

## SOCIAL CAPITAL AND SME: A SYSTEMATIC LITERATURE REVIEW AND RESEARCH DIRECTIONS

**Sisira Kumara Naradda GAMAGE**

Rajarata University of Sri Lanka, Mihintale 50300, Sri Lanka  
naraddagamage@ssh.rjt.ac.lk

**RPIR PRASANNA**

Rajarata University of Sri Lanka, Mihintale 50300, Sri Lanka  
prasannarjt@ssh.rjt.ac.lk

**JMSB JAYASUNDARA**

Rajarata University of Sri Lanka, Mihintale 50300, Sri Lanka  
jmsb1610@ssh.rjt.ac.lk

**EMS EKANAYAKE**

Rajarata University of Sri Lanka, Mihintale 50300, Sri Lanka  
emsekanayake@ssh.rjt.ac.lk

**PSK RAJAPAKSHE**

Rajarata University of Sri Lanka, Mihintale 50300, Sri Lanka  
pskr75@ssh.rjt.ac.lk

**Abeyrathne GAKNJ**

Rajarata University of Sri Lanka, Mihintale 50300, Sri Lanka  
abeyrathne.rjt@ssh.rjt.ac.lk

**SHT KUMUDUMALI**

University of Peradeniya, Peradeniya 20400, Sri Lanka  
thakshila9510@gmail.com

**Alexandru-Mircea NEDELEA**

Stefan cel Mare University of Suceava, Romania  
alexandru.nedelea@usm.ro

### Abstract

*This study aims to review past literature on social capital and SME. The paper systematically discusses the literature on social capital and SME between the years 1999 to 2020. The Scopus database was selected to make the literature search process transparent, and the literature survey used social capital and SME as keywords. The PRISMA 2009 helped the selection and exclusion process. During the literature classification, the final 33 articles were used to find the gap and future directions of social capital and SMEs. The results revealed literature on the methodology of the studies, Social capital and SME performance, innovation, and marketing capabilities and CSR-SME relationship. The systematic review recommends that future research may focus more on mixed methodology, the direct relationship between social capital and SME performance in less available research areas, the link between dynamic capabilities (innovation, marketing) of SMEs, social capital CSR-SME relationship, social capital, and family SMEs to remove the existing gaps in the available literature.*

**Keywords:** Scopus database, SME performance, Social capital, Systematic review, PRISMA framework,

**JEL Classification:** D70, Z13

### I. INTRODUCTION

Social capital is one of the most significant values maintaining the cohesion of society. It is well evident that without social capital, it is impossible to function SME organizations, specifically in the era of economic globalization. Social capital is the most influential concept of social behavior (Lin, 2017; Lin, et al. 2016; Kuruppuge, et al. 2017). The concept of Social capital first appeared in a book published in 1916 in the United States (Hanifan, 1916). Bourdieu (1983) defined the term 'social capital' as the "combination of actual and potential resources with a durable network of the relationship of mutual acquisition and recognition."

Social capital is a vital resource that provides access to other resources. It is classified into two major categories as bonding and bridging social capital. The bonding social capital is the relationship between known people such as family and friends, which provide consistent access to resources. Bridging social capital refers to the relationship between diverse groups or backgrounds such as firms or organizations. Generally, social capital is a positive phenomenon, and the reasons for weaknesses of social capital are deficiencies in social trust (Herreros and Criado, 2008), weakness of the civil society (Dąbrowski, 2014), low level of transparency and

inclusiveness in the society (Sułkowski, 2017). Many research studies have been conducted to study the relationship between social capital and SME performance. The characteristics of SMEs include the lower degree of formalization of organizational structures, cultures, strategies, as well as less bureaucratic and more personal organizational ties compared to large organizations (Bogáth, 2017; Zaridis and Mousiolis, 2014).

Recently, there is growing attention of scholars on Social capital and SMEs as the survivability of SMEs in the economic competition is largely questioned. Specifically, the critical issue in the SME sector is a large number of SMEs are closed down within a very shorter period of business commencement due to the many reasons (Prasanna et al. 2019; Shihadeh, et al. 2019; Jayasundara, et al. 2019). As Noe (2017) noted firms in the globalization era face three competitive challenges – global challenges, sustainability challenges, and technological challenges. Several recent studies have identified the poor performance of SMEs in facing challenges due to resource constraints. Thus, social capital derived from social networks acts as one of the critical resources that a firm can develop to enhance its competitive advantage (Chrisholm and Nielsen, 2009). The past literature evidence suggests the direct influence of marketing capabilities, innovation capabilities (Rubera and Kirca, 2012), and social capital on firm performance. However, the literature on social capital and SMEs' performance remains less discussed in the literature. The innovation and marketing practices among SMEs should be examined in the context of social capital further to enhance SMEs' performance. Thus, it is high time to review the state of knowledge in the field of social capital and SME performance as it is reported as less focus area in the literature.

The social capital and international success, CSR-SME relationships are some of the significant areas discussed by many scholars. The concept of internationalization mostly links with the multinational corporations than the SMEs (Gamage. et al. 2020). Recently, the firms' international success has become an increasingly important area for SMEs through connections and networking at home and abroad. In the internationalization studies, social capital has been treated as a significant concept as it embedded a network of people. The Corporate Social Responsibility (CSR) is widely investigated, but still, a generally accepted theoretical framework does not exist when compared to the social capital and SMEs. Thus, there is an existing gap of knowledge on the internationalization of SMEs and CSR-SMEs relationships to be explored by future scholars. There is only very limited available literature on social capital and family SMEs. Most of the scholars discussed on internationalization of family SMEs. The family SMEs are one of an emerging type of SMEs which has a gap within the existing literature.

Given this background, there are clear research (or knowledge) gaps in the available literature to be discovered by future scholars on the relationship between social capital and SMEs' performance. The present study aims to review the available documentation on social capital and SMEs and investigate future directions for the scholars. Thus, the research question is, "What are the lacking areas to be discussed under the topic of social capital and SMEs?" The study identifies the under-discussed area of social capital and SME. Most investigations focus on the impact of social capital and SMEs' performance. The study reviews the social capital and SME articles published in the period from 1999 to 2020 for identifying the knowledge gaps and future directions of social capital and SME researchers. In order to achieve the aim of this study, a quality screening process was conducted using the PRISMA statement as the first step of the study. After the data inclusion and exclusion process, descriptive analysis and literature classification carried out, followed by presenting a conclusion and making recommendations for future directions.

## II. THE ECONOMIC MECHANISM OF SOCIAL CAPITAL

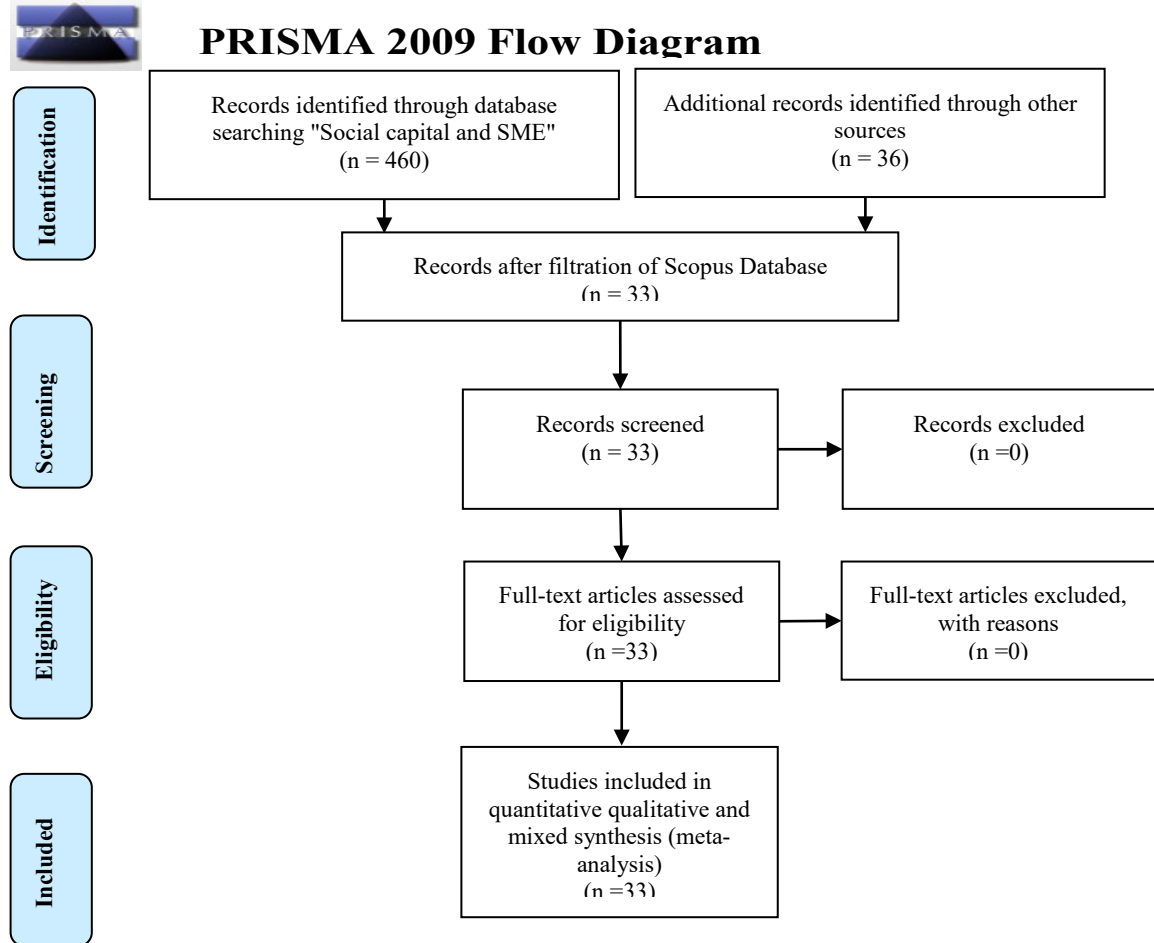
Social capital has become one of the most significant and influential concepts which identify the social behaviour of the different strata of people (Lin, 2017). The term social capital simply defines as value embedded in the social relationships of people (Payne et al., 2011). Many of the scholars have discussed the social capital and the SME performance (Easmon et al., 2019; Boohene et al., 2019; Ciambotti and Palazzi, 2015; Clarke et al., 2016; Marjański et al., 2019; etc.). The evidence from the existing literature on social capital and SME revealed that the studies have largely focused their attention on the economic impact of social capital on SME performance (Marjański et al., 2019; Meng et al, 2016) indicating its contribution reduce the transaction cost, enhance collective actions, and create learning. As indicated by Janssens (2007), community propensity to engage collective action, informal resource exchange, reduction transaction and monetary cost, and knowledge and information sharing have been recognized as four areas that establish the link between social capital and economic performance of SMEs. The application of social theory comprised of social ties, social interactions, trust and reciprocity (Pratono, 2018). Social capital influences on the efficiency of the firm with ability of the increase the profitability and growth which attributes with better communication in business, efficient collective actions, improved stock management, and better access to resources, enhancing reduction of transaction costs (Meng et al, 2016; Adler & Kwon, 2002; Hansen, 1999; Leana & Van Buren, 1999; Nahapiet & Ghoshal, 1998).

Thus, it can be concluded that previous scholars observed the impact of social capital on SME performance with the areas such as knowledge sharing, greater coherence of action, low transaction cost, value creation, career success, job search, good supplier relationship, inter-unit resource exchange, product innovation, and reduced turnover rates (Nahapiet & Ghoshal, 1998; Tsai & Ghoshal, 1998; Zheng, 2010).

Generally, the social capital of a country has been used with the aim of creating, share and transfer knowledge and information within the different organizations for achieving the effectiveness and competitiveness. According to Sandefur and Laumann (1998), the main benefit of social capital is the information in terms of quality, relevance and timeliness. Specifically, the new and innovative ideas in the business field can be able to promote the better use of social capital (Faccin et al., 2017).

**III. THE METHODOLOGY**

This review addresses the overview of existing literature on social capital and SMEs enabling to identify future research directions. In this connection, the study employed a method of Systematic Literature Review (SLR). The PRISMA statement evaluated the reporting of the review paper. The term social capital plays a significant role in the SMEs’ research studies, globally. The eligibility and inclusion of articles are a concern for the most significant and absolute way to purify the study’s best possible materials. The keywords, social capital, and SMEs were searched in the Scopus database, which revealed 460 articles.



**Figure 1 - The PRISMA Diagram**

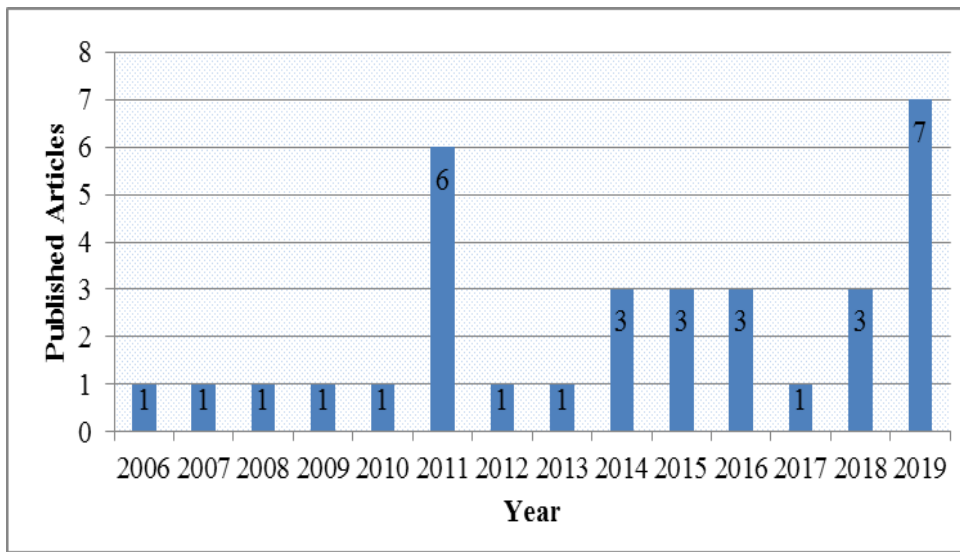
These records are limited to the years 1999 to 2020 due to the study focus on the last two decades, and only articles in the English language were chosen since they have the universal acceptability and most works were published in English. The open-access articles in the Scopus database were considered for the review. The PRISMA diagram 2009 (Figure 1) shows the selection process and rejection of the articles for the review of social capital. The data was imported to excel sheets for further assessment, and finally, 33 articles were used for the review.

The excel sheets were extended by descriptive analysis and literature classification to map the literature. The descriptive analysis identified the distribution of articles in terms of the year, the highest citations, published journals, publisher, and country for better and purified analysis of articles. The final 33 articles were used for the final process to find future directions and missing areas from research conducted from 1999 to 2020.

**IV. DESCRIPTIVE ANALYSIS**

**Year-wise Publications**

The review is limited to the years 1999 to 2020. Most articles, i.e., seven articles out of 33, have been published in the Year 2019, and six articles published in the year 2011. Social capital is a relatively old concept, which brought attention to the academic circle during 1990. However, when considering the years 1999 to 2020, the recent year 2019 has mostly discussed social capital and SME, signifying the current trend of authors on the social capital research area compared to previous years. It was also found that most studies in recent years have focused on developing countries.



**Figure 2 - Distribution of Papers by the Publication Year**

**Most cited papers**

Research publications of social capital and SME are appreciated and mentioned by other researchers in their articles. Table 1 presents the records with more citations by other researchers. The most cited paper of Social capital and SME is “Investigating stakeholder theory and social capital: CSR in large firms and SMEs” by Russo A. and Perrini F. (2010), reaching 244 citations by 2019. It indicates trends of emerging researches specifically in the areas of Social capital and CSR, Internationalization of SMEs, Social capital, and Innovations. The most cited articles employed qualitative methodology instead of quantitative methodology due to the nature of the social capital concept. Only two research papers have used quantitative methods among the seven most cited papers. Hence, it can be concluded that most scholars prefer and appreciated qualitative research results than quantitative research studies when it comes to social capital and SMEs.

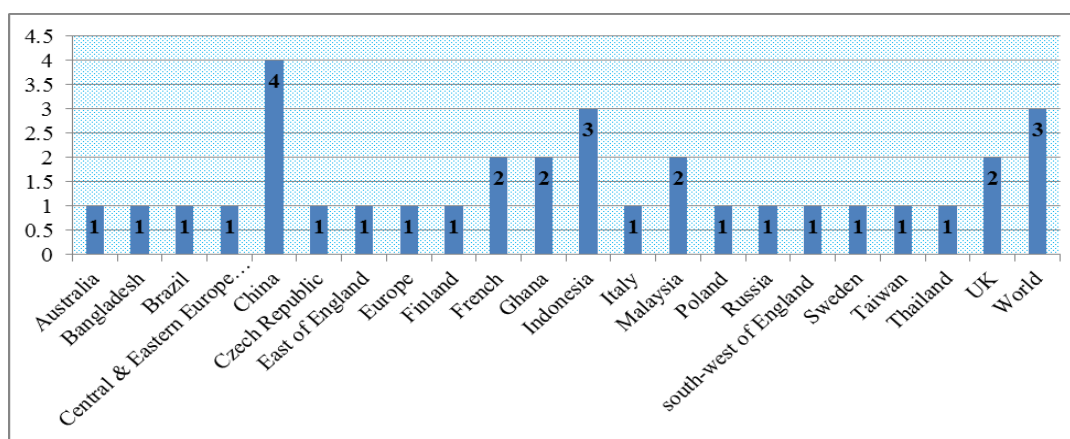
**Table 1: Distribution of Papers by Citation (Most Cited)**

Title of the Published Article	Citation	Published Year
Investigating stakeholder theory and social capital: CSR in large firms and SMEs	244	2010
Turning social capital into business: A study of the internationalization of biotech SMEs	74	2011
A relationship value perspective of social capital in networks of software SMEs	54	2008
Social capital in relation to the foreign market entry and post-entry operations of	47	2011

family SMEs		
Risk management capability building in SMEs: A social capital perspective	30	2013
Social capital and SME internationalization: An empirical examination	27	2007
Top management team social capital, exploration-based innovation, and exploitation-based innovation in SMEs	26	2014

**Country-wise Publications**

Research on social capital and SMEs have done worldwide. This review distinguished the specific countries where the works were conducted, and Figure 3 specifies the countries which published the articles. China has published the maximum number of 4 articles (by the state). The other countries which have conducted research on the subject are identified in Figure 3. Accordingly, both the developing and developed countries have focused on the research fields, social capital, and SME, but most studies were in developed countries than in developing countries. From the developing countries, only Bangladesh, Brazil, China, Ghana, Thailand, and Malaysia have focused on Social capital and SMEs. Twelve out of 33 ( more than 36%) of studies are conducted in Asia while only one comes from South Asia. The highest number of research studies focuses on developed countries, indicating a lack of research studies focused on developing countries. Therefore, it is possible to conclude that future researchers need research in the field as SMEs that are in the survival struggle due to the specific issues that the SME faces in the era of globalization and so that need for new knowledge in the field of social capital and SME performance.



**Figure 3 - Distribution of Papers by Published Countries**

**Publisher-based Records**

Figure 4 shows the publishers of the articles. Accordingly, most articles were from the Emerald group publishing Ltd, which has published six papers out of the 33 articles on social capital and SME. It also revealed that 22 papers had mentioned their publishers, while others have not indicated their publisher.

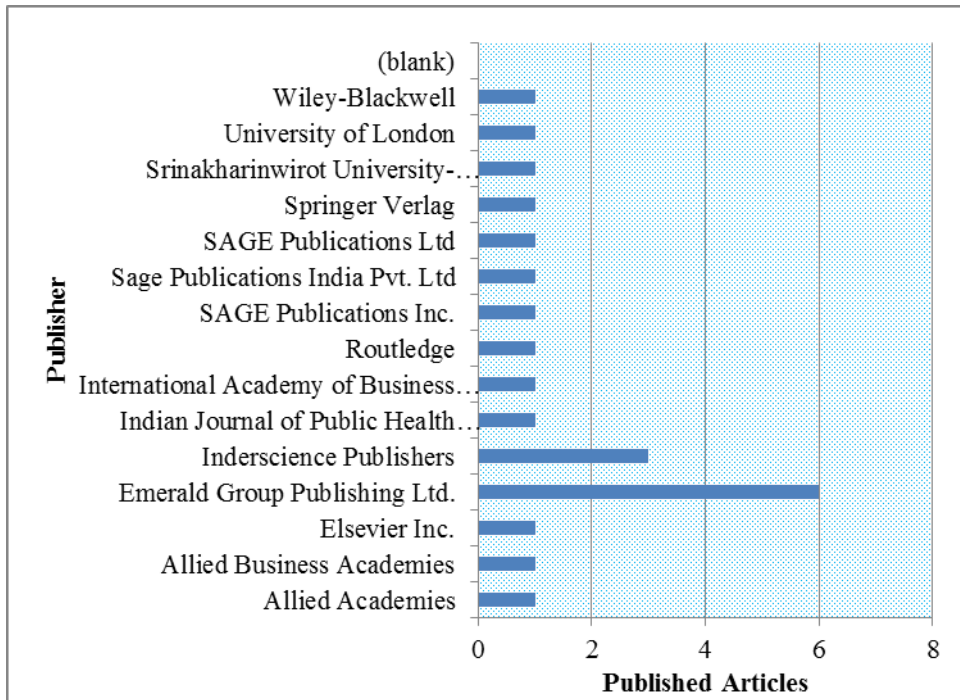


Figure 4 - Distribution of Papers by the Publisher

V. LITERATURE CLASSIFICATION

The collected literature was classified following specific findings of different scholars in each research specified in descriptive analysis. The literature classification was performed after identifying main findings with relationships, the main focus, setting (context), data analysis method, sample, and methodology in abstract. As the first step, the literature was classified based on the method of the study, as per Figure 5.

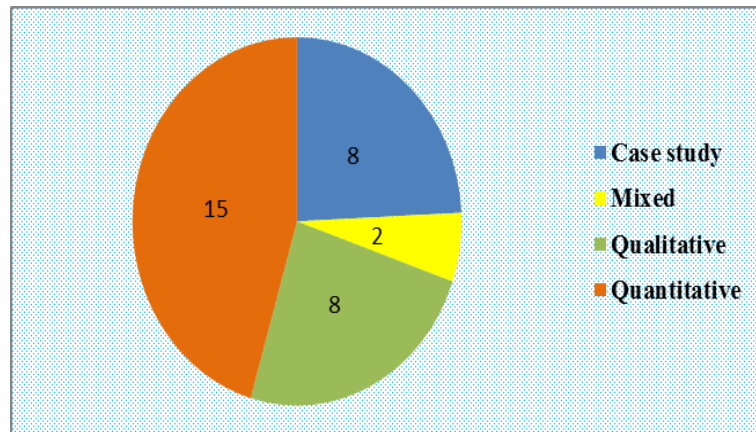


Figure 5 - Distribution of Papers based on the methodology

The research studies are based on four main types of research; quantitative, qualitative, case studies, and mixed methodology. Most studies have focused on quantitative methods, while the case study analysis and qualitative methods have eight research studies each. Both the main techniques of quantitative and qualitative have barriers in analyzing data on social capital and SMEs, and this study suggests the best-suited methodology and data analysis type that will generate the best results in the following discussion.

The main two types of quantitative and qualitative studies have strengths and limitations in data analysis. In qualitative research, it is endlessly creative and interpretive, in which the researcher smoothly writes up his or her findings. Qualitative interpretations are constructed based on the methods of content analysis, grounded theory (Glaser and Strauss, 1967), Case study analysis, thematic analysis (Braun and Clarke, 2006), or discourse analysis. Those studies can only be adequately understood if seen in the natural context. Also, for the qualitative

researcher, there is no single reality; it is subjective and exists only in reference to the observer. As the researcher is intimately involved in the situation, the scholar gains an insider’s view of the field, which allows the researcher to find issues often missed by the scientific, more positivistic inquiries (Denscombe, 2010). The qualitative studies are mostly in descriptive format hence may benefit the researcher as it examines the new knowledge unavailable in the existing literature.

The qualitative studies have limitations when compared to the quantitative analysis. Generally, the studies do not draw samples from large-scale data sets due to time and costs involved. The reviews use a single phenomenon, situations, or contexts, which is difficult for the identification of reliability and validity of the data. Quantitative studies use numeric data, measured using a unit of measurements. They aim to establish general laws of behavior and phenomenon of various contexts. These studies test a theory using hypotheses with the aim of objectivity. The studies interpreted using statistical analysis methods use statistical software (Denscombe, 2010).

According to the Carr (1994), the limitations of the quantitative studies are that the context of experiments does not happen in natural settings and does not allow participants to explain their choices or the meaning of the questions as qualitative studies. The researcher’s less knowledge on statistical analysis and the need for a large sample size may negatively affect the accurate data analysis (Denscombe, 2010).

As explained, both methods have strengths and limitations, and the mixed methodology would be more appropriate for further analysis as it will help to fill the gaps in the existing literature. As per the previous findings, only two studies have used a mixed methodology. Future research studies on social capital and SMEs should focus on mixed methodology rather solely relying on either quantitative or qualitative studies.

It was found that most quantitative analyses have used Structural Equation Modeling as it measures the latent variables of the studies. Thus, future quantitative data analysis would be more appreciated if they used Structural Equation Modeling due to its accurate measures of variables. As the qualitative analysis addresses the objective of realities, it is ideal to use qualitative data analysis, and most previous analysis on social capital and SME has used case study analysis. Thus, it is much better if future studies use another type of qualitative analysis method, i.e., Content analysis, Narrative analysis, Discourse analysis, or Grounded theory. The Content analysis method can analyze responses from interviewees, and Narrative analysis evaluates the content from various sources, such as interviews of respondents, observations from the field, or surveys.

The mixed-method serves at least two purposes such as triangulation and application orientation. The method provides the opportunity for triangulation - looking at the problem from several viewpoints - generating three more dimensional views of the object of the study. This method provides a more comprehensive understanding of the problem compared to any mono method. Further, as SME sector requires addressing pragmatic issues, it is essential not only to generate new knowledge related to one aspect of the whole issue of SME but also to look at both theoretical and practical aspects in a holistic manner

As the second step of the literature classification, the main themes on Social capital and SMEs were identified based on the literature findings of the 33 articles, which address the social capital and SME from 1999 to 2020 (Table 2). Literature classification tables have been developed to identifying future directions of social capital and SMEs based on the primary themes identified in the main findings.

**Table 2: Literature classification Themes**

Identified Theme	Key Findings	Authors
Social Capital and SME performance	-A significant positive relationship between social capital and SME performance -The relationship between social capital and SME performance will enhance by the factors of innovation capabilities, marketing capabilities, emotional intelligence, mutual trust, entrepreneurial ability, and dynamic capabilities	Easmon et al., 2019 Boohene et al., 2019 Worokinasih & Potipiroon, 2019 Alekam et al., 2018 Primadona & Emrizal, 2018 Meng et al., 2016 Pinho, 2011 Iakovleva & Kickul, 2011

<p>Innovation and Marketing Capabilities</p>	<p>-Strong mediation relationship of innovation capability with social capital and SMEs                      -The strong direct relationship between social capital and innovation                      - Innovation and market capabilities are key drivers of export performance which mediate the relationship between SC and EP                      -Marketing capabilities influence higher than the innovation</p>	<p>Wadhwa et al., 2017                      Easmon et al., 2019                      Ismail et al., 2014</p>
<p>Internationalization Success</p>	<p>-Absence of organizational-social-capital affects family-SME internationalization success heavily                      -Significance of social capital for the internationalization                      -A greater understanding of how forming international relationships in the context of pre-internationalization in SMEs                      -Both strong and weak ties tend to have a positive influence on the internationalization of SMEs</p>	<p>Tian et al., 2018                      Rieckmann et al., 2019                      Ruzzier &amp; Antoncic, 2007                      Bika &amp; Kalantaridis, 2019</p>
<p>CSR-SME relationship</p>	<p>-CSR-SME relationship will be determined with the term social capital                      -Social capital and stakeholder theory explain the relationships between CSR-SMEs</p>	<p>Russo &amp; Perrini, 2010</p>
<p>Social Capital and Family SMEs</p>	<p>-Family SMEs was a new emerged stream of the research when considering social capital and SMEs                      -Suggested Family as a source, builder, and user of social capital                      -Focus on social capital and internationalization of family SMEs</p>	<p>Bika and Kalantaridis, 2019                      Marjański et al., 2019                      Kontinen and Ojala, 2012                      Kontinen and Ojala, 2011</p>

**Social Capital & SME Performance**

As per the main findings of articles on social capital and SMEs, only very few scholars have identified the relationship between social capital and SME performance. Among the 33 articles, only 10 articles have discussed the relationship between social capital and SME performance. The previous literature findings revealed that SMEs’ social capital has the strongest influence on export performance (Easmon et al., 2019). It also evaluated the significant positive relationship between social capital and SME performance (Boohene et al., 2019; Primadona & Emrizal, 2018; Meng et al., 2016; Ismail, 2015). Most studies that reveal the relationship between social capital and SME performance take the form of quantitative methodology. There is a dearth of researchers who focus directly on the influence of social capital on SME performance. Many other influencing factors have mediated the SMEs’ performances. Previous studies have studied the factors which mediate the relationship between social capital and SME performance. Nevertheless, the research that identifies the direct impact of social capital on SMEs’ performance is limited—and this might be a future direction for scholars.

As shown in the previous studies, the relationship between social capital and SME performance was determined by the determinants of innovation capabilities, marketing capabilities, emotional intelligence, mutual trust, entrepreneurial ability, and dynamic capabilities and the factors that enhance the relationship between social capital and SME performance. The findings suggest that evaluating the direct correlation between social capital and SMEs’ performance and the determinants of SME performance might be a very interesting future direction for researchers.

SME is globally identified as an important strategic sector for promoting growth and social development with the use of social capital. The SME covers the broad area of economic activities such as agriculture, manufacturing, and service sector. Investigations on social capital and SMEs have focused on the SMEs sectors of export firms, family firms, manufacturing firms, microfinance firms, public health, IT sector, women-owned companies, food & drink manufacturers, biotech, software companies, etc. However, it is important to note that there was no single article which focuses on the agricultural sector. Besides, there is a lack of studies that focus on the tourism sector and the apparel sector. Thus, future scholars should emphasize on the less discussed SME sectors to add new knowledge to the existing literature.



## **Social Capital, Innovation, and Marketing Capabilities**

The innovation capability and marketing capability have received much theoretical attention over the past decades, considering social capital and SMEs. The innovation capability is one of the significant common themes the previous scholars discussed. Many scholars have focused on innovation capabilities regarding social capital and SMEs.

Innovation is considered as one of the most significant business aspect, which is the basis for developing new products and services, or possible modifications to existing ones (Kor & Maden, 2013). It is noted that social capital has a positive and significant relationship with innovation (Wadhwa et al., 2017). The innovative capability has a direct and positive influence on firms' performance outcomes (Easmon et al., 2019). Previous studies have revealed that the level of innovativeness in an organization is an essential determinant of organizational performance. SMEs use their social relationships and innovation abilities to achieve competitive priorities, enhancing the firms' performance. A firm's innovation capability plays a strong mediation role between social capital and the firms' performance (Easmon et al., 2019), and a theoretical link exists between human and social capital and technological innovations (Wadhwa et al., 2017). Previous works have also explored the direct relationship between social capital and innovative capabilities (Ismail et al., 2014). Innovation and market capabilities are key drivers of export performance that mediate the relationship between social capital and export performance, and marketing capabilities influence more than innovation capabilities (Easmon et al., 2019).

Although many authors have discussed the mediating relationship, the available literature is less, since only a limited number of studies have focused on innovation with the social capital and SMEs. Thus, it is suggested for future researchers to explore the specific link between social capital and innovation, innovation and SMEs' performance, mediation relationship of innovation with social capital, and SMEs for developing and developed countries using qualitative, quantitative, and mixed methodologies. These findings may be more appreciated to the existing knowledge of social capital and innovation, and the marketing capability is also a less-discussed subject.

## **Social capital & Internationalization success**

Internationalization found to be one of the three competitive challenges for any business today including SMEs. This is also referred to as the global challenge. The challenge includes the protection of the business from foreign competitors within the local market, entering the global business, and venturing to immersing markets (Noe, et al., 2013). The international success of an SME affects the presence or absence of social capital. Generally, the concept of internationalization mostly links with multinational corporations than SMEs. However, recently, the international success of a firm has become an increasingly important area for SMEs. Recent studies pay attention to maintaining the international success of firms through connections and networking at home and abroad. Social capital is treated as a significant concept in internationalization studies. Theoretically, Tian et al. (2018) understood how social capital interacts with international opportunity development in SMEs' early internationalization, and how forming international relationships work in the context of pre-internationalization in SMEs. Rieckmann et al. (2019) further illustrated that social capital is significant for internationalization and the limited awareness of SMEs' network resources. They also found that both strong and weak social network relationships positively influence the internationalization of SMEs. However, strong network relationships have a significant positive relationship with internationalization, and it is difficult to reveal the impact of weak ties on internationalization (Ruzzier & Antoncic, 2007).

However, the SMEs' development via social capital in the process of internationalization remains largely unexplored in past literature. Thus, the study reported that future researchers should consider filling this gap by investigating how SMEs should be developed via social capital to support their internationalization. As shown by Bika and Kalantaridis (2019), more studies on collectivist societies and comparison between collectivist and individualistic societies would form a crucial part of an agenda for future studies on the role of social capital in international take-off.

## **CSR-SME relationship**

The term corporate social responsibility (CSR) is one of the concepts widely investigated by different scholars linked with several concepts. Still, a generally accepted theoretical framework does not exist when compared to CSR-SME relationships, considering the social capital concept. The paper by Russo and Perrini (2010) evaluated that the CSR-SME relationship is determined by using the social concept. Based on the existing literature, it presents CSR-SME relationship could be better explained if social capital is taken into account, but

the study reported that lack of studies emphasized the stakeholder view of the SME. The study further revealed that the existing knowledge gap on CSR-SME relationship with the disability of constructing a generally acceptable model to investigate relationships. There is a lack of consensus on managerial tools and opportunities that SMEs should derive from CSR. Among the 33 research studies, CSR has been discussed by only one research. Thus, there is a lack of available literature focusing on the CSR concept. Hence, future scholars are most welcome to investigate CSR-SME relationships in the context of the social capital concept.

### **Social capital and family SMEs**

Family SMEs are one of the most common types of SMEs in developing countries. More recently, family SMEs were newly emerged stream of the research when considering social capital and SMEs. Most of the researchers have concentrated on the family SMEs' social capital due to social links. The "families" concept is one of the strong characteristics of family businesses. Thus, families SMEs are common in most of the studies conducted on social capital and SMEs. Among the 33 research studies, 4 articles have focused directly on the family SMEs (Bika and Kalantaridis, 2019; Marjański et al., 2019; Kontinen and Ojala, 2012; Kontinen and Ojala, 2011). The findings suggested that the family as a source, builder, and user of social capital (Marjański et al., 2019). Further, it revealed that Social capital is specific to each family and depends on its size, number of generations, history, culture, and a number of other conditions. Social capital of the family SMEs have identified as determinants of competitiveness of the economy (Marjański et al., 2019). Most of the studies focus on social capital and internationalization of family SMEs (Kalantaridis, 2019; Kontinen and Ojala, 2012; Kontinen and Ojala, 2011). The studies investigated the development of social capital in the international operations of family SMEs. The research on family business has focused on the importance of social capital. As per the past findings, the social capital of family SMEs limited to the strong bonding social capital and to strengthen national social capital.

The scholars have found that family firms are less likely to achieve internationalization success than the other SMEs. The past findings revealed that with the social capital, family SMEs are less likely to have networks with other SMEs. However, family-owned SMEs play key important in developing countries but have studied only a very limited extent. The previous studies it has revealed the internationalization of SMEs than the internationalization of family SMEs (Kontinen and Ojala, 2011). Thus, it would be more seems much more needed to study social capital and family SMEs in relation to internationalization. The studies can further be illustrated with the contributions of internationalization success with social capital and family SMEs. The comparative studies based on the social capital and SMEs have conducted in previous scholars and there is a need for a quantitative study as the qualitative findings have limitations of generalizing the concept. The future attention of comparison study regarding social capital and family-owned SMEs and non-family owned SMEs would provide additional knowledge on the research area.

## **VI. CONCLUSION**

Processing 33 research papers from the Scopus database on social capital and SMEs, from 1999 to 2019, revealed that most surveys on social capital and SME are based on qualitative research methodology and case study. This review analyzed research works on social capital and SME according to the publication year, citation, publishers, and country of research, with the descriptive analysis. As discussed in the literature classification, there are limitations in both principal research methodologies. The study suggests that conduct research studies based on mixed methodology is preferable, and when using the quantitative methodology, it is best to use structural equation modeling for data analysis. The survey further suggests focusing future research on the agricultural sector, the tourism sector, and the apparel sector. The literature classification recommended that social capital and SME performance, innovation, and marketing capabilities, internationalization success, CSR-SME relationship, Social capital, and family SMEs as the critical areas for future researchers to explore.

These reviews, like other studies, have limitations and research gaps. The investigation was limited only to the studies based on keywords of social capital and SME in the SCOPUS database from 1999 to 2019. Thus, future researchers are expected to conduct studies based on the identified key themes. Future researchers could also focus on review articles in other databases to reach all studies and have a complete portrait of the subject area. Most studies have identified a positive relationship between social capital and SMEs' performance. However, a gap exists in the literature in discussing social capital and SMEs, and a systematic review is further recommended for future research directions.

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