

Social entrepreneurship in SMEs: a note on three essential questions

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Abstract

Purpose – This research note discusses three essential and practical questions related to social entrepreneurship and social activities in small- and medium-sized enterprises (SMEs): What motivates SMEs to undertake social activities? What are the obstacles faced by SMEs when undertaking social activities? What are the types of social activities that SMEs undertake? The article presents preliminary answers and provides research suggestions related to these questions.

Design/methodology/approach – The authors search and review articles that study social entrepreneurship and social activities of SMEs and synthesize their findings based on the three main topics of interest.

Findings – The authors synthesized findings based on their three motivating topics: motivation, obstacles and types. They extracted three primary motivations of SMEs for social activities: (1) demands and expectations from external stakeholders, (2) nonpecuniary incentives that stem from organizational values and culture and (3) anticipation of improving relevant organizational outcomes. The authors extracted two obstacles for social initiatives: (1) limited resources and knowledge and (2) lack of perceived benefits or incentives. Finally, the authors extracted two types of social activities: (1) activities that address social and ethical issues and (2) activities that address environmental concerns.

Originality/value – Pressing concerns in society have pushed numerous entrepreneurs and small business managers to create and manage businesses that aim to alleviate social and environmental problems. Accordingly, researchers have devoted some attention to how SMEs get increasingly involved with social activities and initiatives (i.e. addressing social and environmental challenges through their firms). The authors highlight existing findings and propose future research opportunities based on our three essential and motivating questions.

Keywords Social entrepreneurship, Social activities, Social actions, Small firms, SMEs

Paper type Research paper

Introduction

Social entrepreneurship (SE) and organizations' active involvement with social initiatives have gathered important attention from both scientific and non-scientific communities in recent years due mostly to a widespread acknowledgement that SE represents a key avenue to economic and societal well-being (Canestrino *et al.*, 2020; Dwivedi and Weerawardena, 2018). Individuals across the world are increasingly unconvinced that both businesses and governments are well equipped to address the most pressing societal and environmental concerns, thus fueling interest in concepts such as SE, which promote the integration of multiple disciplines to understand organizational efforts to create social value (Dacin *et al.*, 2011). Although conceptual and definitional clarity has been challenging for the concept of SE, many scholars have supported the broad view that at least in the context of for-profit organizations, SE represents market-based, entrepreneurial activities aim to address social



problems and/or to create social value [1] (Canestrino *et al.*, 2020; Dacin *et al.*, 2011; Santos, 2012; Short *et al.*, 2009; Wu *et al.*, 2020).

Considering how entrepreneurial activities are a characteristic of both established and nascent organizations, it follows that small- and medium-sized enterprises (SMEs) [2], representing millions of firms in many economies (Small Business Administration, 2012; Statista, 2018), can play a key role in the promotion of social activities. However, SMEs' engagement in SE and social activities can have important differences with both nascent and large firms. First, nascent firms engaging in SE are usually created with a social mission as the core of their business model, allowing entrepreneurs to gather resources and start the business under the premise of creating social value (Wanyoike and Maseno, 2021). Second, large firms tend to have an important amount of financial and human resources that they can deploy toward social initiatives that might be demanded by their stakeholders or are becoming a common practice in their industry. In turn, the creation of social value is not necessarily part of many SMEs' purpose and mission and these firms may not face external pressures or possess the resources to implement SE activities. This issue has motivated scholars to conduct research that explores why established SMEs pursue SE initiatives and the characteristics of such process for those types of firms (Amaeshi *et al.*, 2016; Cassells and Lewis, 2019; Metzker and Streimikis, 2020; Sweeney, 2007).

In this research note, our purpose is to perform a narrow and focused synthesis of this emerging field of research by discussing three essential questions about social activities and SE in SMEs: what motivates SMEs to undertake social activities? What the obstacles faced by SMEs when undertaking SE activities? What are the types of SE activities that SMEs undertake? We aim to offer some preliminary answers to these questions based on existing research and provide concrete pathways for future investigation. The remainder of this note explains our search of relevant studies, provides the synthesis and research directions organized around the three motivating questions and finishes with an illustrative summary of our conclusions.

Search of relevant studies

We used the Business Source Premier database to find articles related to our motivating questions. Specifically, we searched the subject terms for two groups of broad keywords: "social enterprise or social entrepreneurship or social entrepreneur or social business or social value" and "small business or small firms or small enterprises or small companies or SMEs or SME." Considering the multidisciplinary nature of SE and our intention to uncover all possibly relevant studies, we did not constrain the search by journal or timeframe. This broad search resulted in 449 empirical and conceptual articles in peer-reviewed outlets. We proceeded to scan each article and identify those that were specifically studying or addressing one of our motivating questions. For example, we discarded articles that focused on the outcomes of social initiatives (prior studies have covered these topics, see Gupta *et al.*, 2020 and Short *et al.*, 2009). This manual scan resulted in 31 articles that we synthesize in subsequent sections.

Although our search and selection of studies is focused on addressing three essential questions and cannot be considered as comprehensive of the entire field of SE in the context of SMEs, we provide some information about our selected studies. Specifically, we provide a detailed summary of noticeable articles based on their core focus, empirical sample and findings in the Appendix. We categorized the articles by focus of research in Table 1. As a result, there were 22 articles on the topic of corporate social responsibility (CSR), 3 articles on environment (e.g. environmental management and protection), 3 articles on sustainability (e.g. economic sustainability), 2 articles on social issues (e.g. social engagement and impact) and 2 articles on legitimacy (e.g. credits). We found that most articles on SE in small businesses concentrated on CSR-related research. We also sorted empirical contexts by

country and present them in Table 2. Notably, from 31 articles that we analyzed, USA (5 times) and Spain (4 times) were the most studied contexts. Finally, we sorted the number of articles by main theories and present them in Table 3. Stakeholder theory (7 times), institutional theory (3 times) and social capital theory (3 times) were the most popular theories that scholars adopted in these studies. We also note that while surveys (14 times) and interviews (14 times) were the most conducted empirical methods, case studies (7 times) and secondary datasets (5 times) were also implemented. Various secondary datasets were also

Table 1.
Number of articles on social entrepreneurship in SMEs by focus of research

Focus of research	Articles
CSR	21
Environment	3
Sustainability	3
Social issues	2
Legitimacy	2

Table 2.
Empirical contexts of articles on social entrepreneurship in SMEs

Cluster	Country	Articles	Cluster	Country	Articles
Europe	Spain	4	America	USA	5
	Italy	3		Chile	2
	Belgium	2		Colombia	2
	Czech	2		Argentina	1
	Finland	2		Belize	1
	France	2		Brazil	1
	Greece	2		El Salvador	1
	Ireland	2		Honduras	1
	Lithuania	2		Mexico	1
	Norway	2		Peru	1
	Sweden	2	Venezuela	1	
	Austria	1	Asia	India	3
	Bulgaria	1		Pakistan	2
	Croatia	1		China	1
	Cyprus	1		Israel	1
	Denmark	1		Japan	1
	Estonia	1		Korea	1
	Germany	1		Lebanon	1
	Hungary	1		Malaysia	1
	Iceland	1		Taiwan	1
Latvia	1	Turkey		1	
Liechtenstein	1	Oceania	Australia	1	
Luxembourg	1		New Zealand	1	
Macedonia	1	Africa	Kenya	3	
Malta	1		Tanzania	3	
Netherlands	1		Nigeria	2	
Poland	1		Uganda	2	
Portugal	1		Ghana	1	
Romania	1		Liberia	1	
Serbia	1		Mali	1	
Slovakia	1		Morocco	1	
Slovenia	1		Mozambique	1	
UK	1		South Africa	1	

Table 3.
Number of articles on
social
entrepreneurship in
SMEs by theories

Theory	Articles
Stakeholder theory	7
Institutional theory	3
Social capital theory	3
Legitimacy theory	2
Resource-based view	2
Triple bottom line theory	2
Cognitive perspective	1
Innovation diffusion theory	1
Paradox theory	1
Reciprocal stewardship theory	1
Signalling theory	1
Social identity theory	1
Stewardship theory	1

utilized, such as credit files (Cornée, 2019), financial reports (Norbit *et al.*, 2017), sustainability reports (Sendlhofer *et al.*, 2020) and association reports (Soundararajan *et al.*, 2018).

What motivates SMEs to undertake SE activities?

Research suggests that SMEs have a variety of motivations to pursue SE activities and that there are numerous organizational characteristics that facilitate such activities. We review both topics in this subsection.

Motivations to undertake SE activities. There were nine articles that specifically focused on motivations of SMEs for SE activities. Demands from community, consumer, stakeholders, global supply chain and various relationships (Amaeshi *et al.*, 2016; Madden *et al.*, 2019; Njite *et al.*, 2011; Sweeney, 2007; Vives, 2006) and anticipation of long-term profitability (Cassells and Lewis, 2019; Madden *et al.*, 2019; Vives, 2006) were one of the most common motivations for SE activities. Moreover, government regulations (Cassells and Lewis, 2019; Njite *et al.*, 2011; Vives, 2006), religious beliefs and ethical orientation (Amaeshi *et al.*, 2016; Cassells and Lewis, 2019; Njite *et al.*, 2011; Vives, 2006), personal philanthropic interests (Madden *et al.*, 2019) and labor satisfaction (Vives, 2006) motivated SMEs to take SE activities. There were also unique motivations such as hiring purposes (Metzker and Streimikis, 2020), differentiation strategy (Cassells and Lewis, 2019) and nationalistic and patriotic orientations (Amaeshi *et al.*, 2016). Lee *et al.* (2017) and Norbit *et al.* (2017) also found social, company and brand reputation as the main motivations for engaging in social practices.

Organizational characteristics that facilitate SE activities. There were 17 articles that examined various organizational characteristics that antecede SE activities of SMEs. Antecedents of social responsibility practices were among the most studied area. D'Aprile and McLay (2021) found that employees' organizational identity promotes social practices through organizational sense of community and affective organizational commitment. Grimstad *et al.* (2020) examined how SMEs' levels of internationalization shape engagement in social practices. Hosoda (2018) empirically examined that different management control systems support CSR practices through enhancing employee motivations and integrating stakeholders' perspectives. Lee *et al.* (2017) found the role of stakeholder and institutional pressures on SMEs' explicit social practices. In addition, scholars examined direct influences of compatibility (i.e. corporate culture, values and morality, managers' support and corporate image; Hsu and Cheng, 2012), employees' moral responsibility (Sendlhofer, 2020), firm size, industry sector, gender (Sancho *et al.*, 2017), community support (Laguir *et al.*, 2016), CEOs' capability and authority, reputation management, product and service quality management,

marketing budget for CSR, industry association, customer expectations, community support, community educational involvement (Salciuviene *et al.*, 2016) and social capital dimensions (i.e. cognitive, structural and relational; Aragón *et al.*, 2016) on socially responsible activities of SMEs.

Scholars examined antecedents of environmental management, practices and protections. Specifically, Cassells and Lewis (2019) studied specific drivers of environmental management practices of small manufacturing firms such as attitudinal, firm-centered with inward focus, firm-centered with outward focus and external environment. Benito-Hernández *et al.* (2016) examined the importance of cooperative relationships with community, external stakeholders and customers to engage with environmental protections. Hoogendoorn *et al.* (2015) empirically studied antecedents such as environmental legislation, firm size, tangible products and external financial support that develop SMEs' environmental practices (i.e. production processes and products/services). In the research stream of antecedents of sustainability and social activities, Kornilaki *et al.* (2019) found that owner-managers' self-efficacy impacts sustainability practices through perceptions on external environment (i.e. sociocultural and industrial norms), whereas Garrigós Simón *et al.* (2017) examined critical influence of policies on sustainable regional development and social values of SMEs in the construction industry. Finally, Bengo and Arena (2019) researched how social SMEs could gain legitimacy based on their relationships with banks. They found that lending technologies (i.e. financial statement, asset-based, relationship lending and small business credit scoring) promote the legitimacy of social SMEs. Relatedly, Cornée (2019) examined 389 small loans at a social bank and found that soft information (i.e. management and project quality) help small businesses to attain high credit default.

Despite the relatively small number of studies that were related to this key question, findings clearly suggest that SMEs can have a diverse set of interesting motivations to engage in SE initiatives. We suggest that these diverse motivations could be categorized in three overarching themes: (1) demands and expectations from external stakeholders, (2) nonpecuniary incentives that stem from organizational values and culture and (3) anticipation of improving relevant organizational outcomes. A key challenge for future research on this question is to explore, both theoretically and empirically, the interplay of these overarching motivations. There should be important differences for SMEs who are motivated merely by new regulations compared to those that are motivated by organizational values, particularly in terms of the extent to which they engage in SE activities as well as the variety and type of SE activities they pursue.

Future research could study how these motivational forces are formed based on different individual-, firm- or institutional-level factors. For the individual-level factors, we suggest examining founder or managerial characteristics from the cognitive, psychology and strategic leadership literatures. Specifically, CEOs with high cognitive flexibility (i.e. "the ease with which individuals are able to broaden the scope of their attentional span to attend to divergent perspectives but also engage in a balanced consideration of those perspectives", Rothman and Melwani, 2017, p. 265) and paradox mindset (i.e. "the extent to which one is accepting of and energized by tensions", Miron-Spektor *et al.*, 2018, p. 26) would understand the values of SE activities that might contradict with their SMEs' values and financial goals and attain interests on taking more SE-related strategic decisions. Similarly, CEOs' psychological factors are also important area that have not been advanced. For instance, CEOs with high compassion ("the feeling that arises in witnessing another's suffering and that motivates a subsequent desire to help", Goetz *et al.*, 2010, p. 351) and passion ("a strong inclination toward an activity that people like, that they find important, and in which they invest time and energy", Vallerand *et al.*, 2003, p. 756) could be motivated to take SE activities in their SMEs. Furthermore, we recommend future studies to examine the managerial differences such as CEOs' generational characteristics (e.g. millennials and baby boomers),

executives' leadership styles (e.g. servant and charismatic leadership) and board members' background (e.g. governmental, political or educational experience) that would influence SMEs' engagement in social activities.

In the case of firm-level factors, it would be interesting to study organizational experiences (e.g. previous successful SE activities) and organizational system (e.g. compensation for executives or employees) that would encourage SMEs' engagement in SE activities. It would also be relevant to consider specific types of SMEs, mainly because social SMEs (i.e. firms created with a social mission at the core of their business model) and SMEs that conduct SE with slack resources would show different motivations toward social activities. For the institutional-level factors, we suggest examining industry and country characteristics. Beyond nonpecuniary incentives or pressures from stakeholders, direct financial or non-financial incentives from government, such as tax reductions, fast track patent application or governmental awards, would nudge SMEs to develop interests in SE activities. Moreover, types of industry would also influence the motivations of SMEs. For instance, SMEs in the healthcare industry such as insurance or medical device companies would donate to local hospitals and communities for various financial anticipations. As such, investigation on specific industry or country empirical settings would enhance our understanding on the motivational factors of SMEs.

What are the obstacles faced by SMEs when undertaking SE activities?

We found 12 articles that examined the challenges of SE activities for SMEs. One of the most common obstacles was related to "deficiency". Specifically, lack of resources (Cassells and Lewis, 2019; Hsu and Cheng, 2012; Njite *et al.*, 2011; Norbit *et al.*, 2017; Salciuviene *et al.*, 2016; Vives, 2006), training, knowledge (Cassells and Lewis, 2019; Norbit *et al.*, 2017; Vives, 2006), formal procedures, guidance, policies (Hsu and Cheng, 2012; Madden *et al.*, 2006; Njite *et al.*, 2011; Salciuviene *et al.*, 2016), benchmarks (Hsu and Cheng, 2012) and formal CSR performance measurement system (Salciuviene *et al.*, 2016) place obstacles for SMEs to implement SE activities. Financial cost was another common obstacle (Hsu and Cheng, 2012; Njite *et al.*, 2011; Sweeney, 2007).

Moreover, environmental factors such as industry needs (Discua Cruz, 2020), firm-environment nexus (Cassells and Lewis, 2019), sociocultural and industrial norms (Kornilaki *et al.*, 2019) and weak institutional context (Amaeshi *et al.*, 2016) blocked SMEs to take active SE-related practices. Concerns for positive benefits from CSR practices (Metzker and Streimikis, 2020), for the impact of SE activities (Madden *et al.*, 2006) and for lack of environmental influence (Vives, 2006) were other obstacles. Scholars also found other challenges like volume of requests from community (Madden *et al.*, 2006), religious tensions (Discua Cruz, 2020) and business-related factors (need for compliance, Discua Cruz, 2020; a need for survival, Madden *et al.*, 2006).

In summary, SMEs seem to face two main obstacles to engage in SE activities: (1) limited resources and knowledge and (2) lack of perceived benefits or incentives. New organizational initiatives require deployment of various resources and knowledge, which are frequently assumed to be limited in SMEs (Josefy *et al.*, 2015). It is therefore expected that such obstacles emerge in research findings on SE activities. On this front, it is important for future research to explore how SMEs could overcome such obstacles. Although SMEs may seek different ways of acquiring resources, it might be possible that SMEs bound their SE activities depending on available resources, suggesting that we might tap into and eventually categorize various types of SE activities that require different amounts of resources and have various implications for organizational outcomes. Such categorization would be relevant for managers in SMEs to find alternative ways of engaging in SE and potentially address the lack of perceived benefits or incentives to engage in SE activities. Relatedly, it may be

relevant to explore why managers in some SMEs appreciate the benefits of SE activities and others do not. There might be some interesting insights related to the type of industry, firm and/or managerial characteristics that influence such perceptions.

Specifically, we suggest scholars to apply entrepreneurship concepts to understand how resource-constrained SMEs overcome their limitations and find ways to get involved with various SE activities. For instance, SMEs with high bricolage (“making do by applying combinations of the resources at hand to new problems and opportunities”, Baker and Nelson, 2005, p. 333), effectuation (“... take a set of means as given and focus on selecting between possible effects that can be created with that set of means”, Sarasvathy, 2001, p. 245) and entrepreneurial imaginativeness (“cognitive ability of imagination mixes with the entrepreneurial knowledge of innovation, communication, and administration”, Kier and McMullen, 2020, p. 3) would be able to efficiently utilize resources and maximize their capabilities to perform various SE activities. We also recommend using resource orchestration theory to articulate how SMEs strategically structure, bundle and leverage resources (Ireland *et al.*, 2003; Sirmon *et al.*, 2007, 2011) to resolve liability of smallness (Stinchcombe, 1965), engage with SE activities and also attain organizational growth.

What are the types of SE activities that SMEs undertake?

Studies suggested that SMEs engage in three main types of SE initiatives: CSR, environment and sustainability. In the research stream of CSR, scholars categorized CSR practices in various approaches. Vives (2006) examined CSR practices as internal responsibility (i.e. human resources and working environment), external responsibility (i.e. community involvement) and environmental responsibility (i.e. reduction of environmental impact). Sweeney (2007) categorized CSR practices based on the targets such as employees (i.e. work/life balance and diversity policies), community (i.e. charitable donations and scholarship programs), customers (i.e. innovative products and enhanced accessibility) and environment (i.e. waste management and recycling initiatives). Similarly, Grimstad *et al.* (2020) studied economic, legal, ethical and philanthropic responsibilities. Njite *et al.* (2011) focused on CSR activities of contribution, network, safety and participation. Also, Madden *et al.* (2006) found in-kind donations and staff fundraising projects as core CSR practices. Scholars also examined specific types of CSR such as CSR reporting (Discua Cruz, 2020), CSR in supply chains (i.e. corporate environment, corporate social and ethical supply chain dimensions; Lee *et al.*, 2017), CSR strategies (i.e. supplementary, support, substitute and stimulate; Amaeshi *et al.*, 2016) and CSR spaces (i.e. workplace, marketplace, community and ecological environment; Amaeshi *et al.*, 2016).

In the research stream of environment, Cassells and Lewis (2019) examined four types of environmental management practices (i.e. operational practices, waste management practices, design for the environment practices and environmental management practices). Benito-Hernández *et al.* (2016) focused on environmental protection and Hoogendoorn *et al.* (2015) studied production processes (i.e. greening processes) and products and services (i.e. greening product and service offerings). In the research stream of sustainability, scholars studied sustainability engagement (i.e. environmental, social and economic sustainability; Saunila *et al.*, 2019) and sustainable regional development (Garrigós Simón *et al.*, 2017).

Overall, the types of SE activities that SMEs undertake seem diverse, but they tend to follow common social responsibility initiatives: those that address social and ethical concerns (both within and outside the organization) and those that address environmental concerns. These types of SE activities are unquestionably important, particularly because they represent organizational efforts to alleviate social problems and contribute to pressing international concerns on climate change. However, it is likely that some SMEs are more attracted to certain types of SE activities depending on multiple organizational and industry conditions, and SMEs’

resource limitations suggest that they must select SE activities based on an organizational ranking of social and environmental problems they deem relevant to address.

The decision-making process behind such selection of different activities would be a noteworthy research topic. Furthermore, there is not much theoretical and empirical investigation on SMEs whose SE activities are tightly integrated with their business core. For example, some SMEs might seek to develop new offerings that address social challenges mainly because these offerings provide competitive advantages. It would be interesting to explore how such SMEs generate and implement these types of activities and how these activities may have different characteristics than those targeted at other causes, particularly in terms of the support they receive from different stakeholders. Another important area to investigate is how various characteristics of different stakeholders shape SMEs' engagement with SE activities. Stakeholders' interests and directions are likely to influence which SE activities SMEs get involved with. As such, examining specific characteristics of stakeholders (e.g. industrial or educational background of the workforce, power and voice of local communities and oversight bodies or personalities and background of members of the board of directors) would extend our understanding how SMEs make decisions on SE activities. Furthermore, moving beyond antecedents that positively influence the selection of certain SE activity and examining various factors that depress SMEs' involvement with SE activities would be an important step in the literature. This line of research could relatedly explore negative outcomes of different types of SE activities and overall examine the "dark side" of pursuing and selecting social activities that do not fit with SMEs' core values and may subsequently have negative implications for SME survival and performance.

Conclusion

SE continues to be a topic that attracts significant attention from scholars, managers, entrepreneurs and governments around the world. Considering the important economic force that SMEs represent in most countries, scholars are increasingly interested in studying how SMEs engage in activities that can address social and environmental problems in their contexts. In this research note, our purpose was to provide preliminary answers to three essential questions in this growing stream of research and provide some guidance for future investigation. A synthesis of our insights for these essential questions is presented in [Figure 1](#). Considering how this increasing body of knowledge can build important

What motivates SMEs to undertake SE activities?	What are the obstacles faced by SMEs when undertaking SE activities?	What are the types of SE activities that SMEs undertake?
<p>Demands and general expectations from stakeholders</p> <p>Nonpecuniary incentives originating from organizational values and culture</p> <p>Anticipation of improving relevant organizational outcomes</p>	<p>Limited financial resources and lack of guidance, procedures, policies and other knowledge deficiencies</p> <p>Lack of perceived incentives or benefits in SE activities</p>	<p>Activities that address pressing social challenges, inequalities or problems with both internal and external stakeholders</p> <p>Activities that alleviate climate change and general environmental concerns</p>

Figure 1. Social entrepreneurship in SMEs: Motivations, obstacles and types of activities

implications for business education, government institutions and managers at existing SMEs, we hope that our research note provides a baseline to spark and guide more research on this topic.

Notes

1. These social entrepreneurship efforts by organizations can vary widely by industry or firm and can involve a wide range of initiatives, including but not limited to: adopting corporate social responsibility policies, supporting local communities in need, assisting employees beyond legal obligations, minimizing environmental impact and promoting diversity and social justice efforts, among others.
2. Definitions of SMEs vary by country, but they are mostly centered around number of employees or amount of assets. The studies we reviewed for this research note employ samples from around the world (see [Table 2](#)) and therefore use various definitions of SMEs.

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Further reading

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Appendix
Examples and summary of studies on social entrepreneurship in SMEs

Authors	Year	Journal	Core focus	Sample	Country	Findings
D'Aprile and McLay	2021	Journal of Promotion Management	CSR	354 employees of SMEs	Italy	Employees' organizational identity develops CSR practices through organizational sense of community and affective organizational commitment SMEs' intrinsic motivation positively impacts CSR practices and SMEs' levels of internationalization moderates this relationship
Grimstad <i>et al.</i>	2020	European Business Review	CSR	65 SMEs	Norway	SMEs understand the value of CSR practices to hire loyal and satisfied employees, but SMEs are concerned about the positive benefits of CSR practices Employees' moral responsibility positively influences CSR implementation. Also, employees decouple from moral responsibility through visionary procrastination
Metzker and Streamikis	2020	International Journal of Entrepreneurial Knowledge	CSR	419 SMEs	Czech	Family SMEs face various obstacles in CSR reporting and multiple methods can avoid the tensions in CSR reporting
Sendlhofer	2020	Journal of Business Ethics	CSR	1 SME	Sweden	Soft information (i.e. management and project quality) predicts credit default Authors categorize the core motivations, obstacles and drivers of environmental management practices of small manufacturing firms
Discua Cruz	2020	International Small Business Journal	CSR	1 family SME	Honduras	Social SMEs benefit from lending technologies (i.e. financial statement, asset-based, relationship lending and small business credit scoring) to attain legitimacy
Cornée	2019	Journal of Small Business Management	Legitimacy	389 small loans at a social bank	France	
Cassells and Lewis	2019	Small Enterprise Research	Environmental management	148 small manufacturing businesses	New Zealand	
Bengo and Arena	2019	International Journal of Productivity and Performance Management	Legitimacy	5 social SMEs	Italy	

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Authors	Year	Journal	Core focus	Sample	Country	Findings
Kornilaki <i>et al.</i>	2019	Journal of Sustainable Tourism	Sustainability	16 small businesses	Greece	Owner-managers' self-efficacy influenced how they perceive external environment (i.e. sociocultural and industrial norms), which eventually led to the decision on sustainability practices
Saunila <i>et al.</i>	2019	Technology Analysis and Strategic Management	Sustainability	139 small businesses	Finland	Environmental sustainability impacts green technology investment through social and economic sustainability
Hosoda	2018	Corporate Governance	CSR	1 SME	Japan	Both formal and informal control systems promote CSR practices through motivating employees and incorporating opinions of stakeholders on CSR
Soundararajan <i>et al.</i>	2018	Business and Society	CSR	8 small businesses	India	Small businesses avoid the institutional demands for CSR practices by "undermining assumptions and values, dissociating consequences, and accumulating autonomy and political strength" (p. 1301)
Lee <i>et al.</i>	2017	Corporate Social Responsibility and Environmental Management	CSR	87 SMEs	Korea	SMEs are likely to concentrate on explicit CSR practices to be recognized by their target customers. Similarly, stakeholder and institutional pressures drive CSR practices
Sancho <i>et al.</i>	2017	International Journal of Management and Enterprise Development	CSR	509 SMEs	Spain	SMEs with larger firm size that belong to industrial sectors and have women CEOs are likely to implement high CSR practices
Norbit <i>et al.</i>	2017	Management and Accounting Review	CSR	20 SMEs	Malaysia	Although SMEs attempt to implement CSR to promote firm reputation and brand names, limited funding and lack of formal training prevent them to apply CSR practices

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Authors	Year	Journal	Core focus	Sample	Country	Findings
Panwar <i>et al.</i>	2017	Journal of Business Ethics	Social engagement	478 small businesses	USA	Small firms' perceptions on potential intangible benefits positively influence their social engagement
Molecke and Pinkse	2017	Journal of Business Venturing	Social impact	22 small businesses	16 countries	Four methods (i.e. immeasurable, imprudent, incomplete and irrelevant) can measure social impact and bricolage can be an alternative social impact measurement
Garrigós Simón <i>et al.</i>	2017	Entrepreneurship and Regional Development	Sustainability	23 experts	Colombia	Policies promote sustainable regional development and social values of SMEs in the construction industry
Laguir <i>et al.</i>	2016	Corporate Social Responsibility and Environmental Management	CSR	20 SMEs	Morocco	Family SMEs are more socially responsible than non-family SMEs because of family SMEs' involvement with their community
Salciuviene <i>et al.</i>	2016	Engineering Economics	CSR	3 SMEs	Lithuania	Several obstacles (i.e. lack of financial resources, formal procedures and formal CSR performance measurement system) and drivers (i.e. CEOs' capability and authority, reputation management, product and service quality management, marketing budget for CSR, industry association, customer expectations, community support and community educational involvement) shape SMEs' CSR practices
Aragón <i>et al.</i>	2016	Journal of Business Ethics	CSR	4 SMEs	Spain	Social capital dimensions (i.e. cognitive, structural and relational) influence socially responsible activities of SMEs
Amaeshi <i>et al.</i>	2016	Journal of Business Ethics	CSR	39 SMEs	Nigeria Tanzania	Sub-Saharan African SMEs implement CSR activities in various spaces (i.e. workplace, marketplace, community and ecological environment). SMEs face challenges of CSR implementation under hostile institutional environment

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Authors	Year	Journal	Core focus	Sample	Country	Findings
Benito-Hernández <i>et al.</i>	2016	Business Ethics, the Environment and Responsibility	Environmental protection	930 small manufacturing firms	Spain	Small firms that sustain cooperative relation with community, external stakeholders and customers develop high environmental protection
Hoogendoorn <i>et al.</i>	2015	Small Business Economics	Environmental practices	7,700 SMEs	36 countries	Stringent environmental legislation, large firm size, tangible products and external financial support positively influence SMEs' environmental practices (i.e. production processes and products/services)
Hsu and Cheng	2012	Corporate Social Responsibility and Environmental Management	CSR	136 manufacturing SMEs	Taiwan	Compatibility (i.e. corporate culture, values and morality, managers' support and corporate image) develops CSR practices, whereas complexity (i.e. social compliance costs, lack of resources, guidance and benchmarks) decreases CSR implementation
Fassin <i>et al.</i>	2011	Journal of Business Ethics	CSR	23 small businesses	Belgium	Concepts such as CSR, corporate governance and business ethics have important interrelationships
Nijite <i>et al.</i>	2011	Journal of Quality Assurance in Hospitality and Tourism	CSR	10 small hotels	USA	There are important obstacles (i.e. costs, lack of financial resources and policies) and positive outcomes (i.e. social capital and firm survival) of various CSR practices
Jamali <i>et al.</i>	2009	Journal of Business Ethics	CSR	6 SMEs	Lebanon	SMEs with high inspiration and intimate stakeholder relationships positively develop CSR orientations. However, SMEs with limited integration, institutionalization and strategic CSR orientations are less likely to implement CSR practices

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Authors	Year	Journal	Core focus	Sample	Country	Findings
Sweeney	2007	Corporate Governance	CSR	7 SMEs 6 large firms	Ireland	There are obstacles (i.e. cost) and motivations (i.e. relationships and stakeholder demand) behind CSR practices (i.e. employees, community, customers and environment) of SMEs
Madden <i>et al.</i>	2006	International Journal of Nonprofit and Voluntary Sector, Marketing	CSR	52 SMEs	Australia	There are three motivations (i.e. expectation of giving from community, business benefit and personal philanthropic interests) and four common barriers (i.e. volume of requests, lack of a formal procedure, business priorities and concerns for appropriate use of donation) behind CSR practices in SMEs
Vives	2006	Journal of Corporate Citizenship	CSR	1,330 SMEs	8 countries	There are various motivations (e.g. religion, relationships and regulations) and obstacles (e.g. lack of resources and knowledge) behind SMEs' CSR practices (i.e. internal, external and environmental)