008; Ragin 2014). Integrating institutional variation into QCA would help to explain why certain combinations of conditions are effective in one case but not in another and also emphasise the importance of localised systems of causality. Accounting for contextual embeddedness in QCA enables more meaningful interpretations of solution terms and supports more nuanced theorizing about how CSI scale differently across environments (Álamos-Concha & Saka-Helmhout, 2023). Hence, incorporating institutional context as either a condition or through sets could enhance the robustness and relevance of the cross-case insights.

#### 7.14 Appendix 14 Further managerial implications

The “collective impact” model developed by Kania and Kramer (2011) outlines five core conditions that enable effective cross-sector collaboration for solving complex social problems. These five conditions are: common agenda, shared measurement systems, mutually reinforcing activities, continuous communication, and backbone support organizations (Kania & Kramer, 2011). The conditions provide a foundational approach for structuring partnerships in stakeholder rich environments. The adopted model in practice and scholarship, has shaped how social innovation initiatives can be designed and coordinated. Based on the results of this thesis, particularly the QCA findings across 34 CSI cases, an additional condition is proposed to strengthen the model’s applicability: stakeholder legitimacy and local embeddedness. This element captures the need for businesses not just to coordinate efforts, but to build trustworthy relationships with locally influential actors who possess social legitimacy. This proposed sixth condition is rooted in both empirical results and theoretical grounding. In this study, stakeholder engagement appeared in multiple configurations of successful CSI. Pathways such as relational engagement and strategic social alignment demonstrated that engaging civil society organizations, cooperatives, or grassroots actors premature and meaningfully often enabled projects to overcome institutional voids, cultural barriers, or trust deficits. The data suggests that CSI initiatives in weak institutional settings were likely to scale successfully when legitimacy was consulted by community stakeholders, rather than imposed externally.

The normative and instrumental value of stakeholder inclusion is emphasized, especially when stakeholders employ local knowledge and influence (Donaldson & Preston, 1995; Freeman, 1984). Moreover, the stakeholder theory stresses the salience of legitimate stakeholders in shaping successful organizational strategies. The role of social embeddedness in enabling long-term viability of social innovations is also emphasised, noting that scalability often depends not just on replicability, but on integration into local contexts (Mair & Martí, 2006). Therefore, this thesis proposes an adapted collective impact model, in which stakeholder legitimacy and local embeddedness is added as a sixth condition. This addition encourages companies and practitioners to go beyond alignment and coordination, and instead invest in cultivating trust, shared ownership, and legitimacy with local actors from the earliest stages of the innovation process.

In practical terms, this can translate in identifying locally respected partners, involving them in co-creation and governance, and aligning innovation goals with local development priorities. Thus, this research does not contradict the collective impact model of Kania and Kramer (2011) but builds on it, offering a contextual enhancement based on empirical data from developing

country settings. It suggests that for CSI to be scalable and sustainable in stakeholder-rich environments with institutional gaps, local legitimacy and embeddedness must be intentionally built and treated as a central strategic condition, not a by-product. This insight makes the collective impact approach more robust and relevant for companies engaging in social innovation across diverse global contexts.

*Table 11: Processed model based on the collective impact framework of Kania and Kramer (2011)*

