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# TRACK CORPORATE SOCIAL RESPONSIBILITY, ETHICS, AND SUSTAINABILITY IN BUSINESS NETWORKS

# WORK IN PROGRESS

# NETWORK INTERACTION-BASED TOOLS FOR CSR IMPLEMENTATION IN FOOD SMEs

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#### Abstract

Based upon the FP7 European NetGrow project (www.netgrow.eu), the objective of the communication is to propose a comprehensive set of accompanying tools devoted to CSR implementation in food SMEs. The objective of these tools is to develop a step by step methodology to identify what are the benefits in engaging its own organization or institution in a networking activity, and/or in crafting specific interorganizational relationships devoted to innovation. In doing this, the managers will have an optimal use of their partners and their environment. The tools are aiming mainly at the following tasks: the enhancement of the awareness in networking activity; the selection of the adequate or optimal network; the mobilization of the relevant services or output; the efficiency of the network management; the proposition of some policy recommendations. It thus provides a complete managerial apparatus devoted to set up concretely open innovation, linking theory to practice and putting in motion theoretical insights. A collective initiative at the regional level in France is then used in an analogical comparison to illustrate the potential interests of this approach through practical tools as a mean to enhance or improve network effects helping SME in their CSR implementation.

Key words: CSR, food SME, implementation, network, tools

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#### INTRODUCTION

The implementation and development of CSR principles within SMEs is one of the major trends of modern businesses, and also an important challenge for SME managers to be overcome in many situations. Indeed SMEs, and especially in the food sectors, will face a wide range of constraints, including a lack of resources and competences, isolation, both geographical and cultural, cognitive distance with CSR standards. Most of the solutions proposed to fill the gaps of these limitations are either too costly or difficult to set up. To mitigate social and environmental constraints, managers of SMEs must integrate and consider interests of all of the stakeholders in decision making and the characteristics of the context. Following these statements, the objective of the communication is to propose a comprehensive set of accompanying and diagnosis tools, as well as its theoretical underlying postulates about network effects in CSR implementation, aiming at the set up of these principles in SMEs, tools rooted in a network interaction-based vision of the CSR process. The communication is organized in three parts. Firstly the communication gives insights on CSR implementation in SMEs and its network dimensions. Secondly we explain the context of the NetGrow European research project and we expose the content and logic of the tools the project has developed in order to foster innovation. Indeed the tools are created in connection with the main concepts of the network interaction model findings, which are mainly to consider that interactions and learning phenomena between networks, companies and individuals have a crucial role in innovation processes. Thirdly these generic ideas of business interactions are interpreted and compared in the context of a real situation of CSR implementation, a collective initiative conducted in France.

#### CORPORATE SOCIAL RESPONSIBILITY IN SMEs: THE NETWORK DIMENSION

CSR is a major trend in modern business in which companies are expected to account explicitly for all aspects of their performance, economical, environmental and social. Such an implementation of complex CSR principles encompasses important managerial changes, in practices, processes and structures. CSR implementation in a company is a category of managerial innovation (OECD, 2005; Pitsis et al. 2012) as these practices and procedures will be new to the firm (Damanpour and Aravind, 2012). As such managerial innovations induced by the implementation of the CSR principles in SMEs mobilized networks of different nature (Cramer, 2009; Fenwick, 2010; Jenkins, 2006, 2009; Perera, 2008, 2009). Their characterization has focused the attention of many researchers (Bonneveux, 2008; Bonneveux and Saulquin, 2009; Jamali et al., 2009). The works of Bonneveux (2008), and Bonneveux and Saulquin (2009) for instance highlight the role of the network, seen as a framework 'which fit together resources and capabilities between the internal and external stakeholders', to allow integrated approaches of social responsibility. The existence of the network organization reduces the information asymmetry on CSR and provides a more concrete representation of actions to integrate when a company wants to implement CSR. This experiential aspect of the networking activity is also acknowledged by Cramer (2009) and Fenwick (2010) in their research on CSR implementation at the company level. The network, as a collective actor, is also 'an interlocutor of the various stakeholders which allows a greater exchange of experiences, knowledge and resources, both tangible and intangible' (Bonneveux, 2008).

For Jamali *et al.* (2009) the SME context of CSR implementation adds peculiarities, especially due to the importance of relational attributes and non-formalized rules and procedures. In opposition to large companies, SMEs usually rely on discretionary values and direct interpersonal links with stakeholders. For Jamali *et al.* (2009) 'the weaknesses of SMEs stemmed in turn from a limited integration and institutionalization of CSR processes and limited identification with the business case for CSR, and strategic CSR conceptions and

orientations.' Jenkins (2006, 2009) also suggests considering this question of business case as central, suggesting that SME facing CSR needs considering more specifically the following aspects,: need of a change agent, i.e. a business champion able to guide the change process; need of external networks, in order to have access to new skills and information; need of internal networks, that will transform and disseminate in-house this new knowledge.

A major difficulty in studying network effects in the implementation of CSR principles is its complexity and duration (Helfrich, 2008; Maon *et al.*, 2009). Moreover the implementation of the standard itself induces an activation of specific CSR stakeholders, which should not be confused with the creation of (often new) relationships with other types of actors, such as actors facilitating the setting up (consultants for instance) or institutional actors whose role would be to bring the innovation through a collective approach (such as a network coordinator). In other words, there are several categories of learning phenomena that are activated simultaneously, and will vary overtime (Maon *et al.*, 2009).

The process of implementing a managerial innovation such as CSR encompasses both structural and dynamic dimensions. Indeed, a company wishing to implement these principles must reconfigure its place in its environment by mobilizing jointly its individual and organizational partners over a relatively long period of time. In the words of Jenkins (2009), a SME has to 'build a CSR strategy from simple beginnings to a process of learning and networking'. The objective of the approach is to characterize these events in a heuristic manner. As a highly complex phenomenon, the implementation of CSR in SMEs necessitates the delineation of different categories of effects. Following Agarwal *et al.* (2012) we will consider that the 'social capital of the organization (and its members) might be seen to be a potentially important determinant of the extent to which managers as change agents can engage in the learning, experimentation, reflection and communication (...) as it shapes the organization's access and exposure to new ideas.' These authors, in coherence with the social capital innovation theorists, identified three dimensions which will serve as a basis for the study of the network effects: structural, interactive and cognitive.

This idea of three categories of network effects finds its source in the social capital theory (Burt, 1997, 2000; Inkpen and Tsang, 2005; Nahapiet and Ghoshal, 1998) and has already been developed in the context of innovation in general (Zheng, 2010) and managerial innovations in particular (Agarwal et al., 2012). Nahapiet and Ghoshal (1998) for instance define social capital as 'the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual of a social unit (...), it comprises both the network and the assets that may be mobilized though that network'. As suggested by Pittaway et al. (2001) and Conway and Steward (2009), the connection has been made between the benefits of network and innovation. But the literature on the role and functions of networks on innovation can be approached through at least two interpretations (Conway and Steward, 2009). In the first one the network is seen as a new way of organizing innovation activities, between market and hierarchy: it is thus the governance aspect that is emphasized. In the second one the network is not considered per se as a specific mode of organizing activities benefiting (or not) to innovation. Instead it is viewed as a new analytical lens interesting to focus on because it produces a wide range of effects, of externalities, that will influence the innovation processes. Doing so, the network is tracked via the effects it may produce, as a phenomenon affecting any economic life.

Interaction effects between individuals for instance will be probably more important at early stages of the innovation processes, while structural dimensions are more predominant in wellestablished network relationships. Finally, cognitive effects will be mainly related to the institutionalization (Crossan *et al.*, 1999) of a formal innovation network, especially when it 'becomes formalized into rules, routines and procedures' (Crossan *et al.*, 1999) which also tends to create path dependency, organizational memory, common resources and sensemaking (Weick, 1995). Considering these theoretical antecedents about networking activity for innovation, we will turn now to the concrete example of the NetGrow research project and a case study.

# PUTTING CSR INTO PRACTICE: THE NETGROW TOOLBOX® THE NETGROW PROJECT: THEORIZING IN ACTION

The overall objective of the FR 7 European NetGrow (2010-2014) project (cf. <u>www.netgrow.eu</u> for a complete presentation) was to enhance network learning leading to increased innovation for food SMEs. Instrumental for achieving this is a thorough understanding of: the nature of network learning, the attitude of food SMEs in different EU member states and the functioning and performance of different types of networks. The project has developed an advanced "science in action" methodology based on the interaction between economics, social science and political science perspectives to analyze the relationships between the components of the conceptual framework. For this project nine research teams have been involved under the supervision of University of Gent (Belgium): IFAU (Denmark), Food Valley (The Netherlands), University of Bologna (Italy), University of Lund (Sweden), Institut Polytechnique LaSalle Beauvais (France). The project has been applied to a wide range of innovation, including managerial innovations such as CSR in the case of France.

More specifically, in the context of SMEs, the objective of the NetGrow project is to explore the role of networked learning in developing innovation in food SMEs and of its impact on economic growth and sustainable competitiveness, its success factors and its barriers. It seeks to identify the characteristics of food SMEs network preferences as well as behaviour, explaining the positive effect of networking on innovation in the EU food SMEs. Similarly, it analyzes differences in the preference for network characteristics between food SMEs with a different innovation capacity. The project proposes insights into these differences and provides an evaluation of the potential of actual network designs engaged different types of companies. It also gives a description of an optimal network design for network learning. Finally the research in this project helped the creation and the development of an analytical toolbox for evaluating and fostering network learning performance. It is a prototype tool box which should also permit comparison of performance between regions, countries and sectors.

# THE NETGROW TOOLBOX: OVERVIEW AND CONTENT

The Netgrow project develops a leading-edge methodology on the identification and explication the differences between high and low performing networks by testing the network learning performance tool. The ultimate goal of the toolbox is to enhance the competences and skills of food SMEs, network organisations and policy makers in their strategic network management.

The NetGrow toolbox (hereafter NGT), developed by Food Valley (The Netherlands) on the basis of the project findings, is made for food SME managers, including not only food producers but also manufacturers of technology, equipment and services for the food industry, network managers and policy makers. These three categories constitute the main targets, the three pillars of the triple helix of innovation linking together SMEs, innovation networks and policy makers. The global logic of the NGT is that of a comprehensive set of sub tools which underlying postulates are to consider innovation processes as a networked phenomenon. Of course not all the aspects of networked have been considered in this communication, in order to turn the vision into realistic and feasible concrete propositions. Nevertheless, it is possible to trace back our main findings with the logic contained in the NGT. In order to identify the logic of this project, we consider firstly the two main

dimensions of the NGT, i. e. its goals and its main targeted players. These two dimensions are then synthesized in table 1, which gives a complete overview of the tools. As shown in this table, some tools are specific to one category of players, some others to two categories, and some to three categories.

Table 1: An overview of NGT sub tools through the dimensions of priority objectives and targeted players

Priority	Sub tool 1	Sub tool 2	Sub tool 3	Sub tool 4	Sub tool 5
objective⇒	Network	Network	Network	Network	Network
Targeted	awareness	selection	activation	upgrading	embeddedness
players					(at policy
$\downarrow$					level)
Food SME	Х	Х	Х		
Policy maker	Х	Х			Х
Network	Х	Х	(X)	Х	
manager					

Source: based on the NetGrow toolbox, NetGrow project, Food Valley NL

We have seen previously (table 1) that the five sub tools are organized around five topics. According to our review of literature on CSR, it is possible to relate these objectives to specific features of managerial innovations. These characteristics can be summarized in six categories: network behavior enhancing, formal network identification and profiling, network selection, network matching, networking activity enhancing, network policy supporting. These categories of actions constitute, in a sense, an operationalization of the two sides of the innovation process:

- The side of *enhancing* networking activity for innovation (NA)

Sub tool Sub tool 2

- The side of *structuring* formal innovation networks (FN)

1

These two sides are summarized in table 2 in relation with the specific sub tools of the NGT. As we can see, in crossing the different categories of sub tools with the characteristics of networked innovation, it is possible to match the roles of enhancing networking activity for innovation, of structuring formal innovation networks, or in some cases of both.

Table 2 Effects of sub tools on innovation processes and networking activity/formal networks

Sub tool 3

Sub tool 4

✓ Network behavior enhancing	NA	NA		
<ul> <li>✓ Formal network</li> <li>identification and</li> <li>profiling</li> </ul>	FN			
$\checkmark$ Network selection,				
✓ Network matching	FN			

Sub tool 5

✓ Networking enhancing	activity	NA	NA
✓ Network supporting	policy		NA + FN

NA = networking activity FN = formal network Source: based upon the NetGrow toolbox, NetGrow project, Food Valley NL

We will illustrate in this communication three of the five tools.

Sub tool 1 ("Why networks works") focuses on the interests of networking and open innovation for food SMEs. Its main objective is to overcome barriers and limitation of companies, and the players in general, in their open innovation processes. The sub tool 1 in its design may present as a release lever. The goal of the sub tool is to create motivation for participation, to give insights in the understanding of the importance of network and networking activities, to create incentives and willingness to enter in collaborations and partnerships. Thus, considering this sub tool 1, the global objective is to consider the need for network behavior awareness. In concerns mainly the networking activity of SME managers, network coordinators and policy makers.

As soon as the player has the motivation to develop open innovation, it is necessary to provide guidance and recommendations concerning the diversity, objectives and interests of the networks available. Innovation is uncertain and complex, consequently the results are not guaranteed. There is a fundamental uncertainty that arises due to the fear that the innovation will have negative consequences for the individual and/or organization. The company can soothe concerns by referring to the successes of these peer testimonials. This is the objective of tool 2, entitled "Find your network". It is also targeted to food managers, network coordinator and policy makers. This sub tool 2 deals with the idea of matching the needs for innovation and the intrinsic characteristics of networks, some of them devoted exclusively to innovation while others are generic networks that may serve other purposes. Indeed, as soon as the players have increased their will to collaborate and participate in networks, they must be able to: (i) identify the specific needs of their own innovation processes (targeted for SMEs); (ii) turn these needs in network characteristics, in terms of size, scope, specialization, openness etc.; (iii) find out and understand the diversity of available networks, considering their own idiosyncratic context; (iv) select (or help selecting) the suitable network(s), through a database (the sub tool 2 also provides a typology of networks).

Sub tool 3 called "Get the most out of your network" is devoted to the concrete process of innovation implementation. Targeted mainly to food managers (and secondarily to network managers) it gives support to get as much as possible benefits out of their networks. More precisely the objective is to match SME's most important needs for innovation. Enhancing the effective use of external sources of innovation is essential to improve a company's innovation capacity, which will lead to better performance. Considering these needs, the tool provides means to evaluate and assess the quality of the available networks and finally to match the SME's needs to the services provided. This is thus a way to globally enhance networking activities. In order to be relevant, the SME managers must be able to align clearly the strategic priorities of their innovation with the skills and competencies offered by the chosen network(s).

These three sub tools constitutes the core apparatus of the NGT, as it aims at engaging a positive dialectics between the basic components of networked innovation, that is to say:

network behavior, network skills and capabilities, network interactions within the triple helix, network relationship complementarity. The other sub tools are complementary in a sense that the main focus is on network managers (sub tool 4) and on policy makers (sub tool 5), thus finalizing the completeness of the triple helix approach.

# CASE STUDY OF CSR IMPLEMENTATION THROUGH TOOLS: A COMPARISON

First of all we detail the research protocol and its theoretical foundations, which is mainly an exploratory research based on one case study. Then we explain the context of CSR implementation and the main characteristics of the case study, which is an ongoing regional collective initiative around CSR conducted in France, from a network as a whole as well as from a firm level. Finally in a comparative perspective the network effects are synthesized in connection with the logic of the tools mobilized in this case study.

# CASE STUDY METHODOLOGY AND RESEARCH PROTOCOL

In the study of a dynamic process involving several actors, it is necessary to implement a research setting in the spirit of a theoretical sampling and a case study methodology (Yin, 2009). Consequently the approach of the case study adopted is in line with those developed by Yin (2009), Le Goff (2002), Dubois and Gadde (2002). For Yin (2009) the abductive approach to case study is well suited when the phenomenon to be studied is unclear. An exploratory research by the case allows making sense of complex situations. For Le Goff (2002) the heuristic quality of the case study approach is 'likely to update elements deviant or surprising. The case study allows the detection of new phenomena' (Le Goff, 2002). Finally we have developed this case study approach as it is well adapted to the context of managerial innovation (Pitsis *et al.*, 2012).

In practical terms, the data were collected from questionnaires and interviews designed as part of the research protocol of the FP7 European NetGrow project previously detailed. In this project the data collection is done through two complementary approaches: one focusing on the approach of the global innovation network, and the other on the approach of a focal company (called ego network). The actors of the global network are classified into four categories: network coordinator, business firms, governmental bodies, research organizations. The network centred on a focal firm is approached through four sections: identification of key phase of innovation, identification of partners (individuals and organizations), nature of trade (knowledge, finance etc.), and nature of interactions (social relations, flows of trade, knowledge, information and resources).

For the case study, this is a total of six semi-structured centred exploratory interviews (Romelaer, 2005) that were conducted face to face. Two interviews were done with the network coordinators, an interview with a government representative, and interview with an expert (considered as a research organization and knowledge transfer centre) and two interviews with members of one food SME (quality responsible and production responsible). After taking into account the specificities of the case, the research protocol of the NetGrow project was adapted in the case of the French partner to CSR as a category of managerial innovation and a concrete case study of collective initiative.

# CONTEXT AND MAIN CHARACTERISTICS OF THE CASE STUDY

The field of our case study investigation is developed simultaneously at two levels: firstly at the network level called 'Destination Développement Durable' (Sustainable Development Destination; hereafter 3D) in the Aquitaine region in France and secondly hand at the SME level with a SME member of this network, the company Vignerons de Buzet (hereafter VdB). 3D is born from the initiative in 2005 of the Regional Federation of Agricultural Cooperatives in Aquitaine (FRCAA) and the French Association for Standardization (the

French branch of ISO, the International Organization for Standardization; Afnor). The 3D network is formalized by a contract of partnership between these two entities (Abdirahman and Sauvée, 2012; Abdirahman *et al.*, 2013). This collective effort has allowed thirteen food companies to embark on the path of sustainable development and to be accompanied constantly in their will the set up CSR principles, mainly based upon the ISO 26000 standard defining CSR guidelines for companies (Abdirahman and Sauvée, 2013; Capron *et al.*, 2011; Perera, 2008, 2009). This new ISO 26000 standard has been launched internationally in 2010 and translated for the French food sector by Afnor and professional bodies in 2011, creating a strong dynamic in the sector around this issue.

Thus a group of companies was created with common values and shared ambitions to structure a wide range of actions in coherence with their priority stakeholders (mainly consumers, buyers, local authorities, insurance companies, environmental groups, etc.).

At the 3D network level, the main drivers in Aquitaine were, with the participation of agribusiness, to anticipate the evolution of regulations and prepare for the new constraints of CSR rather than suffer afterward without taking the time to prepare. But the food SMEs were lacking at that time of sufficient knowledge, of internal resources such as human resources devoted to CSR issues. More importantly, the food SMEs in the Aquitaine region were not aware of the new values and social norms that such an approach necessitates.

Progressively the 3D network has several important roles. Firstly the key pivotal role of 3D network is to provide the 3D tool. It is essentially the creation of common services built around three themes:

- 1. The training tool, for SME managers, in the preparation of the process of implementing CSR principles.
- 2. The availability of a diagnosis tool linked to a pool of specialized experts that leads to the offer of the comprehensive consulting services for SMEs taking into account the principles of CSR synthesized in eight criteria.
- 3. The communication tool (website, brand name, communication tools vis-à-vis stakeholders). The consultants are trained in CSR by the network drivers to become 3D experts.

VdB is a wine cellar cooperative founded in 1953 and located in the Lot-et-Garonne district in the South-West of France. This is an SME which includes 234 growers and has 88 employees. The activities of the cave are from the grapes production to the marketing of wine bottles. To do this, the cooperative has two winemaking sites, two aging cellars and two packaging lines. The SME is engaged in the 3D network and this initiative is in line with all strategic actions already taken by the company in terms of certification (Agri Confiance®, a quality and environmental standard set up by French cooperatives based upon ISO 9001 and ISO 14001 standards). The antecedents of the SME in terms of certifications and their former collaborations with the network drivers in the case of AgriConfiance® certification are factors of maturity and most trusted determinants for their decision to adopt CSR principles through this network. SMEs benefited, like other companies, of funding from the governmental body (DIRECCTE) via the 3D network and also received complementary funding from the Aquitaine Regional Council.

The issue of CSR brings three major challenges for any food business (Abdirahman and Sauvée, 2013; Hartmann, 2011): (1) the creation of a pool of specific resources; (2) the need to communicate its sustainable practices with stakeholders; (3) the creation a community of practice (in the sense of Wenger, 2000) leading finally to the creation of an organizational culture. In this sense, the 3D network can be seen as a virtual place that matches a learning platform for food SMEs, a communication tool with stakeholders and a set of resources that provide the socio material basis for this community of practice. Thus this collective learning process creates a dynamic favouring the appropriation, at the firm level, of social and

environmental issues.

Table 3 summarizes the main basic components found at the network (whole network) and individual (ego network) levels. These building blocks are differentiated in two parts. First of all one should consider the resources that have been developed in house. These resources are mainly virtual (embedded in the intranet system) but are also found in the specific human expertise of CSR consultants. The 3D network is a bundle of specific resources exclusively available to its members. But, more importantly, the 3D network is also an infrastructure of communication channels that can be activated by the network managers and the members. In other words the communication channel of the network brings an opportunity of communication, which is, as we will see, conditional to the expression of networks effects.

Table 3. The main tools, resources and communication channels mobilized for CSR implementation in the 3D network.

Levels	Resources for interaction and	Modes of interaction/exchange
Organizational	3D website	Formal intranet adhesion by members
	Sustainable development reports	Elaboration and diffusion through
	Identification guide of the	website
	stakeholders	Web diffusion to 3D members
	Human resources: pool of CSR	Direct interpersonal exchanges
	experts	
Individual	Specific knowledge on CSR (3D	Self-training through common resources
	experts)	Training sessions: external (in the
	CSR training resources	community of practice); internal (in the
	Cross auditing	companies)
		Interpersonal exchanges

TOOLS ENHANCING CSR NETWORK EFFECTS: EMPIRICAL EVIDENCE

The logic of tools developed within the 3D case study will be able to enhance network effects at structural, interactive and cognitive levels. We detailed these three points.

The idea of structural effects is to put forward the nature, diversity, position of actors (individuals and organizations), involved in the process, and the content of the links between them. During the antecedent phase the main structural aspect is the existence of community of agri-food companies constitutive of the FRCAA, the regional federation of agricultural cooperatives of the Aquitaine region. This professional community, already formally organized, is the basic component of the network. Then the formal agreement between FRCAA and Afnor creates a dyad of institutional actors, well balanced between the two as the initiative has been launched commonly. The geographical proximity of all actors, all of them installed in the Aquitaine region, is also to acknowledge.

During the following phases, the pivotal role of the 3D experts is the main structural effect. Indeed, at the individual level, 3D experts are involved in this phase because they accompany SMEs in the implementation of CSR principles. They play a key role in ensuring the essential functions of the translation of the standard (Abdirahman and Sauvée, 2012; Brodhag, 2011) in that they facilitate the passage of a normative content of its implementation in the actual practices of SMEs, as we will see below. Another important structural aspect is the existence of formal links between experts who have a contract with the network coordinator. Thus there is a collective and structured interface between experts and all SME members of the 3D network, which will form the basis of networking activities: this is the complementarities of the two facets, as emphasized in the literature (Berthon *et al.*, 2007; Conway and Steward, 2009).

Concerning the position of the VdB company within the network, it evolves during the process from peripheral to central: from a position as an undifferentiated member of the federation, the company is progressively moving toward a status singular actor during the emergence and development of dedicated exchange with experts.

As shown by authors such as Pawlowsky (2003), interactions form the basis of learning and as such must be carefully investigated. In the antecedent phase, previous important projects conducted within the federation (such as AgriConfiance®) has led to significant interaction activities with various consultants in the domain of environment, opening the path for other innovative projects. Concerning the CSR project in itself during the antecedent phase, the VdB company has received mainly information and soft knowledge about awareness to CSR issues and the broad content of CSR principles. At this stage, the SME uses intranet and is not challenged to do more. Therefore the type of learning is single loop, by drawing an analogy with the works of Argyris and Schön (1996), because at that stage the changes involved are absent or limited. The decision to implement CSR occurs through exchanges at the individual level between the network coordinator and the VdB managing director, and between the managing director and the quality responsible.

During the set up phase, 3D experts, strongly in interaction with SMEs involved in the process, have played both roles of adapters and of diffusers of the CSR principles. At the individual level, the quality manager is the appropriate partner for 3D experts. In our case study, the VdB company learned through these interactions. The company also learned thanks to the cross audits within the 3D community, by adaptation/translation of its practices. As such, the company has progressively identified its sustainable practices internally and corrected or gives rise to other practices referring to the 3D tool. These practices have involved changes or creation of new procedures, instructions and staff training on certain themes of CSR. In this case we have an example of the double-loop learning, in the sense of Argyris and Schön (1996): the company sets up procedures which will induce deep changes in the managerial practices and in the strategy.

During the post evaluation phase, the company wants to obtain recognition of CSR practices internally via AFAQ, an evaluation/certification organization. The AFAQ 26000, a CSR assessment tool, is applied in interaction with the company through a formal auditing activity, in order to meet the requirements of the evaluation. It is to be noticed also that during this phase the permanent improvement process is backed up by an intense interpersonal networking activity between employees of the company, exchanges orchestrated by the quality responsible.

The interactions are mainly done through informal relationships (or virtual direct contacts between business leaders and quality managers) that will induce a phenomenon of imitation and emulation. This interaction effect put forward the key role of the constitution of informal social networks which roles should be more clearly acknowledged in the future. The main interactive mechanisms at the company level are mimicry, defined as observation, comparison and self-evaluation of strategic behaviours. We will see that these mechanisms will lead eventually to the creation of a common organizational culture and shared values.

Not surprisingly, the cognitive network effects are mainly identified at the 3D network level, where the major resources are found. We have seen that the FRCAA organization has created a website called 3D in which companies can download and communicate their sustainability reports. The companies also have access to the 3D tool developed by FRCAA in collaboration with Afnor, and to the identification guide of stakeholders.

First of all, the cognitive dimension emerges through the creation of an organizational memory within the network. Indeed the establishment of this collective memory is permitted by the publication of SME sustainable reports on the 3D website, thus open to the public. In parallel, the creation of the common intranet contributes to the emergence of a virtual centre

accessible simultaneously to all members of the 3D network. This intranet platform reduces the risk of opportunistic capture of the resource by members in placing them at the centre of the network.

The cognitive dimension of the 3D network is also found in mass and cumulative effects: knowledge is progressively stored on the intranet and thus accumulates over the years. Finally a community of practice (Wenger, 2000) encompassing the SMEs involved in the 3D network has emerged, through a common use of 3D tools, the development of shared values and norms, the identification of the companies to the brand name. It induced a creation an organizational culture which can be considered at its early stage of development.

# CONCLUSION

The FP7 European NetGrow (2010-2014) project provides an interesting example of turning theory into practice. From theoretical insights originating in literature on open innovation, innovation networks and networking activity for innovation, an integrated analytical framework and a set of tool boxes have been crafted and put in motion. Considering these antecedents, the objective of the communication was twofold. Firstly it was to summarize the key underlying ideas of the tool box which aim is to enhance innovation capacity at the network and company levels. Secondly it was to expose the practical implications of such tools through a comparison with a case study of a collective initiative of CSR implementation in France. Future researches on that topic should explore more thoroughly the relationships between these postulates of networking for innovation and the possible extensions in the creation, framing and refinement of practical action tools. Consequently the NetGrow tool box has potentially considerable managerial implications, mainly for SME managers, in their will to implement CSR principles.

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