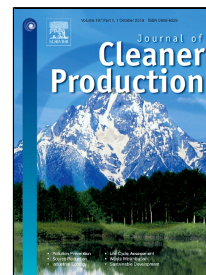


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**Exploring the Integration of Corporate Social Responsibility into the Strategies of
Small- and Medium-Sized Enterprises: A Systematic Literature Review**

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Abstract

A marked increase has taken place in the past two decades in the volume of research undertaken into the procedures used, and issues encountered, by small and medium-sized enterprises (SMEs) as they integrate Corporate Social Responsibility (CSR) into their business strategies. In the present study, we uncover, by means of a systematic literature review (n=118), a growing conceptual and terminological fragmentation of the nomenclature used to capture notions surrounding areas of business responsibility that are specific to smaller business. Likewise, as a result of this, a diverse selection of terms are used by scholars in the field as alternatives to the term “CSR”. This practice hinders consolidation in the field. Here, we use a qualitative content analysis approach to explore the different expressions used to characterize CSR in the context of SME strategy. We then categorize the academic literature into 4 overarching topics: (1) “*Ethical values and social connections/relationships of the entrepreneur or owner-manager*”, (2) “*Relevance of business context and long-term performance*”, (3) “*Importance of formal processes for CSR integration*”, and (4) “*Political issues with relevance to CSR*”. This categorization serves as a basis for future research: by consolidating a fragmented field, it offers a comprehensive foundation on which to base future conceptual and empirical efforts into evaluating the various ways in which SMEs integrate CSR into their strategies.

Keywords:

Small or Medium Enterprise; Corporate Social Responsibility; Strategy; Literature Review

1. Introduction

Since the 1990s there has been a growing interest in the scholarly literature in combining CSR with business strategy (Carroll, 1999; Lee, 2008; Porter and Kramer, 2011). Since then, the understanding of CSR has partially shifted from being considered predominantly as the moral imperative of managers and company owners (Bowen, 1953), to being considered, in the main, as an integral factor both in a firm's strategy as well as in its success (Kotler and Lee, 2005; Lee, 2008; Porter and Kramer, 2011). Initially, the literature adopting this strategic view of CSR focused mainly on large and multinational enterprises (see Clarkson, 1995; Lee, 2008; Porter and Kramer, 2006, 2011). There is, however, a broad consensus that SMEs are an important and sizeable economic force and that the strategic outcomes of CSR in SMEs therefore likewise merit investigation (Morsing and Perrini, 2009). At the same time, several scholars argue that there are particular features distinguishing the ways in which SMEs integrate social and environmental issues into their strategies from their larger counterparts (e.g., Johnson and Schaltegger, 2016; Russo and Perrini, 2009; Spence, 1999, 2007; Vazquez-Carrasco and Lopez-Perez, 2013). Specifically, even if SMEs have fewer resources available to integrate CSR into their strategies and face less public scrutiny and stakeholder attention when compared to large enterprises, responsible or ethical motives often carry more weight in the former because of the personal influence of the owner-manager (Burton and Goldsby, 2009; Wickert, 2016). In terms of operationalization, an additional distinguishing feature is that while larger enterprises tend to adopt formal strategic measures for implementing CSR (e.g., certifications, periodical reporting), small enterprises often adopt informal ones (e.g., *ad hoc* conversations with specific stakeholder groups) (Baumann-Pauly et al., 2013; Fassin, 2008; Russo and Tencati, 2008; Wickert, 2016).

Nevertheless, these authors note that because of environmental concerns such as rising energy and raw materials prices, and because of the overall increase in public concern for social issues, cost savings (e.g., through waste reduction and the effective management of resources), and health and safety are becoming central economic concerns for many SMEs. Hence, how SMEs integrate CSR into strategy formulation and implementation, as two central elements of a firm's strategy (Hill and Jones, 2008; Thompson and Strickland, 2003), has come to be of growing interest in management research. It has thus become important to understand how CSR is described and defined in the field of research pertaining to how CSR is integrated into the strategies of SMEs.

Over the course of our work we have noted a growing conceptual and terminological fragmentation within the academic publications in this field. Scholars employ numerous different terms to capture notions of business responsibility which are especially relevant in smaller business contexts, e.g. Responsible Business Behavior (RBB) (Avram and Kühne, 2008), Small Business Social Responsibility (SBSR) (Lepoutre and Heene, 2006), Responsible Entrepreneurship (Fuller and Tian, 2006), and Responsible Business Practice (RBP) (Moore et al., 2009), to name but a few. A preliminary review of the literature shows that a wide variety of terms have been used as alternatives to the term "CSR": a total of 56 terms, in fact. The terms focus on diverse issues such as green management, stakeholder relations and supply chain management. Notwithstanding the possible value of the particular labels used, it is nevertheless the case that the fragmentation hinders the consolidation of this area of research and highlights the need for a systematic review.

Despite of the increasing number of publications in this area, a systematic and comprehensive examination of the definitions used is still lacking. Substantial work in this area has already been undertaken by Vazquez-Carrasco and Lopez-Perez (2013); these authors conducted a systematic review of CSR for SMEs, in which they focused on the

drivers and consequences of CSR implementation in SMEs. They did not, however, specifically investigate how SMEs incorporate CSR into their strategies. Engert et al. (2016) also carried out a systematic review of strategic management and corporate sustainability, focusing on the internal and external drivers of CSR implementation in strategic management; however, their main focus was not on SMEs. The most recent review by Soundarajaran et al. (2017) provides a useful overview of the theories applied, the levels of analysis and the methodological focal points to be found across the research into Small Business Social Responsibility (SBSR). It does not, however, apply a strategic perspective to CSR and does not offer a consolidated overview of the varying definitions of CSR within the field.

The questions to which this review seeks to respond are as follows: *What terms are used to define CSR in the academic literature on the integration of social and environmental responsibility into the strategies of SMEs? What issues, if any, emerge, from the different CSR definitions used?*

We apply a qualitative content analysis approach, supported by the software ATLAS.ti, to explore the different terms used to characterize CSR in the context of SME strategy.

For the review we have chosen only those articles in which CSR is considered fundamental for the achieving of a company's objective or long-term goal, i.e. in which CSR is integrated at the strategic management level (Engert et al., 2016), or in other words, in which CSR is something that companies consider during the process of planning, formulating and implementing their business strategies. Following Vallentin and Spence's (2017, p. 64) definition of strategic CSR, the review also attributes "an economic purpose or quality to responsibility, that is, a purpose or quality above and beyond doing good for

the sake of doing good”. So mere philanthropy does not fall under strategic CSR¹, and neither do other activities that do not take place within limits of the firm’s strategic operations.

The review makes at least two important contributions. From a research perspective, by consolidating a fragmented field around recurrent *issues* and *topics*, it offers a comprehensive foundation on which to base future conceptual and empirical efforts aimed at assessing how CSR is implemented in the strategies of SMEs. From a managerial perspective, it provides a summary of those *issues* and *topics* requiring particularly close consideration when integrating CSR into the strategies of SMEs. It does so by showing the necessary areas upon which to focus the implementation process and by delineating the specific sources of potential friction on the one hand, and of support on the other.

2. Methodology

To investigate how the concept of ‘CSR’ is used in the field of research that concerns us, we began by assessing the approach to systematic literature reviews described by Tranfield et al. (2003). This approach was adopted because it facilitates exhaustive, reproducible, and verifiable reviews. Their description of the procedures and stages has been updated and modified by more recent studies in management and related fields—most notably, Aguinis and Glavas (2012), Engert et al. (2016), Johnson and Schaltegger (2016), and Vergne and Wry (2014). In the following section, we will describe each step of the review procedure in more detail.

¹ We follow authors such as (amongst others) Vallentin and Spence (2017) and Wickert (2016) who differentiate between a philanthropic approach to CSR (i.e. not being related to the business model) and a strategic approach to CSR (i.e. linked to the business model and to company strategy, with operations centered within the value chain). Our review focuses on studies following the latter approach. We only included papers employing this understanding of CSR and deliberately omit other papers, including those dealing merely with philanthropy within SMEs.

To ensure a comprehensive approach, we chose two databases from which we selected the relevant articles. First of these was Web of Science (WOS), whose selection was motivated by other high-quality systematic reviews that rely on this database (Vergne and Wry, 2014) as well as the database's comprehensive nature. We supplemented WOS with Scopus, on which we ran the same searches. The complete list of strings deployed appear in Table 1.

Table 1
Search strings (with operators and wildcards).

<i>Selected Database</i>	<i>Headword (or acronym)</i>	<i>Operator</i>	<i>Terms (including conceptual cousins based on family resemblances and equivalent usage across studies of "CSR strategy implemented by SMEs")</i>
Web of Science database	CSR		CSR OR "corporate social responsibility" OR "social responsibility" OR "corporate responsibility" OR "corporate citizenship" OR "environmental management" OR sustainab* OR "social management"
		AND	
	Strategy		strateg* OR plan* OR formulat* OR implementat* OR competitiv*
		AND	
	SMEs		SME\$ OR "small and medium sized enterprise\$" OR "small business*" OR "small firms"
Scopus database	CSR		CSR OR {corporate social responsibility} OR {social responsibility} OR {corporate responsibility} OR {corporate citizenship} OR {environmental management} OR sustainab* OR {social management}
		AND	
	Strategy		strateg* OR plan* OR formulat* OR implementat* OR competitiv*
		AND	
	SMEs		SME? OR {small and medium sized enterprise*} OR {small business*} OR {small firms}

The strings reflect the scope of the study's focus, i.e. the primary concepts that our review examines: CSR, strategy and SMEs. Furthermore, we strove to examine the terminological variety and relationships drawn by the various studies. This strategy was meant to ensure the comprehensiveness of the review.

Furthermore, three control articles were selected for quality control purposes during the scoping phase, deeming them to be of high subject matter relevance. They are (full citations in reference list) Fisher et al. (2009), Jenkins (2009), and Spence (2014). Using these articles our search terms were verified and cross-checked. Two of the control

articles—Fisher et al. (2009), Jenkins (2009)—appear in the *Journal of Business Ethics* and *Business Ethics: A European Review*. To ensure that the search results included these control articles (and all those substantively similar), our team included search terms and phrases from the respective articles' keywords.

As well as equalizing measures, we performed a preliminary filtering of the total results. This was done in order to ensure that relevant articles were included in later filtering steps, and ultimately in the final list of selected articles. Table 2 contains the final search results and indicates the limitations that were set on the total results. Our final sample included 118 journal articles.

Table 2
Search results.

<i>Description</i>	<i>Web of Science (WOS)</i>	<i>Scopus</i>	<i>Total</i>
Results before any inclusion/exclusion refinement	1110	864	-
Results after preliminary refinement ² (without duplicates)	220	249	469
Results after preliminary refinement ± first filter rule ³	92	117	209
Total results after preliminary refinement with first ± second filter ⁴ rules	58	60	118

During the scoping study, the articles were first perused and terms and concepts of interest were marked. In the second stage of the review, we chose qualitative content analysis to explore the textual material. The main characteristics of the method according to Schreier (2014), namely that it is a systematic and flexible approach to data reduction, were conducive to the finalization of the review.

² Preliminary refinement (limited search results to): (a) document language—English; (2) document type—article; (3) research area in WOS (“Business Economics”) and subject area in Scopus (“Business Management and Accounting”).

³ First filter rule (*scope of topic*): Does the article pertain to strategic implementation (x1) or management (x2) of CSR (y) in SMEs (z)? That is, variables x1 or x2 and y and z are necessary; they are sufficient only in conjunction.

⁴ Second filter rule (*impact on scholarship*): Does the article appear in a high-quality publication (d) that influences other scholars (e1) and/or the topic's development (e2)? That is, variables d and e1 or e2 are necessary; they are sufficient only in conjunction, where (d), (e1), and (e2) are determined by SNIP ranking (and checked against control articles).

In order to undertake a content analysis, a suitable coding frame was needed. This frame was predefined according to our central research interest, which was to explore how CSR is defined in the literature investigating the integration of social and environmental responsibility into the strategies of SMEs. A coding agenda was developed to guide the work of multiple coders and to ensure consistency in coding. The same code list was used by all coders. As Flick (2014, p. 430) has noted, one of the main advantages of this methodological approach is the possibility of adding codes which evolved out of the material. In this respect, as seen in Figure 1, our content analysis allowed for various conceptualizations and for terms to be added or modified during the content analysis phase. Additional codes, created to account for a specific manifestation of the main codes, were not added in isolation; rather, they were added only after cross-checking and discussing with other coders. This procedure is in line with Flick (2014) and Mayring (2000). To make the process uniform, we opted for ATLAS.ti Scientific Software, which enabled all researchers to work with a consistent set of codes.

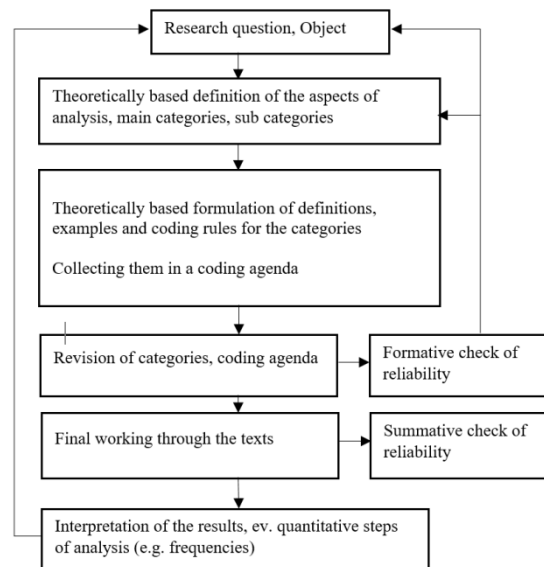


Fig. 1. Process model of a theory-based content analysis (adapted).

3. Quantitative Findings

Having conducted and filtered a search of the terms and phrases as described above, the results and relevant data were compiled. The initial quantitative findings provide an overview of the 118 scientific articles reviewed.

As can be seen in Figure 2, the results reveal a trend which began in 1997 and continued into 2016. The number of publications rose from one per year within the late 1990s to a peak of 16 articles within the selected journals in 2015. This being the case, there is now a sufficient corpus of literature from which the terminology may be condensed into primary conceptual units.

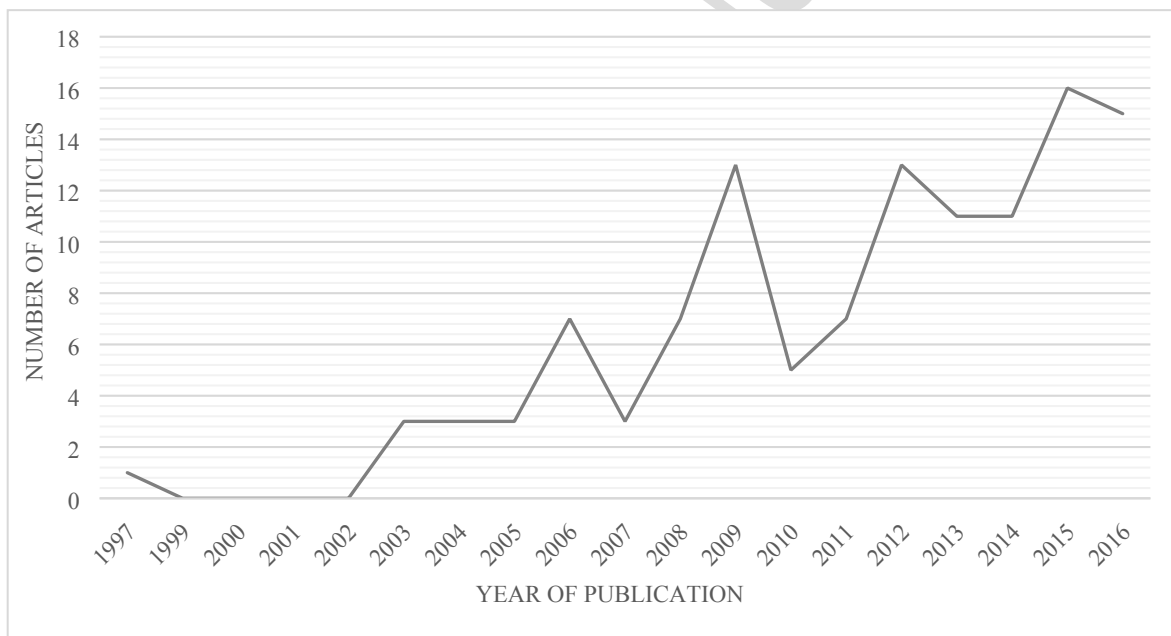


Fig. 2. Distribution of the analyzed scientific journal articles per year (1997-2016).

The vast majority of identified articles are to be found in ethics and sustainability journals, most frequently the *Journal of Business Ethics* ($n = 23$), followed by *Business Strategy and Environment* ($n = 15$) and the *Journal of Cleaner Production* ($n = 7$).

Furthermore, as can be seen in the Appendix A, one third of the reviewed studies address both the service and the production sectors ($n = 49$) (i.e. they do not distinguish between

the two sectors). Of the total number, $n = 33$ scientific journal articles address the production sector, while $n = 24$ scientific journal articles address the service sector and $n = 12$ scientific journal articles do not mention any economic sector at all. The geographical focus of the reviewed articles is mostly centered on European SMEs ($n = 71$), followed by $n = 16$ scientific journal articles focusing on the Asian region and $n = 6$ scientific journal articles focusing on the US.

Figure 3 illustrates that the spectrum of research methods applied in this subject area ranges from theoretical studies to quantitative and qualitative methodological studies. The data shows that empirical articles, i.e. quantitative ($n = 64$) and qualitative methods ($n = 41$), appear far more frequently than theory-only articles.

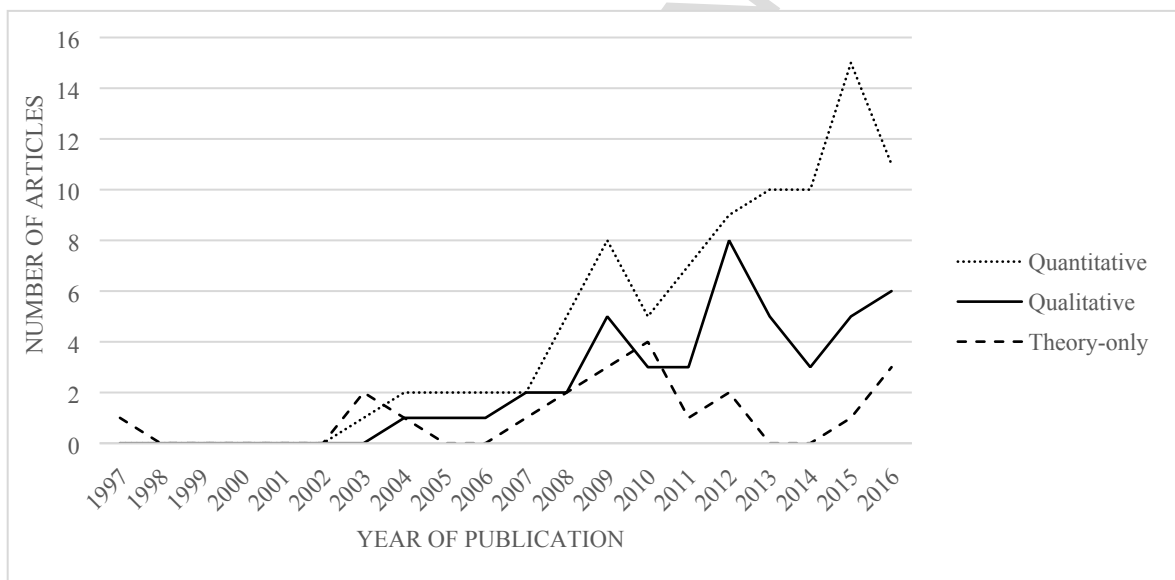


Fig. 3. Distribution of the analyzed scientific journal articles per year, methods applied (1997-2016).

4. Results of content analysis

The following sections provide the main qualitative findings. Through the qualitative content analysis of the 118 reviewed articles we identified 56 different terms

for CSR in the selected literature. After having coded the different definitions used in the articles we then proceeded to analyze the resulting passages using Mayring's (2000) method for qualitative content analysis and identified 19 emergent *issues*. Our designation of these *issues* aimed at capturing central concepts put forward in the CSR definitions. In a second step of the content analysis, we looked for similarities and differences among *issues* and bundled up similar *issues* to form a new level of categorization, which we termed *topics*. The 19 *issues* identified within the selected publications were thus condensed into 4 main *topics*, which allowed us to uncover the dominant themes in the literature regarding the integration of CSR into the strategies of SMEs (Figure 4).

Appendix A gives a detailed overview of authors by issue and topic, as well as of the terminology used to describe CSR in the selected literature. To categorize the 118 articles by issue, we concentrated on the *main* argument developed in a given article. For example, the issue labeled "CSR measures focus on strategies of mutual interest for the firm and its key stakeholders" emerges, amongst others, from Lamberti and Noci (2012) and from Johnson and Schaltegger (2016). Lamberti and Noci (2012) apply the term Responsible Entrepreneurship as coined by the EU (2011), whereas Johnson and Schaltegger (2016) use the term Sustainable Management. However, both author teams stress the importance of reciprocity between the firm and its stakeholders in small business responsibility strategies.

The resulting *topics* bundle *issues* together around common elements of content and are described as follows:

- 1) Ethical values and social connections/relationships of the entrepreneur or owner-manager;
- 2) Relevance of business context and long-term performance;
- 3) Importance of formal processes for CSR-integration;

4) Political issues with relevance to CSR.

	1. Ethical values and social connections/relationships of the entrepreneur or owner-manager	2. Relevance of business context and long-term performance	3. Importance of formal processes for CSR-integration	4. Political issues in respect to CSR
Topics				
Issues	<ul style="list-style-type: none"> • Self-interest of owner-manager as driver of CSR • Internal and external factors that influence the owner-manager's awareness regarding responsible business behavior • Centralized decision making and strategy formulation • Responsible business behavior of SMEs tends to be proactively managed • CSR tends to have a regional focus and serves to strengthen community ties • CSR measures focus on strategies of mutual interest between the firm and its key stakeholders • CSR measures focus on enhancement of reputation and trust 	<ul style="list-style-type: none"> • CSR depends on competitive structure and industry sector • CSR requires an integrative view of the firm • CSR measures tend to focus on long-term performance as a potential source of radical innovations • CSR improves reputation 	<ul style="list-style-type: none"> • Predominance of external drivers for the implementation of CSR management systems • Strong need for external support and networks • SMEs tend to focus on efficiency gains and reduction of environmental impact rather than on strategic advantages • Need for specific capabilities and resources • EMS support a systematic and efficient implementation of CSR-issues 	<ul style="list-style-type: none"> • SMEs may engage in explicit efforts of self-regulation (Corporate Citizenship) • SMEs share responsibility for forms of injustice within their supply chains • SMEs can provide leadership in communities

Fig. 4. *Topics* and *issues* in the field of research into the integration of CSR into the strategies of SMEs (1997-2016).

In choosing the labels for the *topics*, we asked what the *issues* within a topic have in common. As an example, topic 1, labelled “Ethical values and social connections/relationships of the entrepreneur or owner-manager”, revolves around *issues* in which non-commercial, personal and relationship-oriented motives and drivers of CSR are prominent. In the next section, we will describe these *topics* in more detail, stating the central *issues* contained within each topic and the articles from which these *issues* emerge.

4.1. *Topic 1: Ethical values and social connections/relationships of the entrepreneur or owner-manager*

This topic summarizes those *issues* that revolve around how CSR strategies are affected by the ethical values and principles of the entrepreneur or owner-manager, as well as by his or her relationships to key stakeholders. More specifically, *issues* subsumed within this topic deal with the influence of the owner-manager of SMEs on organizational

guiding principles and behavior, the effect of internal and external factors on the owner-manager's awareness of the costs of irresponsibility or else of the benefits of responsible business behavior, the relationships of the owner-manager with key stakeholders and the community of origin, as well as the importance of reciprocity and reputation building.

4.1.1. Issue: Self-interest of owner-manager as driver of CSR

This issue pinpoints the fact that in small- and medium-sized companies, social and environmental responsibility programs very often correspond to a clear rationale of self-interest, in that the benefits - as well as the potential eventual costs of such activities - are perceived by owner-managers as personal success factors (Cambra-Fierro et al., 2008). Gorgievski et al. (2011) point out that small business owners' success criteria include, as well as profitability, qualitative elements such as personal satisfaction and harmonious relationships with key stakeholders. Thus, the implementation of CSR initiatives does not result either from mere economic or ethical drivers (see also van Weltzien and Melé, 2009), but is always a combination of both.

4.1.2. Issue: Internal and external factors that influence the owner-manager's awareness of responsible business behavior

Responsible business behavior often reflects accountability for one's effect on others and for assisting others in standard business practices as well as in adjunct or non-core activities (Ahmad and Ramayah, 2012; Arend, 2014; Azmat and Samarantunge, 2009; Bevan and Yung, 2015). Accountability has as a prerequisite the owner-manager's awareness of his or her firm's effects – positive as well as negative – on others. Thus, the extent and depth of an SME's implementation of CSR measures will depend on the owner-

manager's awareness of the costs of irresponsibility as well as of the benefits of responsible behavior. This awareness can depend on the owner-managers' education and expertise (Cambra-Fierro and Ruiz-Benítez, 2011) or on the limits of their attention (de Clercq et al., 2015). According to the reviewed studies, SMEs operating in industries within an extensive social or environmental legislative framework (Gadenne et al., 2009), or those which are more visible to the public (Lepoutre and Heene, 2006), will have more awareness of the risks and benefits of CSR and engage more frequently in socially responsible behavior. Those small businesses which are characterized by higher levels of organizational visibility will receive more scrutiny and information from their stakeholders about positive and negative impacts.

4.1.3. Issue: Centralized decision making and strategy formulation

A general characteristic of SME management is that decision making and strategy formulation are often centered on a single person: the founder, entrepreneur or owner-manager. In case of a family business, decisions are made within a small group of people who form the governing body of the company. Accordingly, and because of the central role played by a small number of individuals, a firm's engagement in CSR programs or strategies is heavily influenced by the personal character, ethical convictions and values of the company leaders, rather than by size, resource configuration or industry type (Adebanjo et al., 2013; Fuller and Tian, 2006; Jenkins, 2009; Knudsen, 2011; Konstantinos et al., 2016; Perrini et al., 2007). Furthermore, in line with Porter and Kramer (2002, 2006; 2011), Knudsen (2011) reports a positive effect of CSR programs on business outcomes. Some articles which evince evidence of this issue suggest that the central ownership structures which characterize SME provide more autonomy and legitimacy for the main decision makers of smaller companies to exercise discretion in how to use company

resources, which leads to greater flexibility in implementing ethical and sustainable practices (Cambra-Fierro et al., 2008).

4.1.4. Issue: Responsible business behavior of SMEs tends to be proactively managed

According to Kerr (2006), the key to setting up an enterprise for sustainable operation is for the leadership to establish a culture that is proactive in formulating environmental and social objectives, to pursue a strategy of continuous environmental and social improvement and to allocate specific resources for that purpose. Several studies show that socially responsible SMEs have very often adopted a proactive approach from the beginning (e.g., Cambra-Fierro and Ruiz-Benítez, 2011). Other authors discussing this issue see sustainability management as a form of innovation management (e.g., Johnson, 2015), i.e. as a form of proactive future-oriented management. Specific skills in the owner-manager such as learning and networking are found to be preconditions that necessarily support proactive, responsible and sustainable corporate strategies (Jenkins, 2009).

4.1.5. Issue: CSR tends to have a regional focus and serves to strengthen community ties

In this issue, the owner-manager of an SME tends to be firmly established in a region and a community, usually for reasons of company history. As a result, socially responsible behavior responds very often to the needs and interests of this community of reference and to the main stakeholders in that community (Ahmad and Ramayah, 2012; Fuller and Tian, 2006; Tang and Tang, 2012; Testa et al., 2012). So, SMEs favor local activities that promote direct communication and collaboration with stakeholders in the form, for example, of community projects (Fisher et al., 2009). Even if SME leaders do not consciously aim to implement what would be termed CSR strategies – or at least, if their

responsible business measures do not go by that name – their immediate regional network imposes social and environmental obligations on them, to which they reference in their daily business (Fassin, 2008; Looser and Wermeyer, 2015). De Clercq et al. (2015) draw upon the *attention-based view* (Cyert and March, 1963/1992) to argue that SME engagement in local sourcing depends not only on access to location-specific resources but also on the “patriotism”, or devotion to the community of origin of key decision makers.

4.1.6. Issue: CSR measures focus on strategies of mutual interest between the company and its key stakeholders

The European Commission’s definition of Responsible Entrepreneurship (European Commission, 2003), adopted by some authors, has led to an understanding of CSR as a type of business strategy that seeks to create value for all relevant stakeholders, i.e. in which the mutual interests of all the key parties are taken into account (Coppa and Sriramesh, 2013; Lamberti and Noci, 2012; Li et al., 2016; Meyskens et al., 2010). Also within this issue we found that small firms rely more on a dialogue strategy in which they seek to learn from stakeholders as to which aspects of CSR are critical (Ahmad and Ramayah, 2012, 2015; Graafland and Smid, 2014; Graafland et al., 2003; Hammann et al., 2009; Harangozó and Zilahy, 2015; Johnson and Schaltegger, 2016; Masurel, 2007; Singh et al., 2015). Consequently, the principle of “minimizing harm” and “maximizing positive impacts” often referred to in the reviewed articles, concerns what key stakeholders value and expect from a business relationship (Arend, 2013; Coppa and Sriramesh, 2013; D’Aprile and Talò, 2015; Nejati et al., 2014; Perrini et al., 2007; Tang and Tang, 2012). Furthermore, value creation is linked not only to the garnering and sharing of critical resources with key stakeholders, but also to the creation of mutually beneficial, stable and trustworthy relationships with them (Ciasullo and Troisi, 2013; Russo and Tencati, 2009).

This issue also includes a focus on the creation and promotion of social capital, i.e. on the relationships that make organizations work effectively (Fisher et al., 2009; Lamberti and Noci, 2012). Expanding on previous work by Porter and Kramer (2006), Fisher et al. (2009) provide a framework based on the development and maintenance of social capital. Other authors prefer to talk about social legitimacy (Fernández et al., 2007).

4.1.7. Issue: CSR measures focus on enhancement of reputation and trust

According to Gorgievski, Ascalon and Stephan (2011) a small entrepreneur's success criteria include a positive societal impact and public recognition (i.e. reputation), in addition to the usefulness of one's service or product. These authors also suggest that reputation and legitimacy are directly related to immediate stakeholders: employees, customers, suppliers and the local community. Reputation is foundational to trust in stakeholder relationships: it reflects the long-term perspective of a company (Fassin, 2008) and is thus a specific objective in the business decisions of SMEs (Chen and Wongsurawat, 2011), and informs responsible business practices. It is built over time and is synonymous with standing, good name, and prestige (Fuller and Tian, 2006).

4.2. Topic 2: Relevance of business context and long-term performance

This topic represents CSR strategies which are predominantly determined by the business context, e.g., market and industry requirements, as well as by considerations as to the firm's long-term performance, such as innovation. Accordingly, *issues* that are included in this topic show how competitive structure and industry sector enforce the implementation

of responsible business practices, very often leading to: an integrative view of the firm and its supply chain, a focus on long term performance when it comes to deciding on environmental and social matters, CSR as a driver of innovation and competitiveness, and the consideration of reputation as a competitive advantage.

4.2.1. Issue: CSR depends on competitive structure and industry sector

This issue reflects the fact that SMEs are very often in the position of agents in a principal-agent relationship in which a company (the principal) imposes an ethical code on suppliers (Blomgren, 2011; Ciliberti et al., 2011; Zhang and Wu, 2014). Under such a scheme, socially responsible behavior serves to signal compliance and reduces transaction costs. Additionally, articles from which this issue emerges note that smaller SMEs usually act as rule keepers rather than rule makers when larger companies (including larger SMEs) engage in sustainable value chain management and impose labor standards, product and environmental requirements on their partners (Jorgensen and Knudsen, 2006; Pedersen, 2009; Perry and Towers, 2009). As a result, SMEs will mainly implement CSR as a reaction to market, industry and societal demands and in their core business functions, such as production, logistics or human resource management (Wickert et al., 2016).

4.2.2. Issue: CSR requires an integrative view of the firm

Even if SMEs adopt responsible business practices when motivated to do so by client companies or industrial standards, these rarely remain concentrated on few central aspects of the firm. Moreover, articles from which this issue emerges point out that strategic CSR respond to an integrative approach, i.e. a holistic view of the company. Avram and Kühne (2008, p. 465) coin the term Responsible Business Behavior to describe

a “holistic, stakeholder-oriented approach for companies of all sizes and sectors, encouraging them to focus on ethical and responsible issues linked to their core business”. These authors take the value chain as a reference point for detecting issues of potential concern for SMEs. Hatak et al. (2015, p. 285), following Birkeland (2002), define Ecopreneurship as an entrepreneurial approach that “requires more than eco-efficiency (...); it also requires fundamental personal, social and institutional transformation” in a firm. Hoerisch et al. (2015, p. 757) understand sustainability management as the “simultaneous integration of ecological, social and economic sustainability aspects and practices into an enterprise’s core operations”. Moore et al. (2009) adopt the term Responsible Business Practice and emphasize the “totality” of this activity. Nardo and Veltri (2013, p. 418) argue that the most up to date definition of CSR “means the way in which a company’s business models, strategies and practices impact on stakeholders and the environment”.

4.2.3. Issue: CSR measures tend to focus on long-term performance as a potential source of radical innovations

This issue reflects the fact that SMEs tend to implement CSR initiatives according to a long-term view of their business development. Moore et al. (2009) stress the fact that SMEs engaged in CSR see a clear profit motive, but they also aim to develop the relationships and networks that are fundamental to their businesses through responsible business practices. (This last aspect is in line with the creation of social capital as mentioned in the previous topic.) Following on from Porter and Kramer (2006, 2011), Halme and Korpela (2014) argue that strategic responsibility entails the idea that responsibility can drive and enhance innovation within companies. In their study into responsible innovation for sustainable development, they demonstrate that a scarcity of

resources and difficult economic circumstances do not hinder long-term oriented SMEs in their pursuit of business model innovations with sustainability aims. Furthermore, studies focusing on sustainability in tourism identify CSR as corresponding to the conservation of resources which directly affect the attractiveness of destinations (Berry and Ladkin, 1997). Moreover, the proactive management of social issues is seen by some authors as an instrument that enables organizations to maintain a sustained dynamic alignment to their general business environment, thus viewing it as important to sustainable long-term performance (Avram and Kühne, 2008; Torugsa et al., 2012). A particular body of literature (Hernández-Pardo et al., 2013; Lelah et al., 2012) within this issue looks at SMEs as drivers of social innovation, i.e. they have the flexibility to develop radically innovative product-service-systems (PPS) that focus on increasing the utility value of products and services throughout their entire life cycles.

4.2.4. Issue: CSR improves reputation

This issue differs from the similar issue in the previous topic, “CSR measures focus on enhancement of reputation and trust”, inasmuch as it puts emphasis on the role of reputation for building competitive advantage rather than solely on the meeting of key stakeholders’ interests. Articles from which this issue emerges stress the importance of reputation for the competitiveness of the SME (Lee et al., 2016; Sanchez and Benito-Hernandez, 2015). Ciliberti et al. (2011) consider that reputation has to do with the public’s knowledge of the intangible resources of the company. Reputation is fundamentally determined by the quality of the actor’s previous efforts (Baldarelli and Gigli, 2014). Additionally, Battaglia et al. (2010) see the promotion of CSR policies and actions at a cluster level – i.e. within specific regional clusters – as means of improving the

reputation of the cluster brand and, in consequence, of the competitive advantage of many SMEs located in the same territory.

4.3. Topic 3: Implementation of formal processes for CSR-integration

This topic revolves around formal processes for managing environmental matters. Thus, CSR is described here mainly as a management tool which requires particular standards, certifications, procedures and actions. Most *issues* within this topic summarize empirical studies in which environmental management systems (EMS), cleaner production concepts and similar instruments for implementing CSR played a central role in the efforts of SMEs to implement responsible business practices.

4.3.1. Issue: Predominance of external drivers for the implementation of CSR management systems

Articles from which this issue emerges agree that SMEs implement EMS and other formal procedures or certifications of green responsibility mainly because of external pressures such as legislation, the interests of consumers or other stakeholders, and industry wide standards (Bagur-Femenías et al., 2015; Chen, 2008a, 2008b; Clemens and Douglas, 2006; Drake et al., 2004; Hoogendoorn et al., 2015; Leonidou et al., 2016; Thomas et al., 2012). Often seen initially as a threat to business growth, a formal strategy of environmental orientation is considered by some SMEs as of secondary importance in the search for profitable opportunities (Drake et al., 2004). Furthermore, even if SMEs know that environmentally and socially responsible business practices improve reputation and are required by stakeholders, nevertheless, in the majority of cases they do not formally

communicate and report on it (Luken and Stares, 2005; Madsen and Ulhoi, 2016; Salimzadeh and Courvisanos, 2015; Wijk and Persoon, 2006).

4.3.2. Issue: Strong need for external support and networks

This issue points out that SMEs very often lack the necessary knowledge and resources (both practically speaking and in terms of personnel) to efficiently implement EMS (Ferenhof et al., 2014). In order to improve the adoption by SMEs of formal CSR mechanisms, several authors stress the importance of the provision of virtual, public, and cooperative networks that assist in developing the regional supply of specialized services for environmental adaptation, dissemination to SMEs of knowledge, information on best technologies and practices, and the improvement of SMEs' green learning and performance (Camison, 2008; Chan, 2011; Jirillo et al., 2003; Lee et al., 2016; Kehbila et al., 2009; Simpson et al., 2004). Specific studies in the tourism industry (Clarke, 2004; Sampaio et al., 2012) found that SMEs operate amid a network of different organizations, and that the national trade associations provide just one of the channels through which to influence the environmental behavior of these firms.

4.3.3. Issue: SMEs tend to focus on efficiency gains and reduction in environmental impact rather than on strategic advantages

As we have seen in the previous *issues*, SMEs often lack the strategic awareness and the broad knowledge of environmental matters needed to develop a competitive advantage. However, many SMEs owner-managers are very well aware of the operational efficiency gains that are possible through the implementation of aspects of environmental and green management, i.e. through cost improvements which come about by reducing

environmental impact (e.g., Chaplin et al., 2016; Günther and Kaulich, 2005; Kanapathy et al., 2016; Meite et al., 2009; Revell et al., 2010). These commercial payoffs increase with size, i.e. medium-sized companies tend to experience greater benefit from environmental initiatives than small ones (Brammer et al., 2012). One specific approach, Cleaner Production (CP), has been heralded as a promising concept for improving the environmental performance of companies with significant potential for cost effectiveness (van Hoof and Lyon, 2013; van Hoof, 2014). Another term frequently found in this issue is Eco-efficiency which is defined in the literature as producing more with fewer negative environmental impacts. Additionally, Eco-efficiency can be seen as a source of new business opportunities and innovations (Alves and de Medeiros, 2015; Klewitz et al., 2012). Hence, what in the short-term is motivated by operational advantages such as cost reduction may in time become a competitive advantage (Bagur-Femenías et al., 2013). However, some sort of strategic intent or orientation on the part of the central decision-maker needs to exist if there is to be further development in the direction of environmental engagement leading to competitive advantage (Chen, 2011; Brammer et al., 2012).

4.3.4. Issue: Need for specific (dynamic) capabilities and resources

The previous issue suggested that strategic intent is required in order for a competitive advantage to develop based on environmental engagement. Articles from which this issue emerges spell out which resources and capabilities are required in order for an SME to do so. Martín-Tapia et al. (2010) found that the most proactive environmental strategies are characterized as being composed of dynamic capabilities that rely on a systematic configuration of skills (see also Hoogendoorn et al., 2015; Grimstad and Burgess, 2014; Primec and Čater, 2016; Triguero et al., 2016; Yiridoe and Marett,

2004). Similarly, a lack of these resources and capabilities may lead to negative results in the field of environmental management (Linder et al., 2014; Studer et al., 2006).

4.3.5. Issue: Environmental Management Systems (EMS) support a systematic and efficient implementation of CSR issues

Several authors appear to agree that, in contrast to other socially responsible strategies, environmental matters in particular need to be implemented via a systematic, proactive management approach (Bagur-Femenias et al., 2013; Karatzoglou and Spilanis, 2010; Kudla and Klaas-Wissing, 2012). EMS is thereby preferred by them to informal implementation strategies. Other authors take the view that EMS facilitates the communication of initiatives to external stakeholders, which is particularly relevant in the case of SMEs which are driven by external stakeholders and legislation concerning environmental responsibility (Djupdal and Westhead, 2015; Granly and Welo, 2014; Lee, 2009). Moreover, EMS allows for transparency and accountability surrounding environmental practices. Drawing on earlier work by Porter and Kramer (2006) which was not, however, SME-focused, Granly and Welo (2014) argue that EMS facilitate the identification of shared value practices, i.e. practices that simultaneously increase value for companies and for the communities in which these companies are involved. The value of formal EMS is supported by the theory of planned behavior (TBP) (Ajzen, 1991). Authors adopting TBP as a theoretical foundation (Liston-Heyes and Vazquez Brust, 2016; Uhlener et al., 2102) make the underlying assumption that the extent of an EMS can act as a proxy for the implementation intentions behind a given pro-environmental behavior. They also assume that the empirical correlation between stated attitudes and actual behavior are often lower than the predicted pro-environmental behavior, but that this gap can be reduced

using “implementation intentions”—i.e. actual plans, procedures and systems (such as EMS).

4.4. Topic 4: Political issues in respect to CSR

This topic centers on the obligations of a company as a potential political actor and on its responsibilities towards society at large. Here, the firm is considered as a citizen, in accordance largely with the definition of Corporate Citizenship (CC) coined by Matten and Crane (2005), but also in accordance with the term Political CSR (Scherer and Palazzo, 2007; Valente and Crane, 2010). According to Matten and Crane (2005), CC describes the role of the corporation in administering citizenship rights to other constituencies, which include traditional stakeholders such as employees and customers, but also wider constituencies without any direct transactional relationship with the company. Specifically, corporations and civic groups are seen as contributors to the formulation and implementation of rules in public policy areas that were once largely the responsibility of the state (Wickert, 2016). Based on this notion, the term Political CSR “involves businesses taking a political role to address “regulatory gaps” caused by weak or insufficient social and environmental standards and norms” (Wickert, 2016, p. 792), mainly due to government unwillingness or inability. Political CSR is defined by Valente and Crane (2010, p. 52) as activities that “go beyond traditional philanthropy or corporate social responsibility (CSR) programs in that they place firms in quasi-governmental roles where major decisions about public welfare and social provision have to be made”.

Issues within this topic describe how SMEs may engage voluntarily in efforts of self-regulation, provide leadership in communities and even share responsibilities for forms of injustice within their supply chains.

4.4.1. Issue: SMEs may engage in explicit efforts of self-regulation (Corporate Citizenship)

Baumann-Pauly et al. (2013) understand CSR as a concept that drives companies, including SMEs, to engage within civil society in explicit efforts of self-regulation in environmental and social issues, in alignment with Matten and Crane's (2005) definition of corporate citizenship (CC). This concept is applied to the way in which SMEs engage voluntarily with other collaborators to reduce perceived injustice. To extend into the global arena the notion of the obligation of companies to act as corporate citizens, van Weltzien and Melé (2009) adopt the term Global Corporate Citizenship coined by the World Economic Forum, and apply it to SMEs. According to the authors, Global Corporate Citizenship "integrates both the rights and the responsibilities that corporations have as global citizens. And in relying on a multistakeholder approach to tackling global problems, it can point out the way to new models of effective global governance that integrate business as a key stakeholder" (Schwab, 2008, as cited by van Weltzien and Melé, 2009, p. 559).

4.4.2. Issue: SMEs share responsibility for forms of injustice within their supply chains

As in the previous issue, another important concept also emerges in this topic: Political CSR. This rather specific understanding of CSR is applied by Wickert (2016) to the specific situation of SMEs. Wickert applies Young's (2004) theory of social connections and argues that all companies, including small and medium ones, have a moral responsibility to apply Political CSR, since "corporate actors are structurally connected via their supply chains to forms of injustice for which they might be responsible only indirectly. Accordingly, actors whose business operations contribute to or benefit from

structural processes of injustice along their supply chains and within their production networks ought to accept certain responsibilities and make an effort to remedy these injustices” (Wickert, 2016, p. 795). Size in itself does not relieve an SME from pursuing remedies to structural injustices within its supply chains.

4.4.3. Issue: SMEs can provide leadership in communities.

Lastly, the concept Business Social Responsibility is proposed by Besser et al. (2006) to describe the actions of companies aimed at supporting and providing leadership in communities. Social Sustainability (Egels-Zandén, 2016) describes the integration of social, rather than environmental sustainability, into strategy. Lorenz et al. (2016) prefer to use the term Voluntary Corporate Community Engagement, and see it as a strategic approach to the long-term positive development of the business environment.

5. Discussion and conclusion

In this paper we have presented a systematic review of the literature concerning the integration of CSR into the strategies of SMEs, analyzing 118 papers in total. To our knowledge this is the first review which aims to understand how the term CSR is used and defined in the context of SME strategy, since other reviews have considered a maximum of two out of the three concepts: Vazquez-Carrasco and Lopez-Perez (2013) examined CSR in SMEs and Engert et al. (2016) examined CSR and strategic management.

Based on a qualitative content analysis of the reviewed literature, supported by ATLAS.ti, the research questions may be answered as follows:

1. What terms are used to define CSR in the academic literature on the integration of social and environmental responsibility into the strategies of SMEs?

We found 56 different terms that have been used in the analyzed literature as alternatives to “CSR” (see Appendix A). Consequently, we support Vazquez-Carrasco’s and Lopez-Perez’s (2013) argument that a terminological splintering within the research area has arisen mainly from the fact that SMEs tend to consider the terminology of CSR opaque and the concepts thereby inaccessible, such that it is difficult for them to apply CSR to their operations. Other scholars, too, have pointed out that even if SMEs often do exhibit business behaviors which have positive social, economic and environmental outcomes, they do not use the specific term “CSR” to describe their activities (Fassin et al., 2011; Perrini et al., 2007). In other words, SMEs do practice CSR but tend not to label it as such. Thus, the term CSR cannot be said to have a unified meaning across the selected literature, but instead is an umbrella term encompassing 56 sub-terms. The abundance of definitions and labels is a reflection of scholars’ efforts to describe and to analyze the manifold and various practices employed by SMEs (see also Dahlsrud, 2008).

2. What issues, if any, emerge, from the different CSR definitions used?

In a first step of our content analysis, we identified 19 emergent *issues* that capture central concepts put forward in the CSR definitions. In a second step, we looked for similarities and differences among *issues* and bundled them into 4 overarching *topics*: 1. “*Ethical values and social connections/relationships of the entrepreneur or owner-manager*”; 2. “*Relevance of business context and long-term performance*”; 3. “*Importance of formal processes for CSR-integration*”; 4. “*Political issues with relevance to CSR*”. Appendix A gives a detailed overview of issues and topics by author, as well as of the terminology used to describe CSR in the selected literature.

This classification into specific *issues* and overarching *topics* helps to solve the lack of conceptual clarity, as the terminological fragmentation and lack of higher categories makes it – especially from a scientific perspective – difficult, if not impossible, to build upon each other’s work. Our categorization into four topics thus offers an overview and serves as a basis for future research. By consolidating a fragmented field, it offers a comprehensive foundation on which to build future conceptual and empirical efforts aimed at evaluating how CSR is incorporated into the strategies of SMEs.

Within the topics, we can distinguish, on the one hand, drivers and consequences of CSR integration in SMEs, and, on the other, specific characteristics concerning the execution of CSR strategies in SMEs. Other reviews have dealt specifically with the drivers, i.e. initiators or triggers, as well as consequences of CSR in SMEs (see Vazquez-Carrasco and Lopez-Perez, 2013 for an overview). Our analysis confirms and extends this research, e.g. by pointing out that drivers tend to be predominantly internal factors such as owner/manager values, as we point out in our description of the issues included in topic 1 “*Ethical values and social connections/relationships of the entrepreneur or owner-manager*”. In addition, external factors can also play a role, as we can see in our descriptions of topics 2 “*Relevance of business context and long-term performance*” and 3 “*Importance of formal processes for CSR-integration*”. The relevance of external drivers to CSR is especially strong in cases of formalized measures such as environmental management systems and other formal procedures or certifications. Our analysis shows that these measures are mainly driven by external pressures such as legislation, the interests of consumers or other stakeholders, and industry wide standards.

Furthermore, the main consequences of social and environmental responsible behavior previously found in the literature reviewed, by among others, Vazquez-Carrasco and Lopez-Perez (2013) as well as Spence (2016) are confirmed and extended in our analysis. These

authors state that CSR is related to an enhancement of trust and reputation, and to the improvement of stakeholder relations at all levels. We describe these issues within topics 1 “*Ethical values and social connections/relationships of the entrepreneur or owner-manager*” and 2 “*Relevance of business context and long-term performance*”.

Our analysis also supports some of the suggestions put forward by Soundararajan et al. (2018). In the first place, these authors state that SMEs can be very innovative and experimental when engaging in responsible business practices. In alignment to this, we find in topic 1 “*Ethical values and social connections/relationships of the entrepreneur or owner-manager*” that responsible SMEs are rather proactive from the beginning than reactive (e.g., Cambra-Fierro and Ruiz-Benítez, 2011), and many pursue continuous improvement in their social and environmental activities, as well as innovative strategies (e.g., Johnson, 2015). In Topic 2 “*Relevance of business context and long-term performance*”, we learn that SMEs implementing strategic CSR tend to have a holistic and integrative approach, i.e. CSR measures rarely remain concentrated on few central aspects of the firm (e.g., Avram and Kühne, 2008; Moore et al., 2009).

Soundararajan et al. (2018) also point out that, contrary to some prevailing theoretical assumptions, SMEs do engage in formalized CSR. We confirm this statement and extend their findings in topic 3 “*Implementation of formal processes for CSR-integration*”. The research summarized in this topic is especially relevant for scholars focusing on environmental management and cleaner production as it mainly describes the characteristics of formalized CSR measures such as environmental management systems, green certifications and the like. According to the results of our analysis, a formal CSR-implementation usually requires some additional resources that SMEs may lack, such as specialized knowledge (e.g., Ferenhof et al., 2014) and specific capabilities (e.g., Martín-Tapia et al., 2010). In other words, formalized CSR mechanisms put some burdens on SMEs

that they are very often not able to manage by themselves. Therefore, scholars in this area highlight the need of networks that assist in developing the regional supply of specialized services for environmental adaptation, dissemination of knowledge, information on best technologies and practices, and the improvement of SMEs' green learning and performance (e.g., Camison, 2008; Chan, 2011; Jirillo et al., 2003). Consequently, legislators and trade organizations, as main promoters of these types of networks, should see this as an incentive to increase their efforts and their investment of resources in this regard. Moreover, we have also found within this topic a slight predominance of empirical studies of companies operating in the production sector (see Appendix A). In contrast, we do not find a specific predominance of any sector in the rest of the topics, in which the service and production sectors seem to be equally represented.

Finally, the issues bundled in topic 4 "*Political issues in respect to CSR*" demonstrate that SMEs are capable of engaging in Political CSR in areas of strategic relevance. Soundararajan et al. (2018) already outline this aspect. Our analysis expands this aspect by pointing to literature that emphasizes the irrelevance of company size in this regard, i.e. that not only large international corporations but also SMEs *are* already and *should* be engaged in Political CSR. It should, however, be noticed that in contrast to the other 3 topics the vast majority of articles that focus on "*Political issues in respect to CSR*" are non-empirical, but normative. The respective authors primarily refer to moral responsibilities of SMEs engaging with Political CSR. This differentiates topic 4 from topics 1, 2 and 3, which are rather descriptive and clearly refer to the business case of implementing strategic CSR in SMEs. However, the authors advocating Political CSR in SMEs underline that measures to reduce structural injustices and to close regulation gaps should take place in core operations of the company, e.g., within the value chain, and therefore validate the strategic relevance of these activities.

5.1 Research limitations

Despite the contribution which our study makes, some limitations are worth mentioning. Firstly, due to our focus on the academic publications listed in the Source Normalized Impact per Paper (SNIP) ranking, we might have missed research papers published in journals other than those which formed the basis of our study. The use of alternative journal ranking statistics, as well as of other types of publications (e.g., books, non-academic articles and reviews) might have led to the extraction of some terms missed by our analysis. However, by adopting this approach, we have followed other recently published systematic literature reviews (e.g., Aguinis and Glavas, 2012; Engert et al., 2016). Secondly, qualitative content analysis is subject to interpretation and thus the risk always exists of a bias resulting from the particular perspective of the analyst (Flick, 2014). To minimize this risk, we developed a coding schema for ensuring consistency across the work of multiple coders.

5.2 Implications for future research and practice

We argue that the field of research dealing with the integration of CSR into the strategies of SMEs is a very fragmented and heterogeneous one, characterized by a wide range of research methods applied. Our analysis shows that research in this field has occurred largely at the organizational, industry, and country levels of analysis, while the individual level of analysis has been largely neglected. According to Crane et al. (2018) this focus has important consequences for research in the area as researchers have turned to secondary data and survey research. Of particular note in this respect is the dominance of the empirical ($n = 97$) over the theory-only ($n = 21$) scientific journal articles in our systematic literature review. Furthermore, the data shows that quantitative ($n = 64$) and especially regression-based

studies dominate the field. In line with Crane et al. (2018), we argue that there is still significant cause for concern with respect to the precision of measures and methods used in empirical research. Especially the measurement of social impact continues to be an important challenge in this field of research. As van Tulder et al. (2015) noted, any shift of social performances of firms to the measurement of their actual social impact in communities raises methodological challenges for business and society researchers. Furthermore, we view the very lack of conceptual research as the likely explanation for the field's terminological fragmentation. According to Gond and Crane (2010), theory and data have tended to proceed separately rather than in tandem. Given these developments, we believe that there is a clear need for more theoretically informed empirical research that will allow for the more rapid accumulation of knowledge and the consolidation of this area of research (cf. Crane et al., 2018).

Along with the extended academic implications, the study also provides some managerial implications. On a general level, the identified four topics provide guidance for owners and managers of SMEs to understand CSR in the context of their business, and in order to integrate suitable CSR components into the strategy of their firms. More precisely, topic 1 "*Ethical values and social connections/relationships of the entrepreneur or owner-manager*" highlights the extent of the personal motivation to engage in CSR, which often translates into a proactive approach and consequently into strategy. It also shows the importance of involving employees when implementing such a process. Topic 2 "*Relevance of business context and long-term performance*" demonstrates the extent to which strategic CSR is practiced and the impact that this has business-wide, arguing that a holistic view of CSR positively affects long-term performance. When it comes to the implementation of formal CSR processes, topic 3 "*Importance of formal processes for CSR integration*" shows the administrative effort related to many formal CSR activities, such as certifications, reports

and awards. Articles within topic 3 also highlight the role of the firm's network – which includes other companies within the sector, trade organizations and public government bodies – in developing the regional supply of specialized services for supporting SMEs in terms of transmission of relevant knowledge, information on best technologies and practices, and the improvement of SMEs' green learning and performance. Finally, topic 4 “*Political issues with relevance to CSR*” describes engagement in Political CSR as a way of improving industry standards, which in turn provide firms with a model of industry-wide best practice.

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Appendix A. Overview of authors by issue identified

<i>Topic</i>	<i>Identified Issues</i>	<i>Number of Articles</i>	<i>Author(s)</i>	<i>Terms used for CSR</i>	<i>Industry</i>	<i>Region</i>
Ethical values and social connections/relationships of the entrepreneur or owner- manager	<i>Self-interest of owner-manager as driver of CSR</i>	2	<i>Cambra-Fierro et al., 2011</i>	Corporate Social Responsibility	service and manufacturing industry	Spain
			<i>Gorgievski et al., 2011</i>	Social & Environmental Performance	service industry	Belgium, Netherlands
	<i>Internal & external factors that influence the owner-manager's awareness of the costs of irresponsibility as well as of the benefits of responsible business behavior</i>	9	<i>Ahmad and Ramayah, 2012</i>	Social Responsibility	service and manufacturing industry	Malaysia
			<i>Arend, 2014</i>	Corporate Social Responsibility	n/a	US
			<i>Azmat and Samaratunge, 2009</i>	Responsible Entrepreneurship	service and manufacturing industry	n/a
			<i>Bevan and Yung, 2015</i>	Corporate Social Responsibility	service industry	Australia
			<i>Cambra-Fierro et al., 2011</i>	Corporate Social Responsibility	service and manufacturing industry	Spain
			<i>de Clercq et al., 2015</i>	Sustainability	service industry	Canada
			<i>Gadenne et al., 2009</i>	Environmental Awareness & Practices	service and manufacturing industry	New Zealand
			<i>Jenkins, 2009</i>	Corporate Social Responsibility	service and manufacturing industry	UK
	<i>Lepoutre and Heene, 2006</i>	Corporate Social Responsibility	service and manufacturing industry	n/a		
	<i>Centralized decision making and strategy formulation</i>	6	<i>Adebanjo et al., 2013</i>	Corporate Social Responsibility	service and manufacturing industry	Nigeria
			<i>Fuller and Tian, 2006</i>	Responsible Entrepreneurship	service and manufacturing industry	UK
			<i>Jenkins, 2009</i>	Corporate Social Responsibility	service and manufacturing industry	UK
<i>Knudsen, 2011</i>			Corporate Social Responsibility	service and manufacturing industry	UK	
<i>Konstantinos et al., 2016</i>			Corporate Social Responsibility	service industry	Greece	
<i>Perrini et al., 2007</i>			Corporate Social Responsibility	manufacturing industry	Italy	

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Topic	Identified Issues	Number of Articles	Author(s)	Terms used for CSR	Industry	Region
	<i>Responsible business behavior of SMEs tends to be proactively managed</i>	4	<i>Johnson and Schaltegger, 2016</i>	Sustainability Management	n/a	n/a
			<i>Kerr, 2006</i>	Sustainable Enterprise Operation	service and manufacturing industry	Australia
			<i>Knudsen, 2011</i>	Corporate Social Responsibility	service and manufacturing industry	n/a
			<i>Knudsen, 2013</i>	Corporate Social Responsibility	service and manufacturing industry	UK
	<i>CSR tends to have a regional focus and serves to strengthen community ties</i>	5	<i>Fassin, 2008</i>	Corporate Social Responsibility	service industry	Belgium
			<i>Fuller and Tian, 2006</i>	Responsible Entrepreneurship	service and manufacturing industry	UK
			<i>Looser and Wehrmeyer, 2015</i>	Corporate Social Responsibility	service and manufacturing industry	Switzerland
			<i>Tang and Tang, 2012</i>	Corporate Social Responsibility	manufacturing industry	China
			<i>Testa et al., 2012</i>	Corporate Social Responsibility	manufacturing industry	Italy
	<i>CSR measures focus on strategies of mutual interest between the firm and its key stakeholders</i>	22	<i>Arend, 2013</i>	Ethical Behavior / Performance	n/a	US
			<i>Ciasullo and Troisi, 2013</i>	Corporate Sustainability	service industry	Italy
			<i>Coppa and Sriramesh, 2013</i>	Corporate Social Responsibility	service and manufacturing industry	Italy
			<i>d'Aprile and Talò, 2015</i>	Corporate Social Responsibility	service and manufacturing industry	Italy
			<i>Fernández et al., 2007</i>	Corporate Social Responsibility	n/a	Spain
			<i>Fisher et al., 2009</i>	Corporate Social Responsibility	service industry	Canada
			<i>Graafland and Smid, 2014</i>	Corporate Social Performance	service and manufacturing industry	China
			<i>Graafland et al., 2003</i>	Responsible Behavior	service and manufacturing industry	Netherlands
			<i>Hammann et al., 2009</i>	Socially Responsible Management Practices	service and manufacturing industry	Germany
			<i>Harangozó and Zilahy, 2015</i>	Sustainable Development	service and manufacturing industry	Hungary

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<i>Topic</i>	<i>Identified Issues</i>	<i>Author(s)</i>	<i>Terms used for CSR</i>	<i>Industry</i>	<i>Region</i>
		<i>Johnson, 2015</i>	Sustainability Management	service and manufacturing industry	Germany
		<i>Johnson and Schaltegger, 2016</i>	Sustainability Management	n/a	n/a
		<i>Lamberti and Noci, 2012</i>	Responsible Entrepreneurship	manufacturing industry	Italy
		<i>Li, Toppinen and Lantta, 2016</i>	Corporate Responsibility	manufacturing industry	China, Finland
		<i>Looser and Wehrmeyer, 2015</i>	Corporate Social Responsibility	service and manufacturing industry	Switzerland
		<i>Masurel, 2007</i>	Sustainable Entrepreneurship	manufacturing industry	Netherlands
		<i>Meyskens et al., 2010</i>	Social Entrepreneurship	service and manufacturing industry	US
		<i>Nejati et al., 2014</i>	Corporate Social Performance	service and manufacturing industry	Malaysia
		<i>Perrini et al., 2007</i>	Corporate Social Responsibility	manufacturing industry	Italy
		<i>Russo and Tencati, 2009</i>	Corporate Social Responsibility	service and manufacturing industry	Italy
		<i>Singh et al., 2015</i>	Environmental Practices	service and manufacturing industry	India
		<i>Tang and Tang, 2012</i>	Corporate Social Responsibility	manufacturing industry	China
	CSR measures focus on reputation enhancement and trust	<i>Chen and Wongsurawat, 2011</i>	Corporate Environmental Management	manufacturing industry	Taiwan
		<i>Fassin, 2008</i>	Corporate Social Responsibility	service industry	Belgium
		<i>Fuller and Tian, 2006</i>	Responsible Entrepreneurship	service and manufacturing industry	UK
		<i>Gorgievski et al., 2011</i>	Social & Environmental Performance	service industry	Belgium, Netherlands
Relevance of business context and long-term performance	CSR depends on competitive structure and industry sector	<i>Blomgren, 2011</i>	Corporate Social Responsibility	manufacturing industry	Norway
		<i>Ciliberti et al., 2011</i>	Corporate Social Responsibility	manufacturing industry	Italy, Netherlands
		<i>Jorgensen and Knudsen, 2006</i>	Sustainable Supply Chain Management	service and manufacturing industry	Denmark

(Continued)

<i>Topic</i>	<i>Identified Issues</i>	<i>Author(s)</i>	<i>Terms used for CSR</i>	<i>Industry</i>	<i>Region</i>
		<i>Pedersen, 2009</i>	Corporate Social Responsibility	service and manufacturing industry	Denmark
		<i>Perry et al., 2012</i>	Corporate Social Responsibility	service and manufacturing industry	UK
		<i>Wickert et al., 2016</i>	Corporate Social Responsibility	n/a	n/a
		<i>Zhang and Wu, 2014</i>	Corporate Social Responsibility	n/a	China
	<i>CSR requires an integrative view of the firm</i>	<i>Avram and Kühne, 2008</i>	Responsible Business Behavior	manufacturing industry	Austria
		<i>Hatak et al., 2015</i>	Ecopreneurship	manufacturing industry	Austria
		<i>Hoerisch et al., 2015</i>	Sustainability Management	service and manufacturing industry	Germany
		<i>Moore et al., 2009</i>	Responsible Business Practice	service industry	UK
		<i>Nardo and Veltri, 2013</i>	Corporate Social Performance	n/a	Italy
	<i>CSR-measures tend to focus on long-term performance as potential source of radical innovations</i>	<i>Avram and Kühne, 2008</i>	Corporate Social Responsibility	manufacturing industry	Austria
		<i>Berry and Ladkin, 1997</i>	Corporate Social Responsibility	service industry	UK
		<i>Halme and Korpela, 2014</i>	Environmental Practices	service and manufacturing industry	Sweden
		<i>Hernandez-Pardo et al., 2013</i>	Corporate Social Responsibility	service and manufacturing industry	Colombia
		<i>Lelah et al., 2012</i>	Corporate Environmental Management	service industry	France
		<i>Moore et al., 2009</i>	Corporate Social Responsibility	service industry	UK
		<i>Torugsa et al., 2012</i>	Responsible Entrepreneurship	manufacturing industry	Australia
	<i>CSR improves reputation</i>	<i>Baldarelli and Gigli, 2014</i>	Social & Environmental Performance	service industry	Italy
		<i>Battaglia et al., 2010</i>	Corporate Social Responsibility	service and manufacturing industry	Italy
		<i>Lee et al., 2016</i>	Corporate Social Responsibility	manufacturing industry	Sweden
		<i>Sanchez and Benito-Hernandez, 2015</i>	Corporate Social Responsibility	service and manufacturing industry	Spain

(Continued)

Topic**Importance of formal processes for CSR-integration****Identified Issues**

11

Author(s)**Terms used for CSR****Industry****Region**

Predominance of external drivers for the implementation of CSR management systems

Bagur-Femenias et al., 2015

Environmental Management

Service industry

Spain

Chen, 2008b

Corporate Environmental Management

service and manufacturing industry

Taiwan

Clemens and Douglas, 2006

Voluntary Green Initiatives

manufacturing industry

US

Drake et al., 2004

Ecological Modernization

service industry

UK

Hoogendoorn et al., 2015

Sustainable Entrepreneurship

service and manufacturing industry

EU, Albania, Iceland, Israel, Liechtenstein, Macedonia, Montenegro, Norway, Serbia, Turkey, US
Cyprus

Leonidou et al., 2016

Eco-friendly Orientation

manufacturing industry

Luken and Stares, 2005

Small Business Responsibility

service and manufacturing industry

India, Pakistan, Sri Lanka, Thailand

Madsen and Ulhoi, 2016

Corporate Environmental Management

manufacturing industry

Denmark

Salimzadeh and Courvisanos, 2015

Business Sustainability

service and manufacturing industry

n/a

Thomas et al., 2012

Business Sustainability

manufacturing industry

UK

Wijk and Persoon, 2006

Sustainability Reporting

service industry

UK, Germany, Netherlands

Strong need for external support and networks

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Camison, 2008

Green / Environmental Adaption

service industry

Spain

Chen, 2011

Corporate Social Responsibility

manufacturing industry

Taiwan

Ferenhof et al., 2014

Environmental Management System

n/a

Brazil

Jirillo et al., 2003

Environmental Management & Auditing System (EMAS)

service and manufacturing industry

Italy

Kehbila et al., 2009

Environmental Management System

manufacturing industry

South Africa

Lee, 2009

Green Supply Chain Management

manufacturing industry

Korea

(Continued)

<i>Topic</i>	<i>Identified Issues</i>	<i>Author(s)</i>	<i>Terms used for CSR</i>	<i>Industry</i>	<i>Region</i>
		<i>Redmond et al., 2008</i>	Corporate Social Responsibility	service industry	Australia
		<i>Sampaio et al., 2012</i>	Environmental Management System	service industry	UK, Ireland
		<i>Simpson et al., 2004</i>	Sustainable Development	service and manufacturing industry	UK
	<i>SMEs tend to focus on efficiency gains and reduction of environmental impact</i>	<i>Alves and de Medeiros, 2015</i>	Eco-efficient Practices	manufacturing industry	Brazil
		<i>Bagur-Femenias, Llach and del Mar Alonso-Almeida, 2013</i>	Environmental Management	service industry	Spain
		<i>Brammer, Hojmosse and Marchant, 2012</i>	Environmental Management	manufacturing industry	UK
		<i>Chaplin, Heap and O'Rourke 2016</i>	Corporate Social Responsibility	manufacturing industry	Pakistan
		<i>Chen, 2011</i>	Corporate Environmental Management	manufacturing industry	Taiwan
		<i>Günther and Kaulich, 2005</i>	Environmental Practice	manufacturing industry	Germany
		<i>van Hoof and Lyon, 2013</i>	Cleaner Production	service and manufacturing industry	Mexico
		<i>van Hoof, 2014</i>	Cleaner Production	service and manufacturing industry	Mexico
		<i>Kanapathy et al., 2016</i>	Green Purchasing Management	manufacturing industry	Southeast Asia
		<i>Klewitz et al., 2012</i>	Eco-efficiency Innovation	manufacturing industry	Germany
		<i>Revell et al., 2010</i>	Environmental Management	service and manufacturing industry	UK
	<i>Need for specific capabilities and resources</i>	<i>Chen, 2008a</i>	Green Core Competence	service and manufacturing industry	Taiwan
		<i>Grimstad and Burgess, 2014</i>	Environmental Sustainability	service industry	Australia
		<i>Hoogendoorn et al., 2015</i>	Sustainable Entrepreneurship	service and manufacturing industry	EU, Albania, Iceland, Israel, Liechtenstein, Macedonia, Montenegro, Norway, Serbia, Turkey, US
		<i>Linder et al., 2014</i>	Environmental Orientation	service and manufacturing industry	Sweden
		<i>Martín-Tapia et al., 2010</i>	Environmental Strategy	manufacturing industry	Spain

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Topic	Identified Issues	Author(s)	Terms used for CSR	Industry	Region	
		<i>Primc and Čater, 2016</i>	Environmental Proactivity	service and manufacturing industry	Australia	
		<i>Studer et al., 2006</i>	Corporate Environmental Management	service and manufacturing industry	Japan	
		<i>Triguero et al., 2016</i>	Eco-innovation	service and manufacturing industry	EU	
		<i>Yiridoe and Marett, 2004</i>	Environmental Management System	manufacturing industry	New Zealand	
	<i>EMS support a systematic and efficient implementation of CSR-issues</i>	7	<i>Bagur-Femenias et al., 2013</i>	Environmental Management	service industry	Spain
			<i>Djupdal and Westhead, 2015</i>	Sustainable Entrepreneurship	service and manufacturing industry	Norway
			<i>Granly and Welo, 2014</i>	Environmental Management System	manufacturing industry	Norway
			<i>Karatzoglou and Spilanis, 2010</i>	Sustainable Development	service industry	Greece
			<i>Kudla and Klaas-Wissing, 2012</i>	Sustainability and Green Supply Chain Strategies	service and manufacturing industry	Switzerland
			<i>Liston-Heyes and Vazquez Brust, 2016</i>	Environmental Behaviour / Performance	manufacturing industry	Argentina
			<i>Uhlaner et al., 2012</i>	Environmental Management Practices	service and manufacturing industry	Netherlands
Political issues in respect to CSR	<i>SMEs may engage in explicit self-regulation (Corporate Citizenship)</i>	2	<i>Baumann-Pauly et al., 2013</i>	Corporate Citizenship	manufacturing industry	Switzerland
			<i>von Weltzien and Melé, 2009</i>	Global Corporate Citizenship	manufacturing industry	Norway
	<i>SMEs share responsibility for forms of injustice within their supply chains</i>	1	<i>Wickert, 2016</i>	Political CSR	n/a	n/a
<i>SMEs can provide leadership in communities</i>	3	<i>Besser et al., 2006</i>	Business Social Responsibility	n/a	US	
		<i>Egels-Zandén, 2016</i> <i>Lorenz et al., 2016</i>	Social Sustainability Corporate Citizenship	manufacturing industry service and manufacturing industry	Sweden Switzerland	

Exploring the Integration of Corporate Social Responsibility into the Strategies of Small- and Medium-Sized Enterprises: A Systematic Literature Review

Highlights

- Research on the integration of CSR into strategies of SMEs is highly fragmented
- 56 different terms are used in this academic literature as an alternative to CSR
- Our review identifies 19 individual issues categorized into 4 overarching topics