SMEs and Corporate Social Responsibility. Some evidences from an empirical research

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Abstract
The theme of corporate social responsibility represents one of the main features of the debate on the nature of economics and its relation with morals. In the past, scholars, businessmen and policymakers, seemed unable to resolve this age-old dilemma, but recently a common trend has begun to arise. This trend tends to combine the needs of social development with the ones of economic development. Several acts passed by the European Community (2001, 2002), which promote corporate social responsibility as a model for European development, provide us with a striking example of this new trend.
In this context, SMEs, which represent the fundamental components of the social economic systems of the most important industrial countries, can and must play a leading role.
Socially responsible action takes root in the entrepreneur’s specific characteristics. His or her choices and behaviours are based on psychological and sociological values, reasons and features. These values and attitudes influence the firm’s mission, its corporate premises, its target, its objectives and strategic planning. At the same time, single and group behaviour is also affected.
In light of these preliminary remarks, this explorative study, carried out on a sample of 50 SMEs from the Marches Region, has two principle objectives. On one hand, this study intends to check SMEs’ knowledge of corporate social responsibility instruments and, on the other hand, to identify how SMEs convert social responsibility commitment into real terms (actions and interventions).

Keywords: corporate social responsibility (CSR), small and medium enterprises (SMEs), social and territorial embeddedness.

1. Introduction
In the last few years, the understanding of a business’ social value, based on the noted advantages that it creates for its economic stakeholders, as well as the social benefits it fosters for all of its varied stakeholders, has become more diffuse (Mezmar, Chrisman, Carrol, 1992).
Although the ethics of corporate culture is not born in the field of the small business, its origins are related to the small entrepreneur and it uniquely manifests itself in the specifics of the action of the small entrepreneur, for three essential reasons: the influence of the subjective sphere, which is maximized in small businesses, the importance of relationships with the internal and external environments because of the firm’s limited size, and the social embeddedness of the small business and of its creator.

2. Research objectives
The attention focuses on the motivations of the entrepreneur’s socially responsible orientation, on the objectives and the advantages attributed to it, on the constraints and the difficulties encountered, and on the suggestions proposed for favouring the development and the ways of communicating social responsibility. The study concludes by posing a distinctive model for SMEs, which is based on the sharing of the experiences of “best practices” achieved by firms deemed “best in class,” and
on the ways their diverse initiatives are communicated. Such a model is founded on institutional support from leading organizations, and is intended to pave the way for developing socially responsible management and by giving visibility to the forms of commitment of the small and medium-sized institutions.

3. Research framework and literature review
For years there has been a growing imperative to raise corporate awareness of this unknown dimension of integral development (Sorci, 2005), which is profoundly rooted in economic-business doctrine. Beyond simply reinforcing the basic understanding of the social dimension’s importance for overall development, this renewed interest has fuelled the creation of new structures, which are transforming these issues into working combinations that are economically valuable (one can think of the development of non-profit organizations). It has also spurred the development of a new paradigm of social responsibility in the for-profit sector.

In the corporate context, “business ethics” is concerned, in primis, with the coherence of the subject’s behaviour towards the suggestions and the existent rules of society. This leads to a construction of a business ethic that is open to social values, and is not exclusively oriented to always pursuing the maximum economic benefit (Williams, Sen, 1984).

It also encourages one to critically confront the behaviours of the businesses, which are considered collective subjects, and of “moral people,” such as the managers and the entrepreneurs themselves, towards the greater community -not simply the economic community- of which they are a part.

The idea that the firm incorporates its own particular ethic means that it is considered not only as an instrument with which to conduct business, but also as an institution per-durare, linked to the pursuit of enduring economic equilibrium. This is considered an expression of ethics. The focus on the long-term, a characteristic of “business excellence,” translates into the company’s capacity for pursuing a higher interest (Coda, 1989), which is an added benefit that intersects with the interests of its stakeholders.

Regarding the ethical and economic methods of operating a business, two different positions exist in the literature, which at their core point to multiple managerial and entrepreneurial behaviours. The first position is inspired by a vision that identifies the business’ main objective as attaining profit and efficiency, under which all the other corporate values are subordinated (Friedman, 1962). The second position takes an “anthropocentric vision,” which focuses on the subjects and on their relationships, and is predicated on the social and/or humanistic values.

Of the two types, the second grasps and develops the message of social responsibility and business ethics.

Not always, and not necessarily, is the behaviour of corporate actors dictated by moral aspirations towards good, which are founded on transcendent values. Even after starting up their business in

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1 Among the numerous contributions to this issue, a number stand out: D’Egidio (1994); Riolo (1995); Sacconi (1997); Sen (1987); Velasquez (1982).
2 This passage has contributed to the diffusion of the current understanding of stakeholders as social actors who are the bearers of interests and who are considered integral arts of the production process. Beforehand, the theory of the shareholders that was dominant between the 1960s and 1970s, held the ethical dimension outside of the sphere of action of the firm. Diverse authors have developed the concept of stakeholder. In particular, Freeman, Reed 1983, have utilized the “stakeholder approach” as an instrument of analysis when studying the rapport between the firm and the environment.
3 For more information on the interpretation of social responsibility from the 1980s until today, see, for example Matacena (2005).
4 The moral philosophy of the neocontractualist matrix has redefined the sense and the goals of the business (Gauthier, 1986; Rawls, 1999). In this context, corporate social responsibility is the privileged means for fuelling the firm’s most precious asset, that of reputation, which fosters consensus, faith and cooperation with the business (Sacconi, 2003). A second matrix of thinking comprises diverse theoretical bodies: the theory of moral evolutionism and the moral theory of virtue (MacIntyre, 1981), and the theory of social justice (Walzer, 1987).
5 Of particular note under this profile is the Teaching of the Church (social doctrine), which, in the continual intervention in social problems, has provided a relationship between economics and politics and the role of ethics in the business world.
the same way, entrepreneurs and managers tend to slowly incorporate and codify their values in the business so that this, however big or small it is, it can be transformed into a community of people capable of participating in, and ultimately enriching, the total entrepreneurial project.\textsuperscript{6}

The development of a global market, the transformations in the forms of corporate governance, and the diffusion of the theory of the \textit{stakeholders}, have contributed to spreading the concept of responsibility known as “response-to-give” across the business world. The new paradigm is founded on the idea of social agreement (Beghini, 2004).

In economic-business doctrine,\textsuperscript{7} the thinking of the “experts” has also touched upon a company’s “social moment,” albeit more subtly than explicitly, both as emphasizing the role of the personal factor as a distinctive element within the firm, as well as being the link between the firm’s goal of satisfying human needs with the desires of the upper-management or, better, as being part of a more far-ranging economic and social reality, contemplating the social aspects of the company’s mission (Besta, 1922; Onida, 1954, 1956; Zappa, 1957; A. Amaduzzi, 1963). References to the social merit of business operations, despite the fact that they do not expressly focus on the basic theme of ethics in the firm, on the whole contribute to pinpoint \textit{in nuce} the social and ethical problem upon which experts are increasingly reflecting today.

Among the contributions that have predated the idea of the role and the function of the enterprise in a broader ethical and organizational system are the intuitions of Ceccherelli (1923) and of Nicklisch (1921, 1932), one of the major business experts in Germany, that conceptualizes the business essentially as a human, rather than financial, construct.

Even in the successive contributions of many experts, there continues to be a recurrent appeal for ethical behaviour.\textsuperscript{8} In the last twenty years, numerous researchers, dedicated more specifically to the issue of responsible business management, have reinforced the theoretical body of this theme.

On the level of international contributions, the importance of relationships with stakeholders hearkens back to a business concept known as a “\textit{stakeholder-based company}” that recognizes the importance of ethics in the workplace (Zadek, 1998). The weight of the requests advanced by the different stakeholders to the firm depends on their legitimacy and urgency, and on their power over the firm (Mitchell, Agle, Wood, 1997).

Some interpretative proposals offer the “Human Development Enterprise” model in which the firm, correlated with its collaborators, must pursue dynamic efficiency and economic sustainability, moved by the betterment of human capabilities (Standing 1996).

The firm’s long-term legitimacy, determined by a combination of social and economic productivity, must always keep the stakeholder perspectives in mind. These aspects vary based on economic sector, time, place of origin (Meznar, Chrisman, Carroll, 1992), even though a direct linkage between social responsibility and economic production has not been found (Sturdivant, Ginter, 1997), and despite the existence of different opinions in the literature.

Ethics, culture, conscience, and sense of responsibility, are considered the drivers of a development process that cannot be solely economic in nature. The same existence of value determinants inside an organization is considered the genetic code of distinctive competence (Selznich, 1957).

The movement from a conflict-based business model to that of an agreement-based business model, in which the culture of conflict is transformed into a culture of consensus and permits the firm to become ethical (Gabrovce Mei, 1997), is at the root of this new business concept put forth by the Study Group for Social Equity (GBS, 2001). That is, this model sees the business agreement as an instrument for operating in the economic field with the primary scope of producing not only monetarily measurable revenue, but also for realizing goods and services able to satisfy needs, to

\textsuperscript{6} “The role of the entrepreneur is to also be the carrier of an ethical duty: that of living out the authentic values of the business with the other key actors and with all those who collaborate with it” (Corno, 1989, p. XVI).

\textsuperscript{7} On the vestiges of ethical aspects in the economic-business doctrine, see Baldarelli, 2005, chapter 1, pp. 29-59.

\textsuperscript{8} For more information and a critical analysis of this theoretical perspective, see: Cassandro (1978, pp. 241-247); Brusa, Dezzani (1983); Matacena (1984); Airoldi, Brunetti, Coda (1989); Paoloni (1990); Di Toro (1993); Catturi (1994); Rusconi (1997); Malavasi (2000); Corno (2002).
remove the causes of discomfort, to generate wellbeing, and to contribute to the betterment of the quality of life (Vermiglio, 2002, p. 461).

Such a concept is shared by experts who propose a model of the “business in communion” that is, of post-global firms that adhere to the plan of “Economy of communion in freedom”. In these models, reality based on values that are at the core of the agency’s identity rest upon the strategic decisions they make. Ethical considerations therefore enter into the production and into the distribution of wealth. Human relations, styles of leadership, and managerial tools aim to create awareness and understanding, transposed in the strategic orientation of funds and in the vector of “ethically oriented” objectives (Baldarelli, 2005).

Ansoff (1984),9 researching alternative strategies and business models of which the model of the “communal business” could be considered an example, also considered the possibility that businesses can transform themselves into socio-economic institutions or could be substituted by new institutions.

The need for new managerial capacities and, in particular, of entrepreneurial sensibilities, tends to position the business system well for proactively confronting social challenges. Moreover, in addition to requiring a more ample system of communication and of information (Coda, 1984, Lombardi Stocchetti 1996), it requires interpreting ideologies and alternative strategies, and above all, a new value system.

4. The social responsibility of the small entrepreneur

Entrepreneurship constitutes a fundamental dialectic of social life. In a country like Italy that counts a very high number of small enterprises, millions of entrepreneurs, together with their own families, constitute the largest social group. It is formed prevalently by small business owners and artisans, a group that must know how to grasp the market and to give the market ethics and legitimacy (Bassetti, 1989, p. 59).

The ethical nature of the role of the entrepreneur is released from the will and from the capacity to resolve the problems of business development, while keeping in mind the problematics of human and societal nature. It also is released when contributing to the construction of an environment that favors the growth of new initiatives. The diffusion of the entrepreneurial mentality and the development of new entrepreneurial forces are values that participate in the ethical dimension; they are at the heart of the economic and social growth, and can contribute to reconciling the interests of the collectivity with that of the business.

The social utility of the entrepreneurial function is recognized in the act of entrepreneurship, in the Schumpeterian sense (de Woot, 1984, p. 26).

The historic course of the study of entrepreneurs, which become more robust throughout the twentieth century, has come to identify the “genetic” factors at play in the decision to become business owners. The activity of creating a business requires the elements that qualify the entrepreneur, those of the innovative moment, economic motivation, and an objective to profit. The concept of entrepreneurship is inexorably linked to that of the entrepreneur and is normally associated with that of the small business.

“The matrix subjective of the definition of entrepreneurship, nevertheless, finds justification in the fact that actual phenomena, in human society are, in large part attributable to the actions placed in themselves by the subjects that they have created and allowed to evolve: in this specific case, to the categories of noted people like the businessman”. (Marchini 2000, p. 53).

Socially responsible action takes root in the entrepreneur’s specific characteristics. His or her choices and behaviour are based on psychological (Mc Clelland, 1961; Rotter, 1966, Brockhaus, 9 Ansoff recognizes that knowledge management and business schools have often undervalued the weight of the ethical aspect in strategic decisions. In his work, the Author outlines five alternative models (free business; “prudent” capitalist; philanthropist; populist; socialist), obtained in function by the aspirations of diverse social groups (society, community, actionists, financiers, consumers, executives and workers). These models take into account three key elements (the impact of constraints, the analysis of objectives; the analysis of the strength of the field in which the firm competes) that shape the firm’s strategy of social responsibility, of legitimation and of business strategy.
and sociological values, reasons and features (Stanworth, Curran, 1973). In the context of the analyses and of these analytic studies, intended to delineate the works that give body to entrepreneurial activity, the attention focuses more on the functions carried out by the actors and on the nature of the process of economic government of the business. The behaviour and the decisions of the subjects in the managerial process, which is exerted across the functions of guidance, control and power, come from value systems that free the tension to change and to the conservation of the business.

Borrowing social scientific concepts used to explain the behaviours of individuals and of social systems for the purpose of analyzing the typologies of entrepreneurship, some studies\(^\text{10}\) have identified the determinant variables of strategic decisions in the values and in the attitudes possessed by the small entrepreneurs. “Values are abstract ideals along the range of what is considered “good,” desirable, preferable; they are not connected to any object or specific situation, and constitute models that guide and determine action, the scopes, the attitudes, the ideology or the representation of oneself towards others. Even attitudes are beliefs possessed by people, but are less stable and always refer to a specific object of situation. Values and attitudes influence individual and collective behaviour alike in diverse modes: in the field of strategic administration, those possessed by the business owner or by the management are considered among the principle factors that determine the strategic decisions of the firm”. (Marchini, 2000, p. 92).

Also in the field of the entrepreneurial and small business studies, when attempting to derive typologies of small businesses utilized in economic-business analyses, other taxonomies of entrepreneurs are created based on the types of objectives (continuity, independence, growth, autonomy, etc.) and of personal characteristics of which they are the carriers. In the context of the study of small business stratagems, a strategic model (Grepme, by Julien,1994)\(^\text{11}\) considers the objectives of the entrepreneur, which are identified with that of the business itself. Alongside organizational factors, the environment (intended as global society and as a sector of activity) and the activity of production count among the variable keys that interact in the dynamic relationship that determines strategy. Values and attitudes towards the social context are central factors of the strategic system, which is guided by the objectives of the entrepreneur, expressed in the vision and in the plan of action.

The competitive positioning of the firm originates, not solely from the adoption of the binomial term occupation/mission, but also from the capacity to open itself to the ethical values “dominant in society, to the consequent roles and social responsibilities and, therefore, to the need for legitimization insofar as it valorizes its own image: the strategic importance of such factors, even to the small business, renders the aforementioned capacity a relevant component in the strategic orientation of its subject”. (Marchini 1995, p. 114). The strategic problems relative to identity, to legitimation and to the mission of the firm, requires communication strategies aimed at transmitting the nature of the identity, to perceive which images correspond to the environmental question and to manage relationship problems with the plurality of subjects inside and outside the organization.\(^\text{12}\) Finally, the general politics of the firm, molded by entrepreneurial strategies that guarantee strategic positioning, is reinforced by the legitimacy and by the business culture, resulting in social and organizational strategies.

\(^{10}\) The Stratos Group, 1990.
\(^{11}\) Groupe de recherche en économie et gestion des PME.
\(^{12}\) In this model, the business profile conditions the organization across cultural factors. It identifies three subsystems of strategic problems: the problems of competitive strategies, which plays out on the fields of business; the problems of relationships between the identity of the firm (defined by culture and “vocation”) and its image (defined by legitimacy and mission); the problems of the general politics of the business, directed by the vision of its future.
The diffusion of the socially responsible management practices help valorize the role of the small business owner and reinforces the role of relationships that are not only aimed at market competitiveness, but above all are collaborative and interpersonal in character. The ethos of the entrepreneur and his values are expressed in his operative potential: spirit of initiative, creativity, leadership, and capacity for organization. These attributes have to do with the way in which both the “why” and the “how” are realized in entrepreneurial activity, which should be considered as a tool and utilized for licit end results. The entrepreneurial world is called to re-identify the values and the priorities, not only in the sense of arbitrary and personal values, but of “super-values” extending across the socio-economic environment.

The small entrepreneur, in whose value system contextuality assumes a primary role in all of the business decisions, is a privileged witness of the values in force in that embeddedness of the socio-economic environment from which takes the form of its own behaviour and that, from this in turn, is molded. Relationality, embeddedness, territoriality, reputation, and sense of membership in a precise value and cultural context, are essential in determining his behaviour. Among the motivations of the small entrepreneur, profit is often not the exclusive end, but a commitment to be respected, which should not exhaust the carrier of the pursued goals. Numerous surveys on entrepreneurship and its paths of growth, and the development of small businesses, confirm this assumption and reinforce the idea of the instrumentality of the firm as a font of richness and of legitimation, and its implementation as a super-individual, even social function.

5. The social responsibility of the small business. The empirical context of reference

The practice of social responsibility entails the fusion of concrete tools, technical skills, and resources. These must be aimed at responsibly orienting the business, rendering it measurable, and communicating it to the stakeholders, so as to reinforce the commitment towards formal praxis. In the communitarian sector, a panel of concrete actions has been individuated to translate the social necessities into the firm’s daily management, with effects resonating both inside and outside the firm. The opportunities and benefits that businesses enjoy when adopting socially responsible management tools are varied: valorization of image, improvement of reputation and of client loyalty, greater capacity to attract resources (financial and human), improvement of the internal climate and of the rapport between the firm, institutions and the local communities, and reduction of costs in relation to environmental efficiency.

However, while the attractiveness of CSR practices are relatively clear to large businesses, which are able to evaluate the costs and benefits and to monitory their efforts on the resulting business environment, small businesses have been much slower in coming to realize these benefits. Indeed, at times this maturation of thought is actually slowing down because of obstacles both subjective and objective in nature. On one hand, the commitment is perceived as optional; on the other side, it is often implicit, that is, embodied in the office of the entrepreneur and not sufficiently communicated. Measuring its effects on performance is therefore difficult, often not quantifiable and recognizable in the medium and long term.

The tools used to implement CSR practices are represented by a code of ethics, by social balance, and by the Social Account 8000 norm (SA8000). Together, they foster flexible and approachable...
means even for small businesses, despite the fact that its efficiency is limited in part by discretion, incomplete standards, lack of an external audit system, and, last but not least, by cost. Also in the communitarian realm, the idea that CSR must become the pillar of entrepreneur culture is underscored, making explicit reference to the SME: “The CSR constitutes an important feature for all types of businesses and for all sectors of activity, from the SMEs to large multinational corporations. It is imperative that it is amply applied in the realm of the SMEs, including micro-businesses, since their contribution to the economy and to the occupation is fundamental.”

But the relationship between social responsibility and the small business assumes peculiar connotations. Small businesses have always been intrinsically aware of the ethical and social consequences associated with their activities. As it was noted above, this conscience is predicated on the link between the territory and the adherence to the socio-cultural and political context. Small entrepreneurs are integrated, together with their own families, into the local community, which exerts strong environmental and social contexts and from which they acutely feel a historical connection and a sense of their own origins. They are known, appreciated and, at times even envied by the community. The good motives of small businesses’ pertinent ethics fuel a social capital composed of shared behaviours and beliefs that is one of the pre-requisites of cooperation and of organized economic activity.

For most small businesses, the CSR is expressed by daily actions, which are considered normal methods of managing relationships with its own stakeholders, but such activities are not always sufficient and, above all, are not adequately communicated. The small entrepreneurs dedicated themselves to socially responsible activities even without possessing a robust competence in the CSR concept. The interventions and initiatives are often commendable, but are not always coordinated at the level of the single firm or, even less frequently, at the level of the small enterprise system, and therefore achieve only limited depth.

It is for this reason that the attributes of the small and medium sized businesses differ with respect to those of the large companies, for they presuppose adaptive tools and a flexible frame of reference with regard to the CSR. The participation of small and medium-sized businesses are therefore sustained across a specific mainstreaming approach: informative, operative, and relational.

The first way is relative to the activity of raising awareness, through interventions of information and explication of examples of best practices aimed at fostering understanding the range of economic effects that socially responsible management can create. The second refers to the development of simple tools adapted to the specific needs of small and medium-sized businesses. The third route calls the support of related Associations and of “excellent businesses” towards the adoption of socially responsible behaviour.

A recent empirical study revealed a diffuse involvement of small businesses in social causes, even though they were often occasional, not structured and slowed down by insufficient information and limited resources. What particularly lacked was communication of the social commitment to the stakeholder.

Other studies (ISVI 2003) have revealed a heightened attention to the CSR in the division. Although the utilization of the practices and the relative tools grew as the business grew in size, in other areas of intervention and, above all, in the effective behaviour, the distance is truly limited.

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17 Generally the approach is gradual and the phases are not always sequential, however, and especially in the small businesses, the actions are not explained or formalized.
18 Libro Verde (Green Book), 2001, p. 7.
19 A 2001 survey conducted on over 7,000 businesses by the European network of research on SMEs, European SMEs and Social Environmental Responsibility, 7th report, Osservatorio europeo delle PMI 2002, European Commission.
20 This research has been made possible by ISVI in collaboration with Doxa and was conducted on two national fields. The first field included 487 Italian SMEs (20-250 employees) and the second included 60 companies of a greater size (251-500 employees). For more information, see The Social Commitment of the PMI, a lecture at the national conference Social Responsibility and Businesses for the Future. Sodalitas, Impronta Etica e ISVI, Milan, February 10, 2003; www.sodalitas.it.
There is still much to be improved upon, in internal relations (rapports with work and systems of governance), externally (social certification of the supply chain and social marketing) and in environmental themes, but some areas reveal a substantial critical advantage of small businesses. In particular, relationships with personnel are well guarded, notwithstanding the prevalence of informal communication systems, and relationships with the community are particularly strong. The territorial embeddedness is the aspect most characteristic and least divergent among small and medium sized businesses, even if it is expressed in divergent forms.

Besides the level of behaviour and orientations, the major differences that are present are in the tools adopted by the large and by the small businesses for advancing the social commitment. The utilization of a code of ethics, balances and social certifications grows with the business’ size, so that the benefits seem to be derived by business strategies sensible to ethical aspects. The same small entrepreneurs manifest the need to communicate their own social commitments and to utilize the most appropriate tools, but always with discretion.

One type of social orientation, based on the ethical visions of the small entrepreneurs, has five types of businesses associated with it: cohesive, multi-certified, aware, mutable, and skeptical. Small and medium-sized businesses are well represented in the latter three categories where, alongside mistrust and passive attitudes, which are linked to insufficient understanding of the themes and tools of CSR, they share the perception of the importance of economic and relational levels of CSR’s programs and the sensibility towards forms of support in this direction.

The mechanisms for creating incentives to diffuse the culture and the practice of CSR must, therefore, be differentiated and include an ample spectrum of tools.

Another recent study (Longo, Mura 2005), stemming from the analyses of the approaches and the theoretical models present in literature, is confirmed by the results of an empirical analysis conducted on a sample of 312 small and medium-sized businesses in the Province of Bologna (API, 2003), which evidenced the social conduct and the motivations that exists at their core, which related to 63% of the sample.

An interesting comparison is revealed by an elevated level of adoption of philanthropic practices, which are also associated with “non-socially responsible” businesses. The majority of the time, the philanthropic dimension is not undertaken by an ethical orientation of the business, but by other motivations and is linked to opportunistic behaviour. Thus, social responsibility is not always motivated by simply moral or ethical reasons, but also by the conviction that it can raise the value of the business itself by improving the image of the firm and its rapport with the outside community from which it came, the loyalty of its clients, and the legitimacy towards its employees.

Thus, in light of the results of these original studies, it would be interesting to continue the study in this direction, to raise the state of awareness on the specificities of the orientations and of the tools of CSR in small and medium sized businesses.

It is in the context of this body of research that the present empirical study is proposed. Also conducted with a comparative lens, this study is oriented towards a sample of Italian SMEs, for the purpose of analyzing the motivations, the diffusion of the sensibilities and of socially responsible practices, the difficulties and the barriers perceived, and to verify the specifics of the “model of approach and management” of the CSR and of its possible evolution.

21 The areas of improvement in particular relate to the education of employees, to the presence of women in positions of responsibility and management, to the diffusion of forms of participation, to the participation in programs of environmental conservation.

22 Through donations, SMEs participate in social promotion and assistance, in scientific research, in sports, and in other cultural events on the local level; those large businesses support large-scale performances, restoration work, exhibits, educational programs and scientific research with Universities and, in general, to initiatives that have an extra-local impact and to innovative forms of CSR (charity work, social advertising, cause-related marketing, fair trade).

23 The development of the qualitative perspective in the ISVI research is included in “CSR-SC Project: The Italian contribution to the campaign to spread the Corporate Society Responsibility in Europe. www.welfare.gov.it.

24 See, in particular, the model of concentric circles (Committee for Economic Development, 1971; Steiner, 1975) and the model of four declensions of CSR: economic responsibility; legal; ethical; philanthropic (Carroll, 1979).
5.1. Hypothesis
H.1
Our main hypothesis is that SMEs are “genetically” oriented to socially responsibility by virtue of their value structures, by the inherent attitudes that characterize the small business owners, and by their embeddedness in the local context and in the socio-economic dimension from which they come.

H.2
The weakness of the approach to the responsibility of SMEs is linked, other than to the need to raise the state of consciousness and of information about its tools, to the costs and to the retractable, to communication difficulties and to making their socially responsible commitment and activities visible internally and externally.

6. Methodology and sample characteristics
6.1. Methodology
In order to test the two stated hypotheses, we decided to collect data from a selected sample. All SMEs in the sample are located in the Marches Region (Italy) and were selected (by means of the criterion of casual extraction) from a single source, the Business Yearbook of those companies within the Province that were registered with the Industrial Association. For the location of the sample a one-dimensional criteria was adopted, consisting of the size of the business expressed by the number of employees. This easily identifiable parameter was selected as the objective quantitative variable. The number of employees considered falls within 10 and 250 people. Through this procedure, 160 businesses, or 40 for every Province in the Marches Region (Ancona, Ascoli Piceno, Macerata, Pesaro-Urbino) were identified. The data and information for this study were collected through a semi-structured interview (an interview based on a prepared questionnaire that included open-ended questions). We usually ask for the owner/director, because he represents, especially in the SMEs, the principle actor in the process of socially responsible management within the firm. The following subjects were included:
- general characteristics of the firm;
- state of consciousness regarding the concept of social responsibility and on its diffusion among other businesses; channels and interlocutors who have consented to, or favored, such an orientation and the socially responsible actions; judgment of the interviewee on the opportunities to introduce socially responsible actions and practices to the firm;
- field/extent of engagement (actions and tools) of social responsibility in the firm;
- supporting subject(s), motivations, effects of the practice of socially responsible management;
- obstructionist factors (barriers and difficulties); inactions in merit of the incentives for favoring the diffusion of social responsibility in the SMEs.

The conclusions and the considerations reported below refer to the first results of the explorative study conducted on the businesses in the sub-sample of Pesaro and of Ascoli Piceno, for a total of 50 units (rate of response equal to 62.5%).

6.2. Sample Characteristics

Firm size
The sample reflects the characteristic of small and medium-sized firm as defined by the European Commission, according to the number of employees: 16 of them (32%) have less than 50 employees, 27 of them (54%) have more than 50 and less than 100 employees; finally, only 7 firms (14%) retain more than 100 employees.

Legal form

25 The survey began in March 2006 and is not yet completed. The study is currently being undertaken on businesses in the Provinces of Ancona and Macerata, with the scope of completing a regional sample.
Most of respondents are firms with limited liability (25 firms = 50%) and partnership (20 firms = 40%), while private companies (individual firms-sole proprietorship and general partnerships) represent a small amount of the sample (5 firms = 10%).

**Firms’ ownership**
A family usually shares ownership over a firm; in fact 37 out of 50 firms (74%) do not have external investors, and in 10 other firms (20%) there are both component of a same family and external shareholders. Only in 3 firms (6%) do shareholders not have any familial links.

**Business Sectors**
With respect to the business sector, small and medium-sized firms are involved in “traditional” business, which constitute the typical framework of the regional economic fabric, such as the production of machinery and equipment (15 = 30%); wood and furniture (17 = 34%), and textile, clothing and shoes (14 = 28%). Other divisions represent the food, construction and chemical sectors (4 = 8%).

7. **Main Findings**
To verify the hypotheses presented above, the study is directed along five macro-areas, which correspond to the abovementioned objectives: the verification of the level of awareness of the concept of CSR; the diffusion of behaviour and of the firm’s responsible management practices; the field of application, the type of actions, the objectives and consequent results; the instruments for communicating CSR; the barriers to its diffusion and the prospects for overcoming these difficulties.

7.1. **The level of awareness of CSR**
One of the initial findings is the acknowledgement of a relatively high level of understanding of the themes inherent in the social responsibility of firms: 76% of the firms declared to know the concept and to be interested in this phenomenon, in as much the interlocutors is directly involved or though personal initiatives or concrete actions of management of their own business. On the other hand, the remaining part of the sample did not know the term (14%) or did not share its tenets (4%), or, in order to be engaged in initiatives that have social value or philanthropic implications, are moved by motives diverse from socially responsible concerns and, often, were emotional, personal or opportunistic in nature (6%).

Despite the diffuse mastery of this concept, that demonstrates a notable sensibility on the part of the entrepreneur regarding social responsibility, 60% of the firms were not abreast of the existence of the Green Book of the European Community, for example. The level of awareness is therefore profuse from a quantitative standpoint, but does not seem to be qualitatively profound. In other words, the awareness is at times superficial and rough.

Among the tools that have facilitated the growth of socially responsible actions and formal tools, the role of Associations stands out. Associations seem to be the most effective driver in informative and cognitive action, followed by Universities and other research centers, by banks and by other institutions (see table 1).

This result reveals a second relative factor. Associations, and in particular the Italian Industrial Associations, are the principle promoters of cultural growth and of the sensitivity of local industries towards an ethical management of businesses. There are two reflections in this regard. On one hand, this fact underscores the importance of the territorial embeddedness of the firm and of the membership in a local socio-economic network. On the other hand, by virtue of this feedback, one realizes that the future path of the diffusion and the qualification of the policies and actions of CSR on SMEs must opportunistically be guided by a representative agency leader, which would be the driving force behind the commitment of social responsibility among the network of affiliates, it would take in such applications and would coordinate the initiatives.²⁶

²⁶ The “Young Industrialists” section of the Industrial Association in Pesaro are especially moving in this direction. They have recently worked out a program aimed at raising awareness (through educational lessons and lectures by other entrepreneurs) and at sustaining socially responsible policies of the local entrepreneurs and coordinating the
Table 1 - Channels of Diffusion of the Concept of CSR

<table>
<thead>
<tr>
<th>Kind of channel</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>17%</td>
</tr>
<tr>
<td>Suppliers</td>
<td>11%</td>
</tr>
<tr>
<td>Competitors</td>
<td>6%</td>
</tr>
<tr>
<td>Banks and Financial Institutions</td>
<td>28%</td>
</tr>
<tr>
<td>Industrial and Trade Associations</td>
<td>39%</td>
</tr>
<tr>
<td>Institutions</td>
<td>28%</td>
</tr>
<tr>
<td>Universities and Research Centers</td>
<td>33%</td>
</tr>
<tr>
<td>Magazines, Literature, Journal Articles</td>
<td>22%</td>
</tr>
<tr>
<td>Media</td>
<td>6%</td>
</tr>
<tr>
<td>Internet</td>
<td>17%</td>
</tr>
</tbody>
</table>

database: 38 firms.

A third aspect of interest is represented by the fact that 60% of the respondents profess to know other firms, within the same or in neighbouring Regions, that have already translated their social commitment into concrete tools. In addition, 56% of the entrepreneurs consider that the adoption of socially responsible actions constitutes an opportunity and of all of the firms, against the 44% that consider it a prerogative of the larger organizations.

Most of the time, the “best practices” are produced by the large-scale companies, while the entrepreneurs underscore the need of examples “of excellence” relative also to medium and small sized firms.

This condition is a sign of the difficulty that the small firms encounter in their organization, in their management and in formally communicating their commitment to the social and in the willingness to better themselves in this direction. At the same time, underscoring the interest of the entrepreneurs to participate at the moment of comparison, in addition to formative (conventions, workshops, seminars) and to have reference panels consisting of examples by their neighbours and more congenial, founded on real cases of social needs in entrepreneurial management that feature their “colleagues” from the small business world as protagonists. This causes one to reflect on the opportunities to put into play actions of support based on the promotion of examples capable of “appealing” to small and medium size business owners and to trigger, even to lever on the emulative spirit that characterized the entrepreneurial world, a virtuous course that is locally based.

7.2. Spreading the behaviours and practices of responsible firm management

60% of the businesses interviewed were involved in policies and activities that were socially responsible. The remaining 40%, which even included a number of those firms that had declared to understand and to share in the concept and the relative policies, had not, as of yet, put into motion any planned action for CSR intervention.

To conceptualize how the process of adopting the tools offered by the CSR begins and develops inside the social responsible firm, one primary referent is represented by “genetic” factors, which are responsible for initiating the entire process.

Among the prevailing factors that induce the decision to adopt CSR practices are the innate orientation and the values of the entrepreneur (60%) who, in almost all of the cases, represents the principle actor. Only in a minority of firms were the actions and policies of socially responsible management begun by other subjects (outside consultants, professional figures inside the firm).

This underscores the duty of the entrepreneur, in first person, to secure a culture oriented towards ethics within the firm. Other variables, such as the size of the firm (18%), the sector from which it comes and the type of work in which it is engaged (22%) do not assume, however, a significant role.

Commitment towards communal projects (in the cultural, environmental, and sports sectors, as well as in engaging and assisting ethnic minorities) that have a strong impact on the socio-cultural community from which they come.
The “entrepreneurial conscience,” fruit of convictions and based on the values of the entrepreneur is, therefore, the prerequisite and the root of CSR, that which gives full confirmation of the first hypotheses posited at the core of this study.

One other note regarding the judgment of the willingness/obligation of responsible management of a firm: only 20% of those interviewed feel that the commitment to enact CSR must be based on a voluntary decision, while 40% believe that it requires the intervention of a legislative authority or, at least, that such action would necessarily reference some pre-existing standard (40%). This suggests two reflections on an aspect that is still central in this debate: on one hand, willingness ensures the possibility to adopt tools that correspond to the specificities of the SMEs. This consent to construct “custom-made” models of socially responsible management assures the freedom to pursue a specific form of relationship management with internal and external stakeholders, even if this means that it potentially used as a tool to resolve occasional problems. On the other hand, the lack of cogent norms risks a slowdown in the process, especially for the small businesses, which exist conditions of relative structural weakness because of lower supplies of manpower and financial resources.

However, the impression gained during these interviews and discussions with the entrepreneurs is that for which, more so that other norms to respect, guidelines are necessary. These guidelines need not be legislative in nature, but rather offered by interlocutors able to join the firm in the progressive adoption of socially responsible management tools.

Lastly, the judgment on the orientation and the interest of the firm in socially responsible activities and practices (see table 2) is on the whole positive and is perceived as an opportunity to improve the firm’s socio-economic environment (inside and outside the firm), its image and its reputation.

### Table 2 - Entrepreneurs’ judgements on the Policies and Actions of Socially Responsible Management

<table>
<thead>
<tr>
<th>Entrepreneurs’ judgements</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>An opportunity to contribute to the construction of a socio-economic environment</td>
<td>44%</td>
</tr>
<tr>
<td>An opportunity to improve image and reputation</td>
<td>40%</td>
</tr>
<tr>
<td>An opportunity to better manage resources</td>
<td>40%</td>
</tr>
<tr>
<td>Other negligible aspects</td>
<td></td>
</tr>
<tr>
<td>An added cost</td>
<td>8%</td>
</tr>
</tbody>
</table>

database: 38 firms.

### 7.3. Areas of application, types of activities, objectives and consequent results

The areas in which the Marchegian business’ social commitment declines are prevalently found inside the firm (see table 3): attention to quality, to productive processes, to the characteristics of primary subjects and of the product; actions to preserve the work environment. Among those external factors there are initiatives favouring eco-compatibility of business activity and those aimed at improving the socio-economic environment in which they are found.

### Table 3 - Principal Areas of CSR Applications

<table>
<thead>
<tr>
<th>Areas of Application</th>
<th>Level of Priority</th>
<th>% of Firms</th>
<th>Total businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attention to the quality of the production processes, to primary material, to the characteristics of production.</td>
<td>High Priority: 78%</td>
<td>Medium Priority: 22%</td>
<td>Low Priority: 0%</td>
</tr>
<tr>
<td>Respect and improvement of workplace conditions</td>
<td>43%</td>
<td>43%</td>
<td>14%</td>
</tr>
<tr>
<td>Safeguarding the various types of workers</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>Attention to consumption and to saving sources of energy</td>
<td>0%</td>
<td>64%</td>
<td>40%</td>
</tr>
<tr>
<td>Valorization of the socio-economic environment in which the firm is found</td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>General initiatives</td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total businesses</strong></td>
<td></td>
<td></td>
<td>38</td>
</tr>
</tbody>
</table>
The focus on activities that reflect on the broader community in which the firm is found is confirmed by the type of CSR activities that are the most diffuse (see figure 1), which confirm a strong link to the outside environment.

*Figure 1 - Types of CSR Actions*

<table>
<thead>
<tr>
<th>Type of CSR Actions</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization of incentive trips, sports tournaments, etc. for workers</td>
<td>5%</td>
</tr>
<tr>
<td>Support for students programs and scholarships</td>
<td>14%</td>
</tr>
<tr>
<td>Participation in research programs</td>
<td>5%</td>
</tr>
<tr>
<td>Sponsorships of cultural and folk festivals</td>
<td>21%</td>
</tr>
<tr>
<td>Participation in complementary professional development of employees</td>
<td>11%</td>
</tr>
<tr>
<td>Various donations</td>
<td>14%</td>
</tr>
<tr>
<td>Sponsorships of sports teams</td>
<td>16%</td>
</tr>
<tr>
<td>Improvement of relationships with clients, suppliers, financers</td>
<td>14%</td>
</tr>
<tr>
<td>Improvement of relationships with institutions, communities</td>
<td>11%</td>
</tr>
<tr>
<td>Improvement of relationships with personnel</td>
<td>16%</td>
</tr>
</tbody>
</table>

**Database:** 38 firms.

The principle benefit sought by adopting policies of responsible business management is represented by the reinforcing of images and of the firm’s reputation (75%), followed by an improvement of the rapport with the community (50%) and of the relationships along the supply chain (40%).

The firms seem to be aware of the fact that a management that contemplates not only economic aspects but also ethical, social and environmental ones, reflects positively on the competitiveness of the business, even if it is difficult to measure its performance in quantitative-monetary terms.

The analysis of the objectives (see table 4) also confirmed the importance of the embeddedness of the entrepreneur, if one considers the priority attributed to the qualification of the relations with local institutions and the local community.

Media attention that could stem from such initiatives is attributed to the improvement of relations with typical business stakeholders (clients, suppliers, financers). On the other hand, this underscores how the policies of CSR are considered an opportunity to develop strategic options based on a new firm-environment/community relationship.

Negative response from internal personnel does not seem to be a particularly strong influence. This can be attributed to the less complex organizational and structural composition typical of SMEs, which renders the adoption of practices aimed at valorizing human resources less urgent, thanks to the informality of relationships that the entrepreneurial climate favours.

There is one final note of interest. All of the entrepreneurs interviewed have decided to engage in CSR actions without any external pressure; none, in fact, have indicated that they were motivated by a perceived need to keep abreast of the competition or by the suggestion of the diverse categories of interlocutors.

**Table 4 - Objectives for the Adoption of CSR Practices**

<table>
<thead>
<tr>
<th>Type of Objectives</th>
<th>High Priority</th>
<th>Medium Priority</th>
<th>Low Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improving image and reputation</td>
<td>75%</td>
<td>12.5%</td>
<td>12.5%</td>
</tr>
<tr>
<td>Improving relationships with clients and/or suppliers</td>
<td>40%</td>
<td>40%</td>
<td>20%</td>
</tr>
<tr>
<td>Improving relationships with institutions and communities</td>
<td>50%</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>Improving relationships with financiers</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Improving relationships with personnel</td>
<td>0%</td>
<td>50%</td>
<td>50%</td>
</tr>
</tbody>
</table>
Among the effects on the “historic” categories of stakeholders (see table 5), the prevailing benefits include reinforcing relationships with clients, defining relationships with suppliers and developing the business culture.

**Table 5 - Effects on Relationships with Customers, Suppliers, Employees**

<table>
<thead>
<tr>
<th>Effects on the relationships with clientele</th>
<th>Frequency %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in sales and new clients</td>
<td>40%</td>
</tr>
<tr>
<td>Client loyalty</td>
<td>60%</td>
</tr>
<tr>
<td>Decrease in sales</td>
<td>0%</td>
</tr>
<tr>
<td>No change</td>
<td>20%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Effects on the relationships with suppliers</th>
<th>Frequency %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvement of the quality of the supply</td>
<td>20%</td>
</tr>
<tr>
<td>Improvement of the relationship with the suppliers (loyalty)</td>
<td>50%</td>
</tr>
<tr>
<td>No change</td>
<td>30%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Effects on the management of human resources</th>
<th>Frequency %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvement of the social climate</td>
<td>60%</td>
</tr>
<tr>
<td>Increase in productivity</td>
<td>10%</td>
</tr>
<tr>
<td>Qualification of corporate culture and an increase in a sense of membership</td>
<td>90%</td>
</tr>
<tr>
<td>No change</td>
<td>0%</td>
</tr>
</tbody>
</table>

database: 38 firms.

### 7.4. The tools of communication of CSR

Among the tools for communicating social responsibility (see figure 2), the greatest priority is attributed to social balance, notwithstanding its diffusion is contained: 100% of the businesses that have adopted CSR consider it the priority means for externalizing their undertaking. Conversely, the lowest level of importance is given to environmental balance. A high priority (80%) is also attributed to certifications and to informal communications (75%).

![Figure 2 - The Tools Used to Communicate CSR](image)

In general, the opinions regarding social balance were, therefore, substantially positive: over half of the firms consider it an instrument with high potential and communicative efficacy (see table 6).

**Table 6 - Opinions on Social Report**

<table>
<thead>
<tr>
<th>Number of Firms</th>
<th>%</th>
</tr>
</thead>
</table>
It is superfluous with respect to the other documents the business must already produce.

It is a tool that can elevate the potential for better communicating the firm’s business strategy, and that completes the information given across the official budget

It is a useful document, but can be substituted with other tools that are just as effective

| Total | 50 | 100% |

In total, however, the entrepreneurs highlight the need to make their endeavors more visible, since a good part of their multitudinous initiatives are drowned out and not coordinated in projects of ample reach, and therefore do not obtain full or just recognition, which would instead help reinforce their socially responsible orientation.

7.5. The barriers to the diffusion of the practice and to the communication of CSR and developmental prospects

For those businesses that are not socially concerned, equal to 24% of the sample, the principle obstacle is represented by a lack of financial resources, followed by a lack of professional resources and of time (see figure 3).

Internal factors are largely at blame for the constraint of the social commitment of those small and medium-sized firms interviewed. This is in line with the national level. These factors are by nature objective, connected to dimensional attributes, rather than to any insufficient sensibility on the part of entrepreneurs towards socio-environmental problems.

Among the interventions that would hopefully support the diffusion of CSR (see table 7) by shaping institutional policies, the entrepreneurs stress in particular the opportunity to foresee fiscal advantages.

<p>| Table 7 - The Incentives to the Adoption of Socially Responsible Practices |</p>
<table>
<thead>
<tr>
<th>Kind of incentives</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion of collaborative agreements among businesses</td>
<td>20%</td>
</tr>
<tr>
<td>Prevision of compulsory adoption of CRS’s practices and tools</td>
<td>40%</td>
</tr>
<tr>
<td>Estimation easier financing</td>
<td>33%</td>
</tr>
<tr>
<td>Recognition of priorities in bids and contracts</td>
<td>13%</td>
</tr>
<tr>
<td>Estimation of fiscal advantages</td>
<td>93%</td>
</tr>
</tbody>
</table>

database: 12 firms.
In light of the aforementioned incentives, the entrepreneurs declare themselves to be willing to introduce CSR initiatives. Moreover, 93% of the businesses that are not currently engaged in these activities said they are interested in knowing other firms in which CSR has become a reality to understand more closely the course of action followed, the benefits they have experienced, and the ways of solving the problems they encountered along the way.

These results, together with the need to coordinate and to put in network of initiatives expressed by the firms already socially committed induce/lead to the following summary reflections.

8. Basic Conclusions and Remarks

The social commitment finds applicable venues, both among the large-scale businesses, as well as among those small-scale firms. Although the latter are not able to attain the same fullness of relationships or of “thresholds of interests” that characterize the large firms, they are nevertheless deeply imprinted into the micro-fabric that is the vital organism of every socio-economic environment.

The findings of this empirical survey, in line with the theoretical and empirical premises presented, attest to the existence of a sustained orientation towards socially responsible management of small and medium-sized firms. However, they are not without barriers and difficulties, which are areas for possible improvement.

Both hypotheses posited at the core of this study, which sampled firms in the Marches Region, were confirmed. The initial outcomes of this inquiry reveal the widespread rise of a strong commitment in entrepreneurs, but most of the time it is submerged, particular and deep-rooted in everyday choices and in the relations they have with their stakeholders, and never fully coordinated; the commitment is often “emotional” and not linked to eventual incoming due to business performances.

From these results, it is possible to claim the need for:

- greater visibility in order to promote and imitating process of the different socially responsible management methods of the “best in class” enterprises;
- well-organized communication strategy, oriented to spread SMEs’ social statement commitment which is characteristic of many small entrepreneurs;
- territorial coordination, supported by the partners of the social, economic context (particularly institutions and trade associations).

This coordination is important for spreading the trinomial of consciousness-systematic nature-communication, which is of the utmost importance for the growth and the development of SMEs’ social responsibility.

The evolutionary scenarios individuated in the model constructed constitute the results of this research (see figure 4) suggest two possible directions, that is different prescribed models of supportive activities.

The first should be addressed to the SMEs who are not yet socially responsible and should be founded on a series of institutional measures that provide fiscal incentives, public subsidies, tax breaks for competitive bids, and easier access to credit. These incentives would supplement specific programs of information dissemination of best practices, and would be thought of ad hoc for the SMEs that generally exist in a greater condition of a lack of financial and human resources with respect to the large corporations.

The second, pertaining to those firms who are already socially responsible, are based on activities of guidance and of sustained nudging by the Associations in which they take part, or by other representative organizations that are seen by the SMEs to be close and credible interlocutors.

The firms engaged in processes of social responsibility, although encountering difficulties in organizing a structured communication strategy, understand the fundamental importance of informing the community of their commitment.

This end of this road must be a commitment to offering support in the form of consulting, bearing witness, engaging in moments of exchange and meeting, and, above all, of improving communication and coordinating the numerous micro-actions of the SMEs in a network. Indeed,
these SMEs are often positioned in autonomous, sporadic and “personalistic” manners; the goal of this commitment must be the creation of a critical mass that maximizes power and ensures visibility. Thus, the activity must be finalized to rationalize, structure, and guide common programs of action of CSR.

Figure 4 - Methods of reinforcing CSR

<table>
<thead>
<tr>
<th>Non-Socially Responsible SMEs</th>
<th>Socially Responsible SMEs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Institutional intervention</strong></td>
<td><strong>Intervention of Industrial and Trade Associations and/or other associations with strong local impact</strong></td>
</tr>
<tr>
<td>Fiscal incentives, financial, public subsidies, quality branding, tax breaks for competitive bidding, creation of help desks c/o Commerce Departments, etc.</td>
<td>Promotion of communication, putting them in networks for communal CSR projects (for instance: programs aimed at improving culture, environment or local job markets, etc.)</td>
</tr>
<tr>
<td>Institutions + Trade and Industrial Associations and Local organizations, Universities / research centers, “best in class” SMEs</td>
<td></td>
</tr>
<tr>
<td>Informative and cognitive actions (conventions, workshops, exchange of experiences with best in class SMEs, the creation of a network and of a panel of SMEs noted for their excellence in practicing CSR policies, etc.)</td>
<td></td>
</tr>
</tbody>
</table>

Both of these methods tend to favour the convergence\(^\text{27}\) of concepts, tools and practice – all based on fundamental values – so as not to suffocate individual innovative behaviours while rendering the expectations with regards to CSR more evident.

The intervention of institutions and, above all, of the Industrial and Trade Associations is therefore necessary, for they constitute the principle vehicle across which the concept and the policies of social responsibility are transferred between the small and medium sized businesses in the Province. Such organizations should increase the communicative force, in addition to proving ulterior important advantages derived by such behaviours. In this reinforcing action even the firms that have already made the tools of the CSR play a key role, because they can stimulate the diffusion to other “colleagues,” species for projects that have an impact on the socio-economic territory from which they come, from which they could become potential partners.

The existence of an informational and communicational gap, and the embeddedness of social responsibility within the individual socio-economic context in which the firm is found, are confirmed in the present study.

The social commitment of small entrepreneurs is aimed to reinforce, on one hand, the culture and the social climate inside the firm, and, on the other hand, the reputation and the relationships with the outside community. It is especially effective in dealing with interpersonal relationships; it is conversely especially limited by its tendency to “never surface,” which leads one to confirm the necessity of greatest visibility. This increased visibility would then foster an imitative process of style and socially responsible management of those businesses deemed to be “best in class.”

The analyses conducted demonstrate how, alongside an institutionalized CSR, communicated and formal, there exists a tacit yet diffuse commitment. The commitment is as concrete as it is often unconscious and invisible.

The small businesses tend to privilege spontaneous forms and informal practices. Ethical codes and social balances currently are not widely used to grasp, individuate, and make recognizable policies of socially responsible corporate management. The entrepreneurs intuit the possibility to communicate it and must experiment, in such a case, a process of progressive cultural maturation,

\(^{27}\) This convergence is particularly desired in the following fields: codes of conduct; norms of management; accountability, audits and codification of relationships; etiquette, investment in social responsibility. Cfr. Com (2002) 347 def. Commission of the Community of Europe.
which can be stimulated by the same understandings of examples of excellence, so as to produce an
evaluative effect to which the small business owners are particularly sensible. Through the research,
they will be able to better identify the virtuous behaviours of the small businesses, an extremely
rich data set despite it being often submerged and unarticulated (Molteni 2004).
Small and medium-sized businesses must, with more understanding, identify the paths and the tools
used to reinforce positive relationships with their stakeholders, and comprehend the effects
investments in social responsibility has on firms’ performance. To objectively identify ethical
behaviours of small businesses is opportune a grid of solutions that are simple and auto-regulated to
communicate the social statement commitment, calibrated on the specificities of each individual
small business.
Finally, the development of CSR in small businesses must follow the progressive trinomial
awareness-systemization-communication. Entrepreneurial ship that is expressed in itself possesses
unquestionable value that comes from its very embeddedness and from its particular relationships.
There is a strong emphasis on the individual in the various business relationships between internal
and external interlocutors. This translates into a certain level of flexibility in the face of social
movements.
The silent form of social responsibility comes from the DNA of many small business owners, who
are more used to just doing rather than announcing what they are doing (Moretti 2004) and,
perhaps, acting even more freely. However, the voices of those who have begun to bear witness
about the results of their own responsible actions will be able to demonstrate how social
commitment guarantees significant economic returns, or, in other words, how “good makes really
good.”

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