University of St.Gallen

Exploring Corporate Social Innovation Along the Value Chain: A Case Study on Stakeholder Interactions and Engagement



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ISIRC 2025, 4 September 2025

Research overview

Objective: Exploring how **corporate social innovation** projects, with a focus on the initiation stage, and its co-creation between cross-sector stakeholders, can be designed to effectively address human rights challenges along global value chains.

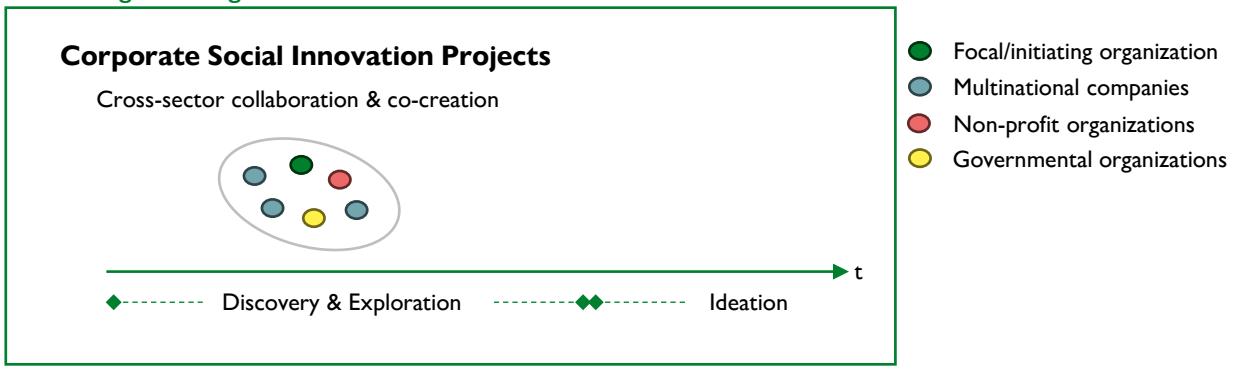
Definition corporate social innovation (CSI):
"[…] A strategy that combines a unique set of corporate assets (entrepreneurial skills, innovation capacities, managerial acumen, ability to scale, etc.) in collaboration with the assets of other sectors to co-create breakthrough solutions to complex economic, social, and environmental issues that impact the sustainability of both business and society"
(Mirvis et al., 2012, p. 3)

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Research Question: How are internal and external stakeholder engagements characterized in the initiation phase of a corporate social innovation project, and what challenges and dynamics shape these processes?

Human Rights Along the Value Chain



Research motivation

From CSR to CSI, driven by global challenges and expectations

- CSI as a strategic corporate response (Morsy et al., 2024)
- integrating social problem-solving into the core business model (Dionisio & de Vargas, 2020)

CSI

Collaboration Imperative: (Cross-sector) collaboration is needed

- Growing complexity of grand challenges exceeds the capacities of governments and NGOs alone; corporations are increasingly seen as co-creators of systemic solutions (Gümüsay et al., 2022; Peerally et al., 2022; Sinkovics et al., 2014)
- No organization can ensure transparency and compliance along value chains alone; cross-sector collaboration is essential (Gurzawska, 2020)

Co-creation / collaboration

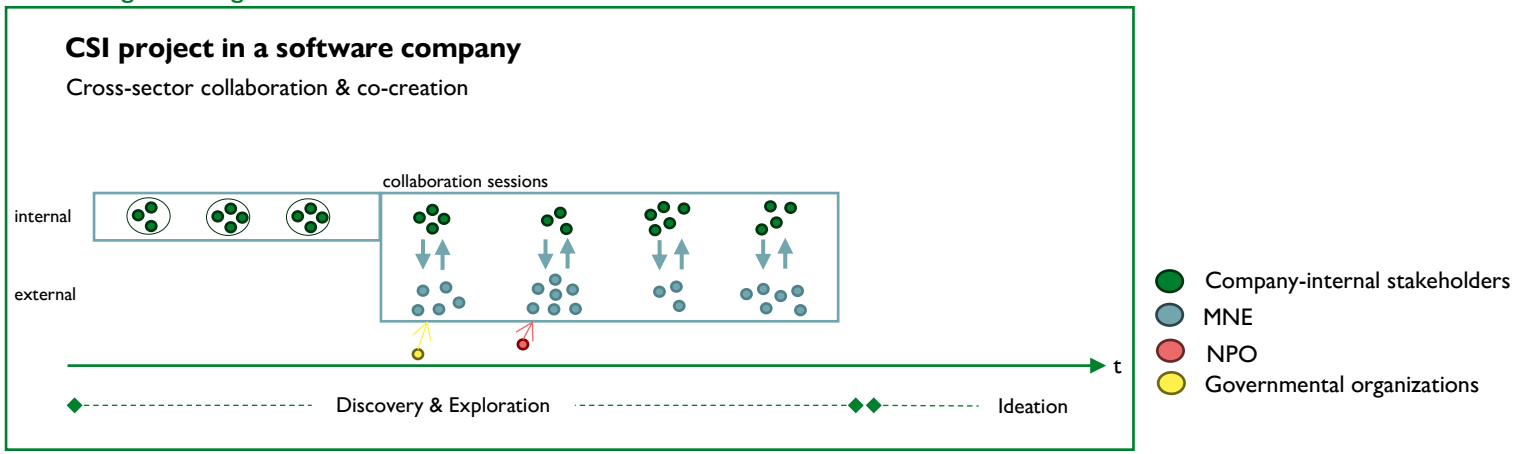
Further references: (Kramer & Porter, 2011; Mirvis et al., 2016; Alderin & Do, 2016)

Case description

Context: A CSI project in the initiation phase at a global software company, involving internal and external stakeholders.

Project objective: Co-create innovative solutions to better identify, prevent and address adverse human rights impacts along value chains.

Human Rights Along the Value Chain



Research design & methods

Research design

Exploratory, qualitative single-case study design (Yin, 2018; Eisenhardt, 1989)

Data collection

- Semi-structured, company-internal interviews
  - 10 in-depth interviews core project team members
  - 7 broader company-internal stakeholders across units
- Analysis of internal documents: project reports, workshop materials, communications

Data analysis

- Iterative, inductive coding of interview material and documents (Corbin & Strauss, 1990)
- Codes refined into categories and concepts (Strauss & Corbin, 1990)







Conceptual framework



Corporate Social Innovation

- Provides the overarching frame.
- Focus on the initiation stage of CSI projects addressing human rights in value chains.

Innovation



Cross-Sector Collaboration

- Process lens to capture collaboration dynamics in CSI initiation (Bryson et al., 2015).
- Sensitizing concepts (e.g., trust, legitimacy, role clarity) to interpret challenges in stakeholder collaboration.

Mechanism & process



Stakeholder Theory

- Foundation for analyzing internal & external actors and their relative importance (Freeman, 1984; Mitchell et al., 1997).
- Stakeholder dynamics, including engagement, collaboration & interaction.
- Stakeholder salience / reciprocity

Actors & relationships

Initial observations

internal stakeholder engagement

- **Dependence on executive sponsorship / leadership support as a gatekeeper.** Executive backing plays a central role in providing legitimacy and resources.
- **High demand for evidence, results and metrics**. Success difficult to demonstrate without agreed definitions.
- **Internal-first discovery.** Data gathering and knowledge exchange precede external engagement.
- **Organizational silos.** Lack of integration slows progress and delays external engagement.

«Because we talked with the sustainability officer, we talked to HR. But a lot of these decision have to be made by the executives. Because they are the ones setting the mission.»

«So how do you build this business case and present it and get the funding internally and get the people, get the focus and all that it's huge process.»

«At the start most of these people have never talked to each other [...] That's an interesting thing, because you go from entities that don't talk to each other to an interconnected thing, where people are talking, but of course they all have their own agenda and those agendas might be diverging.»

Initial observations

external stakeholder engagement

- **Diversity of perspectives.** Enabled through involvement of diverse external stakeholders.
- **Reluctance to share data**. Trust deficits limit information exchange along the value chain.
- **Skepticism regarding corporate motives.** NPO and government actors question intentions.
- **Stakeholder turnover.** Instability reduces continuity and weakens trust.
- **Asymmetry of contributions.** Initiating company provided more resources than it received in return.
- **Divergent collaboration models / role expectations**: External stakeholders expected direction; the company sought co-creation.

«You know, at some point we need these people [NPO and governmental institutions] to provide their inputs, their feedbacks, because they are the ones who will also implement the real actions on the ground, right?»

«Companies already share data, so that again is nothing new. But now you are being asked to share data that is more sensitive. It's the sensitivity part that's tricky I think, which is why it requires trust.»

«They never proposed anything more because we were doing too much of the thinking outside of the collaboration sessions.»

Initial observations and emerging concepts

internal stakeholder engagement

- **Dependence on executive sponsorship / leadership support as a gatekeeper.** Executive backing plays a central role in providing legitimacy and resources.
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legitimacy
leadership
trust
knowledge exchange

external stakeholder engagement

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legitimacy
trust
contributions
role alignment

Thank You.

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Points to reflect on

- How can the interdependencies and factors (e.g., trust influencing legitimacy) be addressed, and what are possible ways of dealing with them?
- Given the variety of facets under consideration, how might the focus be narrowed without losing important complexity?
- In what ways is the time axis relevant when analyzing this case, and how can it be meaningfully taken into account?

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