

This study adopts a strategic approach to corporate social responsibility (CSR), puts forward a model of CSR activities that enhance small and medium enterprises (SMEs) growth, and argues that by aligning CSR activities with the competitive strategy of the firm, SMEs enhance firm growth. We test this model using multinomial logistic analysis and data from a survey with 211 U.K.-based SMEs. We find that CSR activities related to the community enhance firm growth for all SMEs, but especially for firms adopting a cost leadership strategy, and that CSR activities related to the workforce are crucial to avoid sales decline, especially for SMEs adopting a differentiation or a quality-driven strategy. We also find that environment-related CSR activities are not beneficial for SMEs' growth and that human rights-related CSR activities slow growth for firms adopting a differentiation or a quality-driven strategy. Finally, we put forward managerial and policy recommendations.

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