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The Standardization of Down-Streamed Small Business Social Responsibility (SBSR):
SMEs and Their Sustainability Reporting Practices

Laura Corazza, Department of Management, University of Turin, Turin, Italy

ABSTRACT

Scholars have begun to investigate the prevalence of Corporate Social Responsibility (CSR) within the context of small and medium-sized enterprises (SMEs). This paper studies the implementation of non-financial sustainability reporting tools in Italian SMEs as part of their Small Business Social Responsibility (SBSR) long supply chain compact with large multinationals. The fundamental finding of this work is that because of the down-streaming effect of CSR reporting from large companies to small ones, SMEs approach sustainability as a standard management practice. The sample is composed of 73 Italian multi-certified entities (SA8000/ISO14001/EMAS) that have published their sustainability report online between 2011 and 2013. Principal Component Analysis (PCA) was used to discover three otherwise un-observable underlying effects.

KEYWORDS

Corporate Social Responsibility, CSR, PCA, Principal Component Analysis, SMEs, Social and Environmental Accounting, Social and Environmental Management Systems, Sustainability Reporting

INTRODUCTION

In 2014, almost 99.8% of all European enterprises were small and medium-sized enterprises (SMEs). These SMEs employed around 87 million people and contributed 57.6% of the overall European economic value added (EU Commission website, 2016). At the same time, SMEs are responsible for up to 70% of the total environmental pollution generated on the planet (Eurobarometer, 2012). These facts have led to a growing awareness of SMEs' significant impact in financial terms, but also in terms of their global natural environment and societal impacts. Moreover, the entire planetary economy revolves around the contributions of SMEs.

The definition of what constitutes an SME varies among countries, and within the same country over time (Ferenhof, Vignochi, Selig, Lezana, & Campos, 2014). From among the available definitions, the European Commission has adopted Recommendation 2003/361/EC, which defines an SME according to three criteria: staff headcount, annual turnover and annual balance sheet. In particular, an SME is identified as an enterprise that employs fewer than 250 employees. From the financial perspective two criteria are added: an annual turnover not exceeding 50 million euros, and an annual

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balance sheet total not exceeding 43 million euros. In addition, an SME must be an autonomous enterprise, that is, an independent entity. An independent entity is a firm without governance links between the firm itself and other companies. Meaning, it does not have an ownership stake in other enterprises, and no other enterprises have a relevant stake in it. If there are any cross-ownership linkages, they are not able to exert a relevant influence on the governance structure of the SME.

As stated by the Global Reporting Initiative (GRI) and the United Nations Environment Program (UNEP), multinational companies, because of economic globalization, engage SMEs in their supply chain. These SME suppliers are actually often responsible for producing the bulk of the components and services sold under the multinational's brands (GRI and UNEP, 2008). Nowadays most of the economic, environmental and social impacts of a multinational business occur through this long supply chain, and most of these impacts are then obviously due to SMEs' behaviors (Carbone et al., 2012).

The retrieval of supply chain sustainability data is often a costly and difficult process because of the lack of systematization of data collection and reporting within SMEs. As pointed out by Vázquez-Carrasco and López-Pérez (2012), although there is a growing tendency to focus on Corporate Social Responsibility (CSR) as part of the self-regulatory strategies, tools, and practices of small business environments, there are few studies critical of the tools aimed at Small Business Social Responsibility (SBSR), and fewer still on the issues of understanding, measuring, improving and reporting sustainability performances at the SME micro-scale.

The purpose of this research is to add a contribution to SBSR studies by showing how a tendentious global standardization practice arises in SMEs facing sustainability reporting because of an earlier internal commitment to sustainability. The methodology applied in this paper is Principal Component Analysis (PCA). PCA is a statistical method used to analyse the interrelationships between a large number of variables. It seeks to explain these variables in terms of a smaller number of variables, called principal components, with a minimum loss of information.

The sample for the study was chosen from among Italian multi-certified entities. By multi-certified we mean an entity that has reached at least one Management System certification on environmental issues - the International Standards Organization (ISO) international standard for environmental management, ISO 14001, or the related Eco-Management and Audit Scheme (EMAS) - and also a social environmental system certification, that is, the SA8000 certification by Social Accountability International (SAI). The selected organizations need in addition have published a sustainability report online, and have had financial information available in the Italian business database AIDA. The temporal dimension is 2013 both for financial and sustainability information. The companies selected have already been investigated in an earlier study with respect to their different managerial behaviors towards CSR by Scagnelli et al. (2013). The earlier study did not however focus on the standardization of sustainability accounting and reporting practices addressed herein.

This paper seeks to give useful insights to practitioners as to the effective application of Social and Environmental Management Systems (SEMS) to increase SBSR. On the scientific level, this study would like to contribute to the ongoing debate on the need for new researches and studies on the effects of standardization of sustainability practices at the SME level.

SMALL BUSINESS SOCIAL RESPONSIBILITY (SBSR)

Two decades of studies on SBSR have demonstrated a fallacy in the use of tools when downsizing CSR to smaller scale SME organizations (Tilley, 2000; Spence et al., 2003a; Fuller and Tian, 2006; Maurillo and Lozano, 2006; Jenkins, 2004, 2006; Cambra-Fierro et al., 2008). Even in the case of tools created and tailored for SMEs, if the SME entrepreneur does not immediately recognize explicit short term benefits, then the effectiveness of the tools is still compromised (M. P. Johnson & Schaltegger, 2016). The most widely adopted tools are those pertaining to the field of Social and Environmental Management Systems (SEMs), which are aimed at transparency and ethical practices (Testa, Gusmerottia, Corsini, Passetti, & Iraldo, 2015).

Compared to managers of large firms, the small managers/owner/entrepreneurs running SMEs often do not possess all the necessary tools, resources and knowledge to implement responsible sustainability strategies. Enderle (2004) notes in addition that international standards to implement CSR may prove inappropriate for smaller firms because they have been developed thinking of large businesses (Enderle, 2004). Bürgi (2010) has noted that SEMs do help SMEs address CSR issues in management practices, and Fatoki e Chiliya (2012) and Uhlaner et al. (2012) have tested this in empirical ways. When SMEs have interests in sustainability issues, they may also be encouraged to formalize their environmental management, and this in turn may help them raise the quality of their internal management. However, a lack of formalization, especially under communication perspectives, still remains (Graafland & Smid, 2015).

Relatively few studies have been made about the role of sustainable reporting practices. There is a substantial lack of data, and as a result these studies are mostly qualitative (Borga, Citterio, Noci, & Pizzurno, 2009; Del Baldo, 2010). Of course, as several authors have pointed out, the reason for the lag in the development of a more formalized quantititative approach is substantially due to the core features of SMEs. First, informality, or "pro-activity," because it usually originates from the voluntary involvement on the part of SMEs. Then "explicit Small Business Social Responsibility" (SBSR), because there is otherwise generaly a lack of disclosure (Matten and Moon, 2004; Fuller and Tian, 2006; Del Baldo, 2010). Third, "dependency." which is understood as a close correlation between the actions of the sustainability driver within the company, often the owner or the head of a family if the company is also a family business, and the personal attitudes of the owner (Testa et al., 2015).

The authoritarian-paternalist nature of the SME owner-manager is a consequence of the nature of a smaller SME business. It is defined by high personalization, local area operation, and dependency on internal sources of capital to finance growth (Vyakarnam et al., 1997). Related, Spence and Rutherfoord (2001) have proposed four frames of priority when pursuing the purposes of the SME. These priorities can be identified as: profit maximization; subsistence; enlightened self-interest; and social capital. Within these priorities, SMEs compete in a turbulent economic environment the same as larger companies. However, SMEs face their competitive pressures with more limited cash flow, less knowledge and time, and fewer human resources. Because of this, SMEs are often skeptical when faced with business ethics dilemmas and complex sustainability programs, and tend to perceive them as a business cost with no related benefit (Spence et al., 2003). This implies the attitude of SME managers is often to adopt a myopic view of the future (Lepoutre and Heene, 2006) while multitasking busily during their day-by-day routines.

An SME requires an intense participation of the owner-entrepreneur in all areas, despite of their lack of specialized knowledge in certain areas (Nooteboom, 1994). Their constant involvement, passion and motivation, and their personal relations with the community, are all essential pillars for the long-term success of SMEs. Their community relations are built on trust, reputation, and a sense of consensus and legitimacy with identified stakeholders. These relations represent the lifeblood of SMEs, but only if properly managed. SMEs seek out these intangible assets, and the related resources and competencies are often embedded within the social capital of the firm (Perrini, 2006; Williamson, 2006; Russo and Tencati, 2009; Del Baldo, 2010; Russo and Perrini, 2010; Fassin et al., 2011). At the same time, the relationships between the owner-manager of an SME and their employees are often fluid, which enables control activities to be performed more informally (Rivera-Lirio and Muñoz-Torres, 2010). The intangible assets also include the company's strategic profile, in terms of initiatives and integrated behaviors scoped within the SME's overall business strategy; the culture of the enterprise; the processes of accountability aimed at improving systems for collecting and diffusing information; and the systems of corporate governance, that is, the systems for decision-making processes and internal control (Del Baldo, 2010).

On the theoretical level, the glaring lack of theories to explain SBSR has been noted by several papers. Only recently has the work of Spence (2014) and Wickert (2016) tried to address this issue. Spence (2014) provides a feminist perspective driven by the ethics of care. Wickert (2016) presents

the political role of CSR in SMEs as something that goes beyond conventional notions of CSR, as one based on the traditional economic role of corporations acting as substitutes for public good providers (Spence, 2014; Wickert, 2016).

SBSR AND THE SOCIAL REPORTING PRACTICES

The number of SMEs that have shown an interest in taking part on sustainability initiatives and in voluntary sustainability or integrated reporting activities is constantly increasing (GRI and UNEP, 2013). In general, the decision to join a given sustainability initiative or to set up specific plans or actions in sustainability is personal and depends on the morals and personal values of the owners of the firm.

The term social accountability, or the synonym social accounting, involves the preparation and publication of an account that reports the interactions and activities of a company with reference to the environment, employees, local community, customers and other stakeholders and, if possible, the consequences of these interactions and activities (Gray, 1992). Accountability then, when taken as the reporting of the results derived from sustainable actions in a transparent way, reflects the strategic importance of business objective measurements, and can help achieve competitive advantages (Castka et al., 2004; Perrini, 2006; Del Baldo, 2010; Ahmad and Seet, 2009). Conversely, other studies have demonstrated that a lack of external communication over the sustainability commitment of SMEs has public opinion and stakeholders' effects that carry over negatively into the relationships between them and the company itself (Hörisch, Johnson, & Schaltegger, 2015; Jansson, Nilsson, Modig, & Hed Vall, 2015; Johnson, 2013).

It is well recognized that the participation of SMEs in global supply chains has been influenced in recent years by the CSR actions of global buyers, and that in both developed and less developed countries. It is even more common for large global companies to require the SMEs that comprise their supply chain to embrace sustainability in a cost-effective way so as to cement their competitiveness. In the last several years, global buyers that have joined global CSR actions, programs and guidelines have also started to audit their long supply chain on sustainability topics. These audits of the supply chain have in turn encouraged SMEs to adopt managerial tools designed to provide the information their buyers require. The tools selected can be divided in categories: accounting and reporting tools; management accounting and control tools; governance tools; social capital tools; management systems certification tools; network tools; and policy and strategy tools (Johnson, 2015). Recently, software and web-tools have even been developed that seek to apply a vendor rating on competitiveness, and to provide data answering to the call by the Basel Committee on Banking Supervision (BCBS) to evaluate and report the reputational risk of banks (Johnson et al., 2016).

Social and Environmental Reporting (SER) is the process of communicating the social and environmental effects of an organizations' economic actions to particular interest groups within society, and to society at large. Social accounting may contain financial information, but it is more often a combination of qualitative and quantitative information. Social accounting extends the accountability of organizations and companies beyond the traditional role of providing a financial account to the owners of capital (Gray, et al., 1996; Gray et al, 1997).

Scholars have pointed out a correlation between corporate characteristics and social responsibility disclosures. However these studies have focused on large and often publicly listed companies (Cowen, Ferreri, Parker, 1987; Carbone et al., 2012). Concerning SMEs, Rusconi (1988, 2006) stated there are two possible reporting methods: the draft of a simple social report (with some "low-cost" data), or an aggregated report (supply chain reporting or a report that combins the interests of a group of SMEs). Still, studies on sustainability reporting at the smaller scale of SMEs are fairly rare, and the present contribution directly addresses this gap in the literature.

Previous research (Olitzky, Schmidt and Rynes, 2003) has found a positive correlation between environmental and social performance through a meta-analysis methodology. But few studies have

been made using PCA aimed at mapping CSR performance while focused squarely on supply chain levels (Carbone et al., 2012). Furthermore, there is a substantial lack of studies completely coherent with the argumentation of SBSR, and those that do address the topic have been mostly qualitative (Battaglia, Bianchi, Frey, & Passetti, 2014; Borga et al., 2009; Del Baldo, 2010).

METHODOLOGY

In order to set up a sound foundation for the study, a sample composed of uniformly defined multi-certified SME organizations was used. Multi-certified companies have quality, social and environmental certifications like SA8000, ISO 14001 or EMAS, ISO 9001, and OHSAS 18001. SA8000, ISO 14001 and EMAS require specific reporting duties to initially obtain and later renew the management process they certify. This makes the sample used to carry out this study on SMEs homogenous, even though SMEs as a whole are a rather heterogeneous group (Hillary, 2004; Ferenhof et al., 2014).

In order to have their managerial systems certified, certified organizations need have reported their sustainability performance indicators using a formal communication tool, be it for sustainability reporting, or as an environmental declaration or communication. Consequently, these companies have some expertise with the processes, resources and knowledge needed to report sustainability information. So it is from an analysis of these reports that we reasonably derive our assessment of the state of the art status of sustainability reporting by SMEs, including the factors influencing the reports and the scope and extent of the reporting itself.

Because of the lack of earlier studies with which to compare the outcomes of this study, an exploratory approach was used. The database used has Italian firms which have obtained at least one social management system certification (SA8000) and one environmental management system certification (ISO 14001 or EMAS), and have in addition published their sustainability accounts online, be it in the form of reports, communications, or declarations.

The first step was the merge of three distinct databases, those of ISO, EMAS and SAI.

The second step focused on the collection of the aforementioned sustainability reports for the period 2011-2013, but only after two years since completion in order to include any biennial reports. In 2011, these companies were 357 in number.

Next, the economic and financial analysis data for the 357 companies was obtained from Bureau van Dijk's AIDA databases and analyzed.

Especially when first attempted, sustainability reporting may incur considerable costs for data compilation, the reporting procedure definition, the data assurance, and the publication of the results. To overcome the problem concerning the retrieval of these many reports, we collected only reports that had been published online, a total of 73.

The resulting study sample of 73 SMEs can be defined as homogeneous in the sense that all the firms have implemented the same standard procedures to obtain their certifications; they successfully capitalized on their knowledge, as evidenced by having obtained their certification; and they also were willing and able to publish their reports online.

In order to evaluate the social reporting process as part of SBSR strategies, the model of contingent forces proposed by Contrafatto (2008) was applied. Contrafatto (2008) suggests that the process of social reporting is influenced by corporate, contextual and organizational factors. Table 1 includes a rationalization of the variables considered for this study, based on their previous adoption in the literature.

As evident from Table 1, apart from the traditional economic and financial variables, we added several variables. One for regulated reporting, called *RR*, which refers to the use of standard guidelines for the preparation of a sustainability report - be they mandatory reports or management system driven reports (EMAS reports, ISO 14001 policies, SA8000 filings). One called "self-defined methodology," for voluntary non-financial reports that do not follow a shared reporting framework

Table 1. Rationalization of the variables considered

Type of Factor	Name	Literature Linkage	Type of Variable and Acronym
Corporate	Corporate dimension	Gray, Kouhy and Lavers (1995)	Total revenues (euros) [TR] Number of employees (numerical) [NE]
Corporate	Company age	Roberts (1992) Roberts et. al (2006)	Year of foundation (numerical) [YF]
Corporate	Economic and financial performance	Cowen, Ferreri, Parker (1987) Gray, Kouhy and Lavers (1995)	Total revenue (euros) [TR] Total assets (euros) [TA] Net worth (euros) [NW] Total leverage (rate - numerical) [LEV]
Contextual	Nature and level of reporting	Adams (1999, 2002) Guthrie and Parker, (1989)	Use of standard guideline regulated reporting [RR] Sustainability reporting referred to an intl. Standard (5) Sustainability reporting referred to a national standard or a self-defined methodology (4) Mandatory communication based on the guidelines of the social and environmental management system (3) Number of accounted for Key Performance Indicators (KPIs) (number) [NKPI] Easiness into information retrieval No. of click between company's web site homepage and sustainability report on the website (number) [EI]
Organizational	Experience	Hibbit and Collinson (2004)	Year of the first certification [FCY] and type of certification (year and string variable) [TFCY] Time lapse between first certification and second one (number of year) [TLFSCY]
Organizational	Internal micro-process: - Stakeholder engagement - External assurance	Adams (2002)	Number of identified stakeholder (number) [NS] Presence of stakeholder engagement actions (binary) [SE] Presence of external assurance controls [EA]

or a model determined by external bodies, but may follow national reporting frameworks. And one for voluntary sustainability reports that follow an international shared reporting framework or international guidelines, for example Global Reporting Initiative (GRI) or United Nations Global Compact (UNGC) principles.

A Principal Component Analysis (PCA) was performed on each data set. Then these normalized data sets were merged to form a unique matrix, and a global PCA performed on this matrix. The individual data sets were then projected onto the global analysis to analyze and outline communalities and discrepancies between variables. After this, several variables were evaluated as not fundamental in explaining the total variance, and the database accordingly reduced to comprise only those variables that simplify the complexity of the observation without material loss of information (Eastment & Krzanowski, 1982). The 7 more significant explanatory variables identified are reported in Table 2.

The correlation matrix in Table 3 shows the initial linkages between the variables.

PCA results confirm that the structure of our data is consistent over time, thus allowing for global analysis. Table 4 reports the factors, the eigenvalues for each dimension.

The scree plot in Figure 1 shows the relative importance of the factors, the eigenvalues of the correlation matrix, in descending order of magnitude, and the percentage of cumulative variance.

Based on the methodology applied, three dimensions explain the majority of the variance, as illustrated in Table 5 and Figure 2.

Table 2. The 7 explanatory variables

Variable	Observations	Min	Max	Mean	Std. Dev.
NE	73	0,000	1413,000 (*)	156,027	259,536
RR	73	3,000	5,000	3,164	0,441
NKPI	73	0,000	153,000	15,644	20,692
NS	73	0,000	23,000	4,370	5,111
SE	73	0,000	1,000	0,644	0,482
NW	73	-116665000	41976096	3360663,781	5668571,863
LEV	73	-37,454	2820,149	198,601	556,304

(*) There is only one record of a company meeting the cutoff criteria of annual turnover under $50 million euros and annual balance sheet under $43 million euros, but it exceeds the 250 maximum number of employees limit as it is a large cooperative where shareholders are at the same time also employees.

Table 3. Correlation matrix with the initial linkages between variables

Variables	NE	RR	NKPI	NS	SE	NW	LEV
NE	**1**	-0,084	0,098	-0,026	-0,004	0,156	-0,162
RR	-0,084	**1**	**0,416***	**0,231***	0,148	-0,071	0,077
NKPI	0,098	**0,416***	**1**	**0,233***	0,136	0,028	-0,046
NS	-0,026	**0,231***	**0,233***	**1**	**0,488***	-0,083	0,154
SE	-0,004	0,148	0,136	**0,488***	**1**	-0,170	0,169
NW	0,156	-0,071	0,028	-0,083	-0,170	**1**	0,126
LEV	-0,162	0,077	-0,046	0,154	0,169	0,126	**1**

*α=0,05

Table 4. The eigenvalues for each dimension

	F1	F2	F3	F4	F5	F6	F7
Eigenvalues	1,894	1,262	1,130	1,044	0,651	0,532	0,487
Variance (%)	27,058	18,032	16,138	14,914	9,304	7,600	6,954
% Cumulative Variance	27,058	45,090	61,228	76,142	85,446	93,046	100,000

DISCUSSION

As seen in Table 5, the first component called F1 receives its major contributions from regulated reporting RR, the number of stakeholders NS, and whether there is stakeholder engagement SE. The pervasive credibility of the regulated report itself, the number of stakeholders identified in the report, and the presence of relationships with the stakeholders explain the first component. All three of these variables are linked to SBSR and in general to CSR. The growing awareness of the importance of stakeholder engagement shifts the attention of the SMEs from traditional reporting structures and channels ("one-way communication" - companies just publishing a report without engaging with stakeholders) towards more stakeholder dialogue and other effective communication channels ("two-way communication"). The first component F1 really refers to the openness and transparency

Figure 1. Scree plot

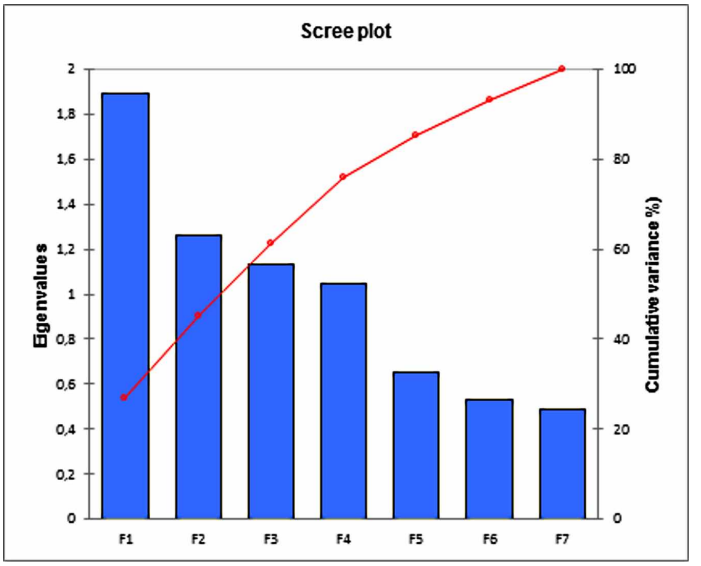


Table 5. The three factors F1, F2 and F3 explain most of the variance

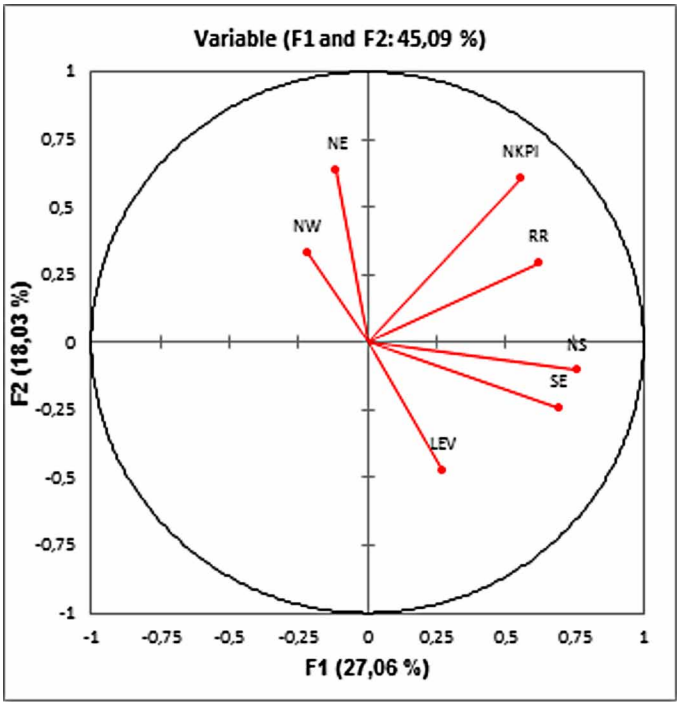
Dimension	F1	F2	F3	F4	F5	F6	F7
NE	0,012	**0,405***	0,024	0,370	0,173	0,008	0,008
RR	**0,388***	0,087	0,006	0,263	0,040	0,214	0,003
NKPI	0,314	**0,365***	0,001	0,062	0,002	0,255	0,001
NS	**0,574***	0,011	0,007	0,096	0,093	0,008	0,210
SE	**0,484***	0,060	0,000	0,218	0,001	0,000	0,236
NW	0,046	0,108	**0,651***	0,004	0,152	0,019	0,020
LEV	0,076	0,226	**0,442***	0,030	0,190	0,028	0,008

*Factors with greater value of cos^2

of the company. The more stakeholders influence and engaged in the SME's business activities, the more the report has been detailed according to international standards guidelines. In a sense then, this principal component F1 also deals with reputational capital.

Table 5 also shows that the second component F2 in strictly influenced by the number of employees NE and the number of accounted for Key Performance Indicators NKPI. The number of employees and the number of KPIs accounted for reflects the ability of the company to acquire specific know-how as part of the social reporting process. As noted above, within SMEs, employees are recognised as important stakeholders. This fact is evident in the mean value of regulated reporting RR. Table 2 shows the mean of RR is only around 3.164, very near to the inferior limit of 3.0 given to those companies preparing their sustainability reports according to solely social and environmental management system guidelines. This finding is evidence for the trapdoor effect of downsizing large company CSR reporting to the SME level. It appears there is a sort of standardization in social reporting practices in SMEs. SMEs are aware their social and environmental declaration is a normative aspect of the sustainability certifications they have, but they do not go further. Their reports are generally standardized and

Figure 2. Three dimensions explaining majority of the variance



uniform in their application of the guidelines. The report content varies as the corporate dimension varies. For example, the more employees are covered by SA8000, ISO14001 and EMAS, the more the company provides indicators on them. This dimension is indeed explained by the know-how and the use of management systems as proper management accounting tools. When companies are well aware of the use of environmental management systems, then they raise their quality and more fully exploit the potentiality of their management system (Graafland & Smid, 2015).

Table 5 shows the third component F3 is influenced most heavily by net worth NW and total leverage LEV. These variables reflect the financial and capital dimensions of the SME. As also indicated by the literature presented above, F3 expresses the pressure from scarce resources and limited budgets on the SME's behaviors towards the social accounting implicit in their corporate social responsiblity sustainability reporting practices.

CONCLUSION

The use of integrated management systems allows companies to deal with social and environmental issues through more standardized and formalized processes. If a company acquires a social and environmental management system certification, it must create a report that shows it actually meets the guidelines it is supposed to adhere to. For example, if a firm has an EMAS certification, it has to report and account based on the EMAS reporting scheme requirements.

Whereas the adoption of a sustainability certification program is a voluntary decision, once adopted, the environmental accounting linked to the certification becomes compulsory. And if a firm then decides to add other voluntary Key Performance Indicators (KPIs), and so account for other societal or environmental issues, it makes progress towards a more voluntary approach to social accounting.

We note again that the traditional and international sustainability reporting guidelines, such as the Global Reporting Initiative (GRI), the United Nations Global Compact (UNGC), and the Carbon Disclosure Project (CDP), were created with large corporations in mind, whereas SMEs prefer to exclusively report only information mandatorily included in their management system standard guidelines, roughly 15 indicators. SMEs tend to only report data mandated to be included in certified management system reports because they are annually audited on their reports by third parties. But to audit other voluntary data, companies would need to pay additional fees to the external auditors. Still, for SMEs, the audited validation of reportable data is fundamental because the first users of their data are their main customers, even if only indirectly through their membership in a long supply chain.

The results of our PCA analysis shown in Table 2 suggest that the economic and financial dimensions NW and LEV only weakly influence the attitude towards reporting activity. Regardless of the heterogeneity of the group of SMEs selected, companies publishing a sustainability report do not go beyond the required certification scheme. They do not adopt a more comprehensive vision of reporting. Instead, the Italian SMEs in this study stick to the simplest reporting possible, one that limits itself to only meeting the reporting rules required to obtain and maintain their multiple certifications. This observation is shared by the work of Johnson et al. (2016), which found that German micro-sized companies also stick to short-form, pre-defined sustainability check-lists.

One surprising result shown in Table 3 is the strong link between stakeholder engagement SE and the number of stakeholders NS. The geographical proximity between SMEs and their local environment appears to explain the ability of SMEs to interact closely with their stakeholders and obtain feedback input from them towards their reports. It appears then that in order to better manage the complexity of reporting sustainability issues in the long supply chain, the SMEs analyzed herein seem to adopt an integrated approach that combines social and environmental aspects. This tie-in could represent a significant threat to the voluntariness of Corporate Social Responsibility (CSR) because certification as revealed herein seems to encourage a more standardized and so universal approach. Additional research is needed to puzzle over the complexity of Small Business Social Responsibility (SBSR), and moreover to start thinking about SBSR from the ground up, possibly from a less imposed and regulated perspective, and more from a market-driven perspective.

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Laura Corazza is Post-Doc Research Fellow at the Department of Management where she is member of the Center 4 Shared Value and editor of the sustainability report. UniTo is one of the most prestigious Italian universities, with more than 600 years-old of activities and 75,000 people engaged.