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Saying and Doing: Social Responsibility Declared and Applied

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Abstract

The purpose of this work is to examine the relationships between and among firms' commitment to social responsibility, their declarations — or reporting — on their social responsibility, the application of social responsibility in the form of social innovation, and customer acceptance. A research model drawing on the attributes of stakeholder theory is tested using data collected from 355 firms. The findings indicate that firms with commitments to social responsibility are likely to report on their social responsibility and are also likely to be engaged in social innovation. However, a negative relationship was found between reporting on social responsibility and social innovation. This highlights the importance of differentiating between saying and doing. Finally, social innovation was found to contribute to customer acceptance, while reporting on social responsibility was not. When it comes to social responsibility, it might be fair to say that "talk is cheap," while social innovation "speaks louder than words."

Introduction

Social responsibility is an important topic for academics, practitioners and policy makers (Carroll, 1991, 1999; Carroll & Shabana, 2010; Morsing & Perrini, 2009; Perrini, 2006) and the discourse on this topic is characterized by increasing urgency (Mahoney, 2012; Mithani, 2017; Wood, 2010). Following Sarkar and Searcy, social responsibility can be defined as follows: "firms must foremost assume their core *economic* responsibility and *voluntarily* go beyond legal minimums so that they are *ethical* in all of their activities and that they take into account the impact of their actions on *stakeholders* in *society*, while simultaneously contributing to global *sustainability*" (Sarkar & Searcy, 2016, p. 1433). The tenor of this definition implies action, and two of the classes of action that are likely to stem from social responsibility are social innovation and reporting on social responsibility (Husted & Allen, 2007; Yin & Jamali, 2016). The first involves crafting solutions to social challenges as part of a firm's innovation activities. The second involves articulating and declaring a firm's commitment to social responsibility by reporting on its activities that benefit society both within and outside the firm.

The objective of this research is to examine how commitment to social responsibility (Mishra, 2017; Morsing & Roepstorff, 2015; Park et al., 2014) is related to social innovation

(Adams & Hess, 2010; van der Have & Rubalcaba, 2016) and to attempts to signal a desirable social profile through reporting about social responsibility activities (Carroll & Beiler, 1975; Jackson & Apostolakou, 2010; Nekhili et al., 2017), and in turn, how both of these activities might contribute to customer acceptance.

Stakeholder theory (Freeman, 1984) is sometimes viewed as consisting of descriptive, instrumental and normative attributes (Donaldson & Preston, 1995). A firm's commitment to social responsibility corresponds to the descriptive attribute, reporting on social responsibility — which reflects a firm's agenda — corresponds to the instrumental attribute (Marques et al., 2018, Mulgan, 2006), and when firms engage in innovation to address social challenges, they align with the normative attribute of stakeholder theory (Marques et al., 2018). We build and test a research model that takes into account the three attributes of stakeholder theory. To the best of our knowledge, this is the first work to explore these relationships in a single model using quantitative methods.

We test our research model using data collected through a survey of 355 managers in a broad range of sectors. The findings indicate that commitment to social responsibility and social innovation are positively related as are commitment to social responsibility and reporting about social responsibility. Meanwhile, there is a negative relationship between social innovation and reporting about social responsibility, which points to a potential conflict between declaration and application in the form of social innovation. Finally, the findings indicate a positive relationship between social innovation and customer acceptance, but not between reporting about social responsibility and customer acceptance. Together, these findings suggest that when it comes to social responsibility it might be fair to say that "talk is cheap", while social innovation actions might be said to "speak louder than words".

Our work contributes to ongoing discourses on social responsibility and social innovation. More specifically, we make three important contributions to theory and practice. First, there is a paucity of quantitative research examining the relationships between social responsibility and performance and, with a few notable exceptions (e.g., Candi et al., 2018), between social innovation and performance (Mulgan et al., 2007; Salim Saji & Ellingstad, 2016). Thus, our work contributes a valuable confirmation of current thinking using quantitative methods. Second, in line with Donaldson and Preston's (1995) proposal of three attributes of stakeholder theory, we bring together three variables that correspond to these attributes – namely commitment to social responsibility (Aguinis & Glavas, 2012; Hess et al., 2002; Wang & Berens, 2015), social innovation (Adams & Hess, 2008; Neumeier, 2012; Pot & Vaas, 2008; Schumpeter, 1949) and reporting about social responsibility (Morsing & Schultz, 2006; Nikolaeva & Bicho, 2011; Reynolds & Yuthas, 2008; Thompson & Zakaria 2004; Wickert et al., 2016). Thus, our work extends the discourse by offering a more complete picture than has heretofore been available. Third, our findings highlight the difference between what firms might say about themselves and what their actions communicate, which offers important implications for practice.

In the next section, we develop the research framework drawing on stakeholder theory and its three attributes as well as arguments for the hypotheses that make up our research model. This is followed by a description of our research methodology and findings. Finally, we discuss the findings, highlight our contributions, cover limitations and offer directions for further research.

Theoretical framework and hypothesis development

2.1 Social responsibility

Abrams (1951) argues that managers should not only think about profits; they should commit to social responsibility and also think about their employees, customers, and society at large. Social responsibility guides firms to pursue policies and decisions that are likely to bring benefits to society (Bowen, 1953) and the environment (Post et al., 2002) "at least partially beyond the firm's direct economic or technical interests" (Davis, 1960, p. 70-71). Carroll (1979, 1991) argues that social responsibility must include a firm's obligation toward society in addition to economic, legal, ethical, and discretionary (philanthropic) expectations. Thus, social responsibility can be seen to exceed basic business expectations (Weisenfeld, 2012).

Over the last few decades, considerable attention has been paid to social responsibility (de Bakker et al., 2005; Dobers, 2009; Nejati & Ghasemi, 2012; Saeidi et al., 2015) and there are multiple definitions (Dahlsrud, 2008; Sarkar & Searcy, 2016). But there is general consensus that the broad aim of social responsibility is to simultaneously ensure business profitability and benefit society (Hopkins, 2003). Stakeholder theory (Freeman, 1984) has been used to explain the link between social responsibility and firm performance on the grounds that a firm's commitment to social responsibility reflects its commitment to customers, employees, and shareholders (Rodgers et a., 2013; Vissner, 2010). Indeed, commitment to social responsibility can be seen as a link to stakeholder identification, involvement and communication (Mitchell et al., 1997; Morsing & Beckmann, 2006; Morsing & Schulz, 2006).

There has been a great deal of interest in relationships between social responsibility and firm performance, but research findings have been inconclusive (Margolis & Walsh, 2003; Mishra & Suar, 2010; Saeidi et al., 2015; Vogel, 2005). Saeidi et al. (2015) argue that the relationship is spurious and imprecise because it is affected by many factors. This indicates that the relationships — positive, negative or absent — are too complicated to be tested directly without considering intervening factors (Galbreath & Shun, 2012; Margolis & Walsh; 2003; Saeidi et al., 2015; Wood & Jones, 1995). As a response to such criticism, our research takes into account not just social responsibility, but also two forms of action derived from social responsibility, namely social innovation and social responsibility reporting.

2.2 Attributes of stakeholder theory

Stakeholder theory (Freeman, 1984) is the dominant paradigm at the core of current thinking on social responsibility (McWilliams & Siegel, 2001), and this thinking challenges firms to develop socially responsible agendas to meet stakeholder expectations. Social responsibility requires firms to respond to and take into account a wide range of external stakeholders, such as customers, employees, suppliers, partners, governments, the environment and society in general, as well as to responsibly manage and motivate internal human resources to simultaneously create value for the firm and for society (Eesley & Lenox, 2006; Freeman et al., 2010; Martinez-Conesa et al., 2017). Freeman (1984, p. 46) defines stakeholders as "any group or individual who can affect or is affected by the achievement of the organization's objectives". Furthermore, the "purpose of stakeholder management [is] to devise a framework to manage strategically the myriad groups that [influence], directly and indirectly, the ability of a firm to achieve its objectives" (Freeman & Velamuri, 2006, pg. 6). Stakeholder demands can motivate firms to commit to social

responsibility. But while stakeholders can drive firms towards social responsibility, they are also likely to view what appears to be opportunistic social behaviour with scepticism (Jones, 1995) and even mistrust (Mason & Simmons, 2014; Rupp et al., 2006).

The discourse on stakeholder theory considers the importance of cooperation among stakeholder groups (shareholders, customers, employees, suppliers) (Tullberg, 2013), relationships with stakeholders (Sharma & Vredenburg, 1998; Surroca et al., 2010) and the well-being of society at large (Freeman, 1984; Mithani, 2017). Of particular interest is the perspective advanced by Mason and Simmons (2014), who refer to three attributes of stakeholder theory.

The first attribute of stakeholder theory is the descriptive attribute that reflects actual practices and is concerned with "how businesses relate to stakeholders and why they relate to them as they do" (Brickson, 2007, p. 865). Descriptive attributes describe what the organisation actually is and how it manages relationships with stakeholders, who are seen as important and influential drivers, or as "a constellation of co-operative and competitive interests" (Donaldson & Preston, 1995, p. 66), which provide motivation for firms to commit to social responsibility and explain the motivations, processes and outcomes of action toward social responsibility (Frynas & Yamahaki, 2016).

The second attribute of stakeholder theory is the instrumental attribute, which highlights "the connections, or lack of connections, between stakeholder management and the achievement of traditional corporate objectives" (Donaldson & Preston, 1995, p. 71). It is in line with this view that firms recognize the importance of communicating information about social responsibility activities to stakeholders, with the ultimate goal of enhancing firm performance (Mason & Simmons, 2014). Meanwhile, reporting on social responsibility activities has been criticized as fragmented (Russo-Spena et al., 2018) and claims of fraudulent reporting or "greenwashing" have been levelled (Lyon & Maxwell, 2011).

The third attribute is the normative attribute, which "is explicitly moral and is the domain of ethics" (Freeman et al., 2010, p. 212) and which views social responsibility as an essential requirement of most, if not all, business. Social innovation has been referred to as reflecting a normative stance, which emphasizes creating new products and services that can solve social problems (James et al., 2008; Klein et al., 2010).

Based on the three attributes of stakeholder theory we examine relationships between and among commitment to social responsibility (corresponding roughly to the descriptive attribute) and two variables that measure social responsibility actions, namely, social innovation (corresponding roughly to the normative attribute) and reporting on social responsibility (corresponding roughly to the instrumental attribute). The last two variables represent two different manifestations of a commitment to social responsibility, namely declaring this commitment and its application (Mishra, 2017), respectively. As noted above, the one-to-one correspondence between our variables and the attributes of stakeholder theory is not unequivocal. For example, the argument could be made that social innovation could correspond to the instrumental attribute of stakeholder theory. Nevertheless, we posit that our rough mapping of variables to attributes of stakeholder theory yields a valuable framework for this research by maintaining distinctions among the attributes.

Of particular interest for this research is the notion that firms seek to favorably impress customers — who are the source of the revenues that underpin a firm's performance. Thus, the desire to gain customer acceptance is likely to drive a firm's social responsibility, declarations about social responsibility and applications in the form of social innovation, at least in part. We

therefore adopt customer acceptance as our ultimate dependent variable. The research model depicted in Figure 1 is developed below.

Figure 1. Research model.

2.3 Hypotheses

Research on social innovation has been growing (Adams & Hess, 2010; Cajaiba-Santana, 2014; Choi & Majumdar, 2015; Pasricha & Rao, 2018) and highlights challenges for policy and management practice (van der Have & Rubalcaba, 2016). Increasing stakeholder expectations with respect to philanthropic and community investment have led businesses to rethink their roles and their social agendas through social innovation to develop innovative solutions to serve social needs (Herman & Renz, 1997; Kanter & Summers, 1994; Mirvis et al., 2016; Mulgan, 2010; Pasricha & Rao, 2018). Social innovation generally implies a normative stance with the goal of creating something positive for society (MacGregor & Fontrodana, 2008; Osburg, 2013). Meanwhile, it can be difficult to distinguish between social innovation and other innovation (Neumier, 2012). Indeed, the term social innovation is still rather poorly defined and not well integrated, which leaves a challenge for scholars "to develop generalizable knowledge and formulate articulate theories and hypotheses about the antecedents and consequences of social innovation" (van der Have & Rubalcaba, 2016, p. 1924). Furthermore, quantitative studies on social innovation are scarce, but called for (Salim Saji & Ellingstad, 2016).

Social innovation is explained in the literature as a mechanism through which firms integrate social responsibility (Herrera, 2015). Social responsibility drives firms to engage in innovation that is not necessarily about cutting-edge technology but about solving social problems (van der Have & Rubalcaba, 2016). Both social responsibility and social innovation are likely to signal a firm's commitment to engage with stakeholders (Andriof & Waddock, 2002; Mishra, 2017). And the increased community involvement that often goes hand-in-hand with social responsibility can be positively related with social innovation (Rodgers et al., 2013). Social innovation is closely tied to a firm's commitment to social activities (Mithani, 2017), such as environmentally friendly production and the well-being of employees. Thus, social innovation can be expected to be among the outcomes of firm's commitment to social responsibility (Hansen et al., 2009) and, indeed, a firm's commitment to social responsibility can be viewed as passing a credibility test when

resources are dedicated to social innovation (Nelson & Zadek, 2000). The normative attribute of stakeholder theory provides an ethical rationale for a translating a firm's commitment to social responsibility into action in the form of social innovation, so the two can be expected to go in tandem (Cajaiba-Santana, 2014; Hellström, 2004). This leads to the following hypothesis:

H1: A firm's commitment to social responsibility is positively related to social innovation.

A number of studies argue that reporting on social responsibility constitutes a form of justification whereby firms manage their legitimacy and reputation (Clarke & Gibson-Sweet, 1999; Hooghiemstra, 2000; Woodward et al., 1996). The more firms are thus exposed to society the more likely they are to respond to pressure for social innovation (Shabana et al., 2017). Social innovation usually rests on a normative stance that addresses societal challenges, which in turn can fulfil stakeholder concerns about transparency about social responsibility (Nekhili et al., 2017) – which can be based on reporting on social responsibility (Osburg, 2013). Reporting on social responsibility reflects an instrumental stance (Brammer & Pavelin; 2006; Carroll & Shabana, 2010; Hahn et al., 2018), but the increased engagement that is likely to come about through reporting on social responsibility may drive social innovation efforts, reflecting a normative stance (Hahn et al., 2018; Kolk & Pinkse, 2006; Donaldson & Dunfee, 1994; Wickert et al., 2016). Following from these arguments, we hypothesize as follows:

H2: Social innovation is positively related to reporting on socially responsible activities.

Existing research reflects conflicting views about the relationship between firm performance and social innovation. Pol and Ville (2009) argue that social innovation is in conflict with economic perspectives while van der Have and Rubalcaba (2016) argue that social innovation affects corporate identity and strategies, and employee engagement and motivation, as well as private and public interests. Thus, firms that pursue social innovation to create social value (Herrera, 2015) can expect favorable relationships with stakeholders and trust within the firm (Park et al., 2014). Candi et al. (2018) find a positive relationship between social innovation and customer acceptance and Eccles & Serafim (2013) argue that social innovation has the potential to improve business sustainability, which can increase competitive advantage (Fiorina, 2004; Urbancova, 2013).

Firms might enhance their image and reputation (Gilley et al., 2000; Rindova et al., 2005) through social innovation (Varadarajan & Kaul, 2017), which can lead to improved customer acceptance. Finally, in line with the normative attribute of stakeholder theory, social innovation can be viewed as "the right thing to do" (Garriga & Melé, 2004), which can help strengthen customer attraction, retention, and result in new marketing opportunities and customer acceptance (Mason & Simmons, 2014). Drawing from this we hypothesize a positive relationship between social innovation and customer acceptance:

H3: Social innovation is positively related to customer acceptance.

Reporting on social responsibility dates back to the 1940s as a social audit practice (Carroll & Beiler, 1975) for monitoring, appraising and measuring the social performance of businesses (Carroll & Beiler, 1975; Gond & Herrbach, 2006). Reporting on social responsibility has been defined as the "process of communicating the social and environmental effects of organizations'

economic actions to particular interest groups within society and to society at large" (Gray et al., 1996, p. 3). Reporting on social responsibility is based on the premise that businesses have relationships with various groups of stakeholders (Freeman, 1984) and that reporting on social responsibility could influence the decisions and actions of those stakeholders. Thus, stakeholders' requirements and expectations are likely to drive firms' reporting on social responsibility (Freundlieb & Teuteberg, 2013; Kolk, 2010).

By reporting on their socially responsible activities, firms respond to pressure from stakeholders (Arvidsson, 2010; Basu & Palazzo, 2008; Conley & Williams, 2005; Cooper & Owen, 2007; Johnson & Greening, 1999; Maignan et al., 1999; Young & Marais, 2012) in line with the instrumental attribute of stakeholder theory (Brammer & Pavelin, 2006; Carroll & Shabana, 2010). Therefore, we can intuitively expect that a firm's commitment to social responsibility will be related to its reporting on social responsibility as a process to build and maintain close and collaborative relationships with its stakeholders.

H4: A firm's commitment to social responsibility is positively related with the firm's reporting on its social responsibility.

Mishra (2017) argues that it is beneficial for firms to promote their social responsibility activities and Cheng et al. (2014) show that reporting on social responsibility promotes transparency and is likely to reduce information asymmetry. Shabana et al. (2017) argue that reporting on social responsibility can lead to new opportunities and improved firm image, which is likely to be related with customer acceptance.

In the context of external socially responsible resource-based perspectives, scholars have argued that reporting on social responsibility is one way to demonstrate socially responsible activities (Chan et al., 2014; Gibson & O'Donovan, 2007) that becomes feasible "when a firm can obtain support from its stakeholders: employee commitment, customer loyalty, attractiveness to investors, collaboration of partners, favorable regulation, endorsement from activist groups, legitimacy from the community, and favorable coverage from the media" (Branco & Rodrigues, 2006, p. 123).

Reporting about social responsibility reflects a decision to provide information aligned with a firm's economic, environmental and social performance and is, therefore, seen as consistent with social norms and expectations (Carroll & Shabana, 2010), which are likely to contribute positively to firm reputation (Husted & Allen, 2007), and as a consequence, customer acceptance. Firms may use reporting about social responsibility as a strategic tool to manage their exposure to relevant stakeholders and emphasize their commitments on environmental, employee and social responsibility aspects to meet the expectations of such stakeholders (Dowling & Pfeffer, 1975; Garcia-Sanchez, et al., 2014; Gray, et al., 1995). Indeed, reporting on social responsibility can reduce stakeholder skepticism (Du et al., 2010), which in turn can contribute to improved performance (Herrera, 2007; Herrera, 2015).

The need to assuage stakeholders' concerns is a motivating factor for reporting about social responsibility, which is in turn associated with a preferred image and a reputation (Clarkson et al., 2013; Reverte et al., 2016). Firms that are seen to invest in socially and environmentally friendly practices can expect a favorable view from society (Bansal & Clelland, 2004; Waddock & Graves, 1997), which is likely to increase customer acceptance. From an instrumental perspective, firms are likely to report on socially responsible activities because it is good for business (Nybakk & Panwar, 2015), helps overcome stakeholder skepticism and strengthens stakeholder-company

relationships (Du et al., 2010). This leads us to hypothesize a positive relationship between reporting about social responsibility and customer acceptance:

H5: Reporting on socially responsible activities is positively related to customer acceptance.

Methodology

3.1 Data

The research model (see Figure 1) was tested using data collected from managers of European firms in a broad range of sectors using an online survey. Only for-profit firms were included in the sample, since the purpose of this research was to examine relationships between social responsibility commitment, social innovation, social responsibility reporting and performance for firms that do not have social innovation as their core business. Potential participants were drawn from national registries[1] of businesses. Based on the guidelines offered by Kline (2011), our target goal was to obtain at least 300 responses and based on an assumption of a 10% response rate, which can be expected in this kind of research involving an online survey, this meant we needed to contact about 3000 firms. These were selected at random (every Nth firm selected) from the national registries.

One manager in each firm was contacted by telephone and asked to fill in the online survey; those who agreed were sent a link to the survey. Reminder phone calls were made within a few weeks to those respondents who had not filled in the survey. A total of 355 responses were obtained representing a response rate of 12%, which is considered a good response rate for an Internet survey. Dozens of sectors were represented in the data, and these were classified into sector groups as reported in Table 1.

[1] The registries used were The Polish Business Register and The Danish Central Business Register, both of which are publicly available.

Table 1: Sector groups represented in the data.

Sector groups	Proportion of sample
Advertising and public relations	7%
Architecture and design	8%
Arts, entertainment, recreation	11%
Engineering	8%
IT consulting	7%
IT services	9%
Management consulting	5%
Manufacturing and technical	2%
Professional services	15%
Publishing	3%
Software development	10%
Other services	15%

3.2 Variables

The survey contained several questions intended to measure commitment to social responsibility (Turker, 2009), social innovation (Brammer et al., 2011; Wei et al., 2014) and reporting about social responsibility (Brammer et al., 2011). Furthermore, it included questions based on three dimensions of customer acceptance proposed by Griffin and Page (1993, 1996), and Moorman and Rust (1999), namely, customer satisfaction, value for customers and customer needs. Stata version 14.2 was used to conduct exploratory factor analysis with Varimax rotation followed by confirmatory factor analysis to test the measurement model. The items included in the model are listed in Table 2. Measurement model fit statistics were good (Shah & Goldstein, 2006) with a $\chi 2$ of 158 (82 degrees of freedom), a root mean squared error of approximation (RMSEA) of 0.07 and a comparative fit index (CFI) of 0.95.

Table 2: Model variables and items. All survey items were phrased as statements and respondents were asked to select a response from 1 (disagree) to 5 (agree).

Variables	Survey items	References
Commitment to social responsibility	Our company has a formal social responsibility strategy Our company contributes to campaigns and projects that promote the well-being of society Our company participates in activities that aim to protect and improve the quality of the natural environment Our company has a policy about social responsibility towards employees	Turker (2009)
Social innovation	Our company invests in research and development projects to improve the well-being of society in the future We strive to improve people's lives through the new products and services we develop We strive to initiate improvements in society through the new products and services we develop We use new technologies to find solutions to social needs	Brammer et al. (2011), Wei et al. (2014)
Reporting on social responsibility	We communicate our strategy on social responsibility to our stakeholders in a transparent way We advertise our environmental efforts We communicate our strategy on social responsibility to all employees in a transparent way	Brammer et al. (2011)
Customer acceptance	Our customers were more satisfied than our competitors' customers We created more value for customers than our competitors We fulfilled customers' needs better than our competitors did We were better able to retain existing customers than our competitors	Moorman and Rust (1999), Griffin and Page (1993, 1996)

Table 3 shows the summary statistics, composite reliabilities and pairwise correlations between the variables; all composite reliabilities are over the generally accepted cut-off of 0.7, which indicates convergent validity (Hair et al., 2010).

Table 3: Summary statistics, composite reliabilities (CR) and pairwise correlations between variables.

		Mean	Std.dev.	CR	1	2	3	4	5
1	customer acceptance	3.49	0.72	0.91					
2	firm size	19.94	33.76		-0.02				
3	investment in R&D	0.15	0.20		0.04	-0.04			
4	investment in S&M	0.13	0.16		-0.06	0.00	0.13		
5	Commitment to social responsibility	3.04	0.83	0.77	0.31	0.10	-0.10	0.06	
6	Reporting on social responsibility	2.67	1.00	0.82	-0.10	-0.02	-0.12	0.08	0.09
7	Social innovation	3.14	0.94	0.90	0.38	0.07	0.20	0.02	0.47

The data were collected from single respondents, which brings with it concerns about common method bias. Procedural remedies recommended by Podsakoff et al. (2003) were implemented in the survey and the introduction to the survey clearly stated that responses were anonymous to reduce the propensity to respond in more socially acceptable ways. To test for common method bias, items measuring a variable unrelated to the research questions were included in the survey (Bagozzi, 2011; Lindell & Whitney, 2001). The variable — having to do with communication between employees and customers — was measured using four items. When included in factor analysis, these items loaded on one variable and did not have any cross-loadings with other variables. As an additional test of common method bias, a Harman's test was conducted and resulted in the expected multiple factors with no single factor accounting for the majority of the covariance. Together, these tests provide reasonable confidence that the data did not suffer from common method bias.

3.3 Control variables

Different ideas exist about the effects of firm size, which is commonly used in research on social responsibility (Galbreath, 2018; Wu, 2006), and is believed to influence the relationship between social responsibility and performance (Robins & Wiersema, 1995). Furthermore, business level strategies, such as R&D and sales and marketing, are likely to influence the model variables (Galbraith & Schendel, 1983; Woo & Cooper, 1981). Therefore, we included three control variables: firm size as the number of employees in each firm; the percentage of the firm's turnover spent on sales and marketing (S&M); and the percentage of the firm's turnover spent on research and development (R&D).

Findings

The results of structural equation modeling are shown in Table 4. H1 is supported with a statistically significant positive relationship. H4 is also supported. Thus, we can surmise that firms' level of commitment to social responsibility is likely to be related to their level of reporting about social responsibility and to their level of social innovation.

Table 4: Results of structural equation modeling. Coefficients are standardized.

	Coef.	Std. Err.	z	P>z
Commitment to social responsibility <				
investment in R&D	-0.09	0.08	-1.09	0.28
investment in S&M	0.26	0.08	3.24	0.00
firm size	0.12	0.08	1.41	0.16
Social innovation <				
Commitment to social responsibility (**H1**)	0.56	0.07	8.13	0.00
investment in R&D	0.29	0.07	4.43	0.00
investment in S&M	-0.08	0.07	-1.19	0.23
firm size	0.02	0.07	0.31	0.76
Reporting on social responsibility <				
Commitment to social responsibility (**H4**)	0.99	0.09	11.63	0.00
Social innovation (**H2**)	-0.33	0.09	-3.53	0.00
investment in R&D	0.13	0.07	1.81	0.07
investment in S&M	-0.10	0.07	-1.44	0.15
firm size	0.11	0.07	1.69	0.09
Customer acceptance				
Reporting on social responsibility (**H5**)	-0.02	0.08	-0.29	0.77
Social innovation (**H3**)	0.39	0.07	5.42	0.00
investment in R&D	0.05	0.07	0.63	0.53
investment in S&M	-0.04	0.07	-0.63	0.53
firm size	-0.03	0.07	-0.39	0.70

Interestingly, H2 is contradicted, with a statistically significant negative relationship between social innovation and reporting about social responsibility, suggesting that the greater a firm's level of social innovation, the less likely it is to report on its commitment to social responsibility, and vice versa. This suggests a basic conflict between declaring and applying, or saying and doing.

H5 is not supported as there is not a statistically significant relationship between reporting on social responsibility and customer acceptance. Finally, we see that H3 about a relationship between social innovation and customer acceptance is supported with a statistically significant coefficient.

As mentioned earlier, the firms included in the sample represented a broad range of sectors. Thus, it made sense to check for possible sector effects. To do this, we introduced a set of dummy variables, each one representing a distinct sector group (see Table 1) and examined correlations with all the model variables. No statistically significant relationships were found, indicating that our model is robust across the sectors included. Furthermore, the statistically significant findings reported in Table 4 remained unchanged after the addition of the dummy variables.

Discussion

A number of studies have examined the relationship between social responsibility and firm performance, but the results have been mixed. Incomplete models have been highlighted as a possible reason for these inconsistencies (Galbreath & Shun, 2012; Margolis & Walsh, 2003; Saeidi et al., 2015). Therefore, this research examines the relationship between commitment to social responsibility and customer acceptance by taking into account variables for social innovation and reporting on social responsibility.

This research is grounded in the distinction between descriptive, normative and instrumental attributes of stakeholder theory advanced by Mason and Simmons (2014). Each of these perspectives is expected to influence how firms relate to their stakeholders. The descriptive stance reflects how firms operate, while the normative stance can be reflected in social innovation. The instrumental stance relates to achieving performance and can drive reporting on socially responsible activities (Mason & Simmons, 2014, Kaler, 2003). Firms have relationships with a wide variety of stakeholders (Freeman, 1984); thus, stakeholder's requirements and expectations are likely to influence management decisions about reporting on social responsibility (Freundlieb & Teuteberg, 2013) and spur firms to pursue social innovation (Salim Saji & Ellingstad, 2016).

There is growing pressure on businesses to both be socially responsible and engage in social innovation (Mithani, 2017), which resonates with the positive relationship we find between commitment to social responsibility and social innovation. Shabana et al. (2017) found a positive relationship between stakeholder strength and reporting on social responsibility, which is consistent with our finding that commitment to social responsibility is associated with reporting on social responsibility.

Abu Bakar & Ameer (2011) argue that better performing companies are more likely to report on social responsibility, but we did not find such a relationship between reporting on social responsibility and customer acceptance. Herrera (2015) argues that active engagement with stakeholders, which could include reporting on social responsibility, as well as social innovation drive competitive advantage. Meanwhile, our findings indicate that social innovation might drive customer acceptance, while reporting on social responsibility does not. Our findings suggest that firms that act on their commitment to social responsibility through social innovation are likely to perform better than firms that simply report on their social responsibility. This resonates with the disconnect has been noted between reporting driven by an increased demand for social accountability (Adams, 2004; Milne & Gray, 2007) and actual business strategy (Russo-Spena et al., 2018) and contradicts arguments by Jackson and Apostolakou (2010) that reporting on social responsibility is linked to socially responsible action.

This research uncovers an unexpected finding, namely that of a negative relationship between social innovation and reporting about social responsibility. This suggests that there is something of a conflict, or competition for resources, between making statements about social responsibility and engaging in social innovation activities. Considering the relationships measured with customer acceptance, the findings suggest that customers appreciate and respond to action in the form of social innovation but not to mere expressions of commitment to social responsibility.

5.1 Contributions

Our work offers three important contributions. First, our research offers a called-for quantitative examination of the relationships between and among social responsibility, social innovation and reporting on social responsibility (e.g., Salim Saji & Ellingstad, 2016). We offer

confirmation of the positive relationship between social responsibility and performance argued by existing research (e.g., Griffin & Mahon, 1997; Waddock & Graves, 1997; Garriga & Melé, 2004; Abu Bakar & Amir, 2010).

Second, by taking into account the three attributes of stakeholder theory (Donaldson & Preston, 1995), we offer new understanding of the interplay among variables corresponding to these attributes. We find that the instrumental, descriptive and normative attributes of stakeholder theory all play a role in the overall relationship between social responsibility and customer acceptance. When firms' commitments to social responsibility drive them to address societal well-being and the improvement of people's lives through social innovation, they can expect to reap improved customer acceptance.

Third, we highlight the difference between "saying" and "doing" by considering the relationship between commitment to social responsibility and customer acceptance and two intervening factors, reporting on social responsibility and social innovation. Firms react to external pressure in which can disconnect them from daily practices and lead to less integrated commitment to social responsibility (Basu & Palazzo, 2008), thus reflecting a defensive and instrumental stance to its social responsibility commitment. Our work confirms existing findings about positive relationship between social responsibility and firm performance (Abu Bakar & Amir, 2010).

5.2 Implications for practice

For practice, our findings suggest that firms that act on their commitment to social responsibility through social innovation ("doing") are likely to perform better than firms that simply inform their stakeholders about firm's activities by reporting on their social responsibility ("saying"). This highlights the importance of consistency between strategic intent and what is actually realized in innovation practice, which, in turn, can help managers to respond to pressure from their stakeholders and gain competitive advantage. The research findings suggest that managers need to turn their attention toward society and proactively improve stakeholder satisfaction through an application of social responsibility, specifically through social innovation.

5.3 Limitations and directions for further research

This research is subject to a number of limitations. First, the research relies on survey self-reporting and cross-sectional data, which, even though our tests did not indicate it, raises the potential issue of common method bias. Furthermore, our survey used a five-point Likert scale with scales anchored by "agree" and "disagree", which may be vulnerable to acquiescence bias (Harzing, 2006). A solution to avoid impact from extreme response styles is to use a Likert scale with a large number of categories, e.g., 10-point Likert scale. This would allow respondents to express more nuanced positions (Harzing, 2006).

We included only for-profit firms in our sample with the goal of omitting firms that have social innovation as their core business. However, it is not impossible that some of the firms in the sample are for-profit firms that base the creation of these profits on social innovation. Future research that includes for-profit social innovators is certainly called for as well as research that compares for-profit firms that engage in social innovation as an add-on, for-profit firms that have social innovation at the core of their business, and not-for-profit social innovators.

We did not distinguish between internal and external stakeholder groups, which may limit our understanding. Among internal stakeholders of the firm are owners, boards of directors, managers, and employees while stakeholders external to the firm are customers, competitors,

unions, suppliers, financial intermediaries, local community, activist groups, partners, government agencies and administrators, non-governmental organizations/activist groups and society. It is believed that firms that identify and strategically distinguish among these groups may further their ability to develop comprehensive plans to receive desirable results and performance. Therefore, further research should examine how commitment to social responsibility toward different stakeholder groups and social innovation directed at these groups is related with customer acceptance.

This research contributes to further understanding of social responsibility and a call for further research on the competing forces – in the form of the three attributes of stakeholder theory – that can be at play.

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