BASE – Revista de Administração e Contabilidade da Unisinos
19(1): janeiro/março 2022
Unisinos - doi: 10.4013/base.2022.191.05
ISSN: 1984-8196

Financial Expenditures on Stakeholders in Small and Medium Enterprises (SMEs): Do Financial Conditions Matter?

Gastos Financeiros com Stakeholders em Pequenas e Médias Empresas (PMEs): As Condições Financeiras Importam?

Jose Elenilson Cruz[1]
Instituto Federal de Brasília – IFB
jose.cruz@ifb.edu.br

Rafael Barreiros Porto[2]
Universidade de Brasília – UnB
rafaelporto@unb.br

Abstract: The research seeks to answer whether small and medium-sized enterprises (SMEs) with divergent financial conditions present differences in mandatory and spontaneous spendings on three of their most relevant stakeholders (the workforce, customers, and the community). The data came from the accounting reports of 121 SMEs covering five years. We applied cluster analysis to group companies by levels of financial conditions and Kruskal-Wallis's non-parametric test to compare groups concerning levels of mandatory and spontaneous spending on stakeholders. We identified that higher financial conditions raised the expenses with the workforce (including mandatory ones) in micro and small industrial companies and in micro and medium service companies, showing that these companies recognize the importance of this stakeholder for the business. Lower financial conditions of SMEs raised spending on customers (mandatory and spontaneous) and on the community, indicating that SMEs are spending more financial resources on mistaken sales strategies and assistance toward the community actions unrelated to the business strategy. The study has implications for better targeting business investments among stakeholders under contingent conditions and Slack Resource Theory.
Keywords – Slack Resources Theory; Corporate Social Performance; Stakeholders; Small and Medium Enterprises.

---

[1] Instituto Federal de Brasília – SGAN Quadra 610, Módulos D a G – Asa Norte – CEP 72429-005– Brasília (DF) – Brasil
[2] Universidade de Brasília – Prédio FACE – Asa Norte – CEP 70910-900 – Brasília (DF) – Brasil

Financial Expenditures on Stakeholders in Small and Medium Enterprises (SMEs): Do Financial Conditions Matter?

Resumo: A pesquisa busca responder se pequenas e médias empresas (PMEs) com condições financeiras divergentes apresentam diferenças em gastos obrigatórios e espontâneos com três de seus stakeholders mais relevantes (colaboradores, clientes e comunidade). Os dados são oriundos de relatórios contábeis de 121 PMEs referentes a cinco anos. Aplicou-se análise de cluster para agrupar empresas por níveis de condições financeiras e o teste não paramétrico de Kruskal-Wallis para comparar os grupos de empresas em relação aos níveis de gastos obrigatórios e espontâneos com stakeholders. Os resultados demonstram que melhores condições financeiras aumentam os gastos com mão de obra (inclusive obrigatórios) em micro e pequenas empresas industriais e em micro e médias empresas de serviços, mostrando que essas empresas reconhecem a importância desse *stakeholder* para o negócio. PMEs com piores condições financeiras apresentam maior nível de gastos com clientes (obrigatórios e espontâneos) e com a comunidade, indicando que essas empresas estão gastando mais recursos financeiros em estratégias de vendas equivocadas e em ações comunitárias não relacionadas à estratégia de negócios. O estudo tem implicações para melhor direcionar os investimentos de negócios entre os stakeholders em condições contingentes e para a *Slack Resources Theory*.
Palavras-chave – Teoria da Folga de Recursos; Desempenho Social Corporativo; Stakeholders; Pequenas e Médias Empresas.

Introduction

Small and medium enterprises (SMEs) have considerable economic and social relevance throughout the world. With their high geographic capillarity and variety of businesses, SMEs provide dynamism to the economy and job opportunities for citizens encountering difficulties obtaining employment in large organizations, especially those without experience, with a low educational level, and at a more advanced age (Santos, 2014). SMEs may have a financial slack in some situations, allowing them to invest in sustainable business activities and social causes in subsequent years (Boso et al., 2017; Liu & Jin, 2018).

According to the slack resource theory, financial slack increases the levels of attention paid to the demands of stakeholders (Singal, 2014; Aguilera-Caracuel, Guerrero-Villegas, Vidal-Salazar, & Delgado-Márquez, 2015; Xu et al., 2015). Many studies on SMEs have investigated the effects of slack financial resources on profitability (Tognazzo, Gubitta, & Favaron, 2016), growth (Liu & Jim, 2018),

innovation (Nguyen & Chieu, 2018), and driving international commerce (Sadeghi & Biancone, 2018). But there is a gap in studies connecting slack financial resources and corporate social performance (CSP). In the field of SMEs, studies that involve CSP topics seek to relate financial slack with sustainability spending (Boso et al., 2017), social engagement (Panwar, Nybakk, Hansen, & Pinkse, 2017), and corporate social responsibility (Bnouni, 2011).

Slack resources theory and instrumental stakeholder theory constitute the extremes of the theoretical spectrum on which the studies investigating the link between CSR/CSP and corporate financial performance (CFP) are based. Advancing the studies on SMEs under the premises of slack resources theory contributes to (1) counterbalancing the range of results obtained based on assumptions of instrumental stakeholder theory, which identify effects of CSR on various measures of organizational performance (Battaglia et al., 2014; Turyakira, Venter, & Smith, 2014; Jain, Vyas, & Chalasani, 2016; Madueño, Jorge, Conesa, & Martínez-Martínez, 2016; Maldonado-Guzman, Pinzon-Castro, & Lopez-Torres, 2016); and (2) better understanding how slack resources adjusts to a highly heterogeneous organizational field in terms of company size, owner culture, policies, processes, practices, and resource capacity (Jenkins, 2006).

The operational definition of CSP represents corporate social responsibility (CSR). While the former equates to the set of economic, legal, and ethical expectations that society has of companies at a given time (Schwartz & Carroll, 2003), the latter seeks to express company actions targets toward meeting stakeholders' economic and non-economic demands (Cruz & Porto, 2016). Researchers use both constructs by a variety of metrics depending on the context of the studies. Many rely on measures available in specialized databases in publicly traded companies, such as the Corporate Sustainability Index (ISE/B3) and the MSCI KLD social index (Brower, Kashmiri, & Mahajan, 2017; Pereira, Stocker, Mascena, & Boaventura, 2020).

However, in the context of SMEs, there remains the tradition of using perception data (scales and interviews) to measure CSR/CSP (Madueño et al., 2016; Maldonado-Guzman, Pinzon-Castro, & Lopez-Torres, 2016) and, in numerous cases, to also measure CFP (Jain, Vyas, & Chalasani, 2016; Agyemang

& Ansong, 2017). Researchers justify the use of subjective measures to gauge the performance of SMEs by arguing that owners and managers, concerned with competition and other implications, are reluctant to provide objective data because these are confidential and commercially sensitive (Man, 2001; Agyemang & Ansong, 2017).

The choice and determination of the nature of the most favorable measure for corporate performance measurements should occur according to the particular circumstances of the research context (Richard, Devinney, Yip, & Johnson, 2009). Considering the numerous results obtained with subjective measures that indicate positive relationships between CFP and CSP/CSR (Bnouni, 2011; Battaglia et al., 2014; Jain, Vyas, & Chalasani, 2016), this study represents an effort to reveal results based on objective measures and is carried out with the use of accounting data.

This research measures CSP by the financial expenditures on stakeholders, which are present in the MSCI KLD index and seen in other studies (Borba, 2006; Cesar & Silva Jr., 2008; Crisóstomo, Freire, & Vasconcellos, 2011). These expenditures are objective metrics that measure the interaction between SMEs and their stakeholders to fulfill social obligations. In the Brazilian context, these obligations should include complying with the heavy labor laws imposed on companies (Souza et al., 2012), in line with the CSR concept, from Schwartz and Caroll (2003).

Thus, we classified financial expenditures on stakeholders into mandatory (carried out due to legal impositions) and spontaneous (carried out for other reasons). Based on the framework of the CSP literature, this study intends to answer whether SMEs with different financial conditions present differences in spending, mandatory and spontaneous, on the three most relevant stakeholders (the workforce, customers, and the community). The purpose is to identify whether financial conditions influence the level of financial expenditures on stakeholders in SMEs.

Theoretical Framework

Corporate Social Responsibility (CSR) and Corporate Social Performance (CSP)

Two cases that occurred in the first half of the 20th century illustrate conflicting institutional positions of the US justice system concerning the role and responsibility of companies in modern society. In the first, by 1919, Henry Ford lost a lawsuit to shareholders of the Ford Motor Company. Henry Ford postulated using profits in the company's expansion and improvements in employee working conditions. In this case, the courts reinforced the idea that the main objective of corporations is to generate profit for their shareholders, with it being their directors' responsibility to act in favor of achieving that goal (Ashley, 2019).

In the second, dating from 1953, shareholders of the A.P. Smith Manufacturing Company (a producer of hydrants and valves) lost a lawsuit in which they questioned the decision of the company's managers to donate financial resources to promote research at Princeton University (Ashley, 2019). The difference between the two cases is that in the latter, the judges favored a new interpretation over the shareholder primacy principle by recognizing the importance of the corporation and its responsibilities concerning society. The court understood that company contributions to maintaining the country's social system are appropriate for protecting corporate interests (Ashley, 2019).

Following these and other cases of a similar nature, the researchers widened the theoretical framework of CSR. Besides the fundamental theories (those of ethics, the social contract, and religious, moral conceptions), the arguments of shareholders and stakeholders' theories have permeated the discussions around CSR. Despite the numerous definitions, the concept developed by Achie B. Carroll in the 1970s and updated in the 2000s has received considerable adherence in the academic field. It includes various viewpoints on the subject. CSR, according to Carroll, covers the set of economic, legal, and ethical expectations that society has of companies at a particular time (Schwartz & Carroll, 2003).

Under this understanding, studies have emerged involving CSP – a measure of the efficiency of companies' interactions with their stakeholders – emphasizing that the management of a company's

relationships with them should be based on systems for measuring economic, social, and environmental results (Wood, 2015). Their foundations are supported by instrumental stakeholder theory, whose premises argue that the more stakeholders' demands are met, the greater the economic performance (Torelli, Balluchi &, Furlotti, 2019).

The development of this field of knowledge in the context of large corporations has enabled researchers to measure and understand CSP and explain its relationships with other organizational measures, such as cost of credit (Oikonomou, Brooks & Pavelin, 2014), workforce attraction, and performance (Zhang, Di Fan, & Zhu, 2014), competitive advantage, reputation, and customer satisfaction (Saeidi et al., 2015). Studies have adopted models for measuring CSP in SMEs, using structured questionnaires, despite still referring to the term CSR. These studies include, for example, research from different nationalities that have sought to determine relationships between socially responsible practices and measures of SME performance.

Battaglia et al. (2014) found positive and significant correlations between socially responsible practices and innovation, market participation, and access to credit in SMEs from the French and Italian fashion industry. In Spain, Madueño et al. (2016) found direct and indirect positive relationships between CSR practices and the competitive performance of SMEs. In Uganda, Turyakira, Venter and Smith (2014) identified that CSR factors positively influence SME competitiveness, while in Mexico, Maldonado-Guzman, Pinzon-Castro and Lopez-Torres (2016) evidenced that better levels of CSR improve business performance. Additionally, in India, Jain, Vyas and Chalasani (2016) found positive relationships between CSR practices and the financial performance of SMEs.

Company Financial Conditions

Financial conditions reflect a company's financial health over time and measure the resource slack and previous financial performance. Resources slack is the set of resources (human, material, and financial) that exceeds the minimum needed to produce a given level of organizational production (Singh, 1986). Companies with excess resources discretionarily use the resource slack for various

purposes, such as research, development, and innovation of products, services, and processes (Lee & Wu, 2015) and investment in CSR actions (Singal, 2014).

There are two macro-categories of resource slack: absorbed and non-absorbed (Singh, 1986). The latter, which is the one of interest in this study, refers to actual financial slack and indicates companies' level of capacity to meet their obligations (Singh, 1986). It divides into available slack and potential slack. The available slack represents the resources not yet absorbed in fulfilling the corporate objectives, measured through current liquidity (CL) and cash flow (Singh, 1986). The potential slack refers to the company's ability to attract short and long-term external financial resources (Singh, 1986; Lee & Wu, 2015). Its measures are (1) the share price to earnings ratio and (2) potential slack (PS) – the ratio between the company's net equity and total debts (Singh, 1986; Lee & Wu, 2015).

Financial performance, in turn, reflects the financial results derived from the decision taken within the scope of corporate activities, and its measures allow for comparisons of the company with itself and with other similar ones in its operating sector over time (Combs, Crook, & Shook, 2005; Teixeira & Amaro, 2013). In publicly-traded companies, accounting return and growth are measures of financial performance. The accounting return measures concern the company's profitability. Some examples are the return on assets (ROA), which measures the capacity of the assets to generate profit; the return on equity (ROE), which calculates the rate of return on the owners' capital and the return on sales (ROS), which measures the company's immediate earnings based on sales. The second category refers to the company's market share, sales variation (SV), and earnings growth (Assaf Neto, 2015; Cruz & Porto, 2016).

Legal Aspects of the Relationships between Companies and their Stakeholders

Legal obligations concerning stakeholders compose the range of a company's social responsibility (Schwartz & Caroll, 2003). The studies usually investigate these obligatory aspects of the relationships of SMEs with the workforce, customers, and the community stakeholders (Battaglia et al., 2014; Turyakira et al., 2014; Jain, Vyas, & Chalasani, 2016; Madueño et al., 2016). As part of the

workforce group, employees are those for whom companies have 48 hours after hiring them to note in their employment and social security record the conditions agreed in their employment contract (Art. 29 of Decree-Law 5,452/1943). This notation in their record enables the worker access to the social rights guaranteed by the Brazilian state, such as the minimum wage, paid vacations, working hours, protections against accidents at work, compensation for dismissal without good cause, retirement payments for the time of service, a weekly paid break, a thirteenth wage, family allowances, and an employee fund for the time of service. Moreover, companies are obliged to guarantee that their workers will receive any extras negotiated through collective labor conventions, understood to be agreements of a normative character in Brazil (Art. 611 of Decree-Law 5,452/1943).

Regarding obligations concerning customers, Brazil has a set of laws that regulates the criteria and standards of production, quality, technical specifications, guarantees, usage instructions, and safety, among others, in most areas of activity. As well as observing these aspects at specific levels of their actions, companies are obliged to comply with Law n. 8,078/1990 (Consumer Defense Code – CDC). The CDC treats consumers as the collectivity of people who, although unspecified, have engaged in consumer relations, which represents a considerable challenge for companies in terms of accompanying the life cycle of products or services (Law n. 9,078, 1990).

Among other aspects, the CDC regulates the consumer's rights, the prevention and reparation of damages, and responsibility for the effect of products and services. In CDC, the consumer is the weak link in the relationship, and it attributes to the supplier the civil responsibility for hidden flaws in goods supplied. The CDC ascribes to companies the obligation, independently of blame, to repair a product or substitute it and compensate the consumer for any damages caused by products or services due to insufficient or inadequate information about usage and risks (Law n. 8,078, 1990).

Regarding the community, the Brazilian civil code (Law n. 10,406, 2002) treats the legal aspects, the environmental legislation that addresses solid waste, and other individual legal devices within the scope of the Brazilian federal state (Law n. 12,305, 2010), and municipal public powers (Complementary Law n. 140, 2011). But usually, companies adopt practices of social causes (e.g.,

donations) spontaneously, without necessarily resorting to legal aspects (Bandeira-de-Mello, Marcon & Alberton., 2008).

Research Hypotheses

The workforce is vital regarding its capacity to increase or reduce the productivity levels of organizations (Madueño et al., 2016). In SMEs, this aspect is even more crucial given that SMEs are workforce trainers for large organizations (Silva, 1998). This competition for a qualified workforce may mean SMEs with better financial conditions seek to offer higher pay and better working conditions and benefits to keep their talents (Gasparin, 2011) than SMEs in the opposite financial situation. Regarding this aspect, we formulated hypothesis H_1:

H_1: SMEs with high financial conditions present a higher level of spending on their workforce than SMEs with worse financial conditions.

In the Brazilian industrial sector, in general, the cost of labor is higher than in the commerce and services sectors, as social obligations cover risks of work accidents, educational assistance, and contributions to institutions of interest to professional categories and the Brazilian Institute of Colonization and Agrarian Reform – INCRA (Souza et al., 2012). Furthermore, the labor legislation regulates the wage structure in Brazil, pointing out that higher salaries imply higher social charges (Souza et al., 2012). In addition, large companies pay higher salaries (Pazzello et al. 2000) and have more favorable economic and financial indicators than smaller companies (Pascoal, 2008). Thus, industrial companies with a better financial structure can pay higher wages to their workforce than those in an unfavorable financial situation. In this regard, we formulate hypothesis H_{1a}:

H_{1a}: Industrial SMEs with high financial conditions have higher mandatory spending on their workforce than industrial SMEs with worse financial conditions.

Companies' spontaneous financial expenditures on their workforce are classified into economic and non-economic (Buckley, 1989). The former includes rewards for productivity, bonuses, and profit share, while the latter provides food, medical and dental assistance, scholarships, and childcare allowance (Buckley, 1989). These initiatives are typical of companies that are more physically and financially structured and more professionalized concerning their human resources management (Leal Junior & Silva, 2006), such as the medium-sized ones in the sample of this study. In turn, companies with financial problems tend to suspend non-economic benefits and reduce or cut economic benefits, affecting workers' pay (Buckley, 1989). Thus, we formulated hypothesis H_{1b}:

H_{1b}: Medium companies with high financial conditions present a higher level of spontaneous spending on their workforce than medium companies with worse financial conditions.

Industrial firms are considerably affected by laws regulating the criteria and standards of production, quality, and safety of products (Almeida, 2013) and by the Consumer Defense Code (CDC). It is also common for these companies and commercial companies to adopt sales strategies focused on spontaneous items (bonuses, gifts, etc.) to maintain the position of their products in the retail market (Antunes & Sampaio, 2007). In this aspect, it is plausible to expect companies with better financial conditions to have a greater financial capacity to cover costs resulting from these questions, thus leading to the postulation of hypothesis H_2:

H_2: SMEs with high financial conditions present a higher level of spending on customers than SMEs with worse financial conditions.

Informality is present in several economic activities (Telles et al., 2016). Among its causes are aspects related to the State's inability to oversee broad legislation issues, including public health (Sobreira & Adissi, 2003), and cultural and family traits (Filártiga, 2007; Telles et al., 2016). If, on the

one hand, compliance with administrative and regulatory procedures, such as those relating to quality, metrology, and sanitation standards, increases operating costs (Filártiga, 2007), and those of a financial nature (Telles et al., 2016), on the other, Legal criteria related to production standards, product quality, and safety regulate the Industrial activity (Almeida, 2013) in an attempt to minimize unhealthy relationships between company-consumers. We deduce that the better the financial structure of industrial companies, the more significant the financial capacity to bear the operating costs of complying with these aspects. Thus, we formulate hypothesis H_{2a}:

H_{2a}: Industrial SMEs with high financial conditions have higher mandatory spending on customers than industrial SMEs with worse financial conditions.

Companies use bonuses, gifts, rewards, discounts, and other incentives to stimulate sales of merchandise or products (Pimentel, 2016). Industrial and wholesale companies commonly adopt these sales strategies. They widely use them as an instrument for reducing operational costs, aiming to maintain attractive and competitive prices (Antunes & Sampaio, 2007). Medium-sized companies use these sales strategies more intensely when they have better financial conditions. Under this aspect, we formulated hypothesis H_{2b}:

H_{2b}: Medium companies with high financial conditions present a higher level of spontaneous spending on customers than medium companies with worse financial conditions.

Despite the lack of evidence on the effects of Slack Resources Theory's assumptions on socially responsible actions towards the community, studies show that large companies with better financial conditions apply a higher level of financial expenses in the community's demands (Bansal, 2005; Singal, 2014). In Brazil, Paiva, Araujo, Luca and Vasconcelos, (2019) show an association between the disclosure of social and environmental responsibility practices and economic performance in SMEs that

stand out in these areas. Additionally, it is plausible that spending on community demands, as they are exclusively spontaneous, is more subject to companies' financial conditions. Thus, we formulated hypothesis H3:

H3: SMEs with better financial conditions have a higher level of spending on the community than SMEs with worse financial conditions.

Research Method

Design, Sample, and Data Collection

This comparative study takes a quantitative approach, carried out using accounting data from 121 SMEs from industry, commerce, and services sectors, located in the state of Goiás and the Federal District, Brazil, covering the period from 2011 to 2015. The size of the companies was classified based on gross revenue, following the criteria of Complementary Law n. 123/2006. There are 67 micro enterprises whose average gross revenue was equal to or less than R$ 360 thousand, and 35 small enterprises with an average gross revenueof between R$ 360 thousand and R$ 4.8 million. In addition, there are 19 firms classified as medium-sized, as they had an average gross revenue of between R$ 4.8 million and R$ 57 million.

Then, we collected data from consolidated analytical balance sheets, income statements, and balance sheets reported to the Brazilian government agencies. The sample is non-probabilistic and based on judgment as it was up to the accountants (technicians responsible for the companies' accounting in the eyes of the Federal Revenue Office) to indicate which companies under their responsibility met the research requirements. These requirements were: (1) reliability of the accounting data, that is, companies that seek to fulfill their legal obligations without subterfuge or gimmicks omitting revenues and/or expenses; and (2) the emission of official annual accounting reports from 2011 to 2015. When the accountants received the entrepreneurs' permission, they sent the reports by email to the researchers. We

ensured the data standardization by two aspects: (1) by the confirmation of the accountants of the companies that they apply the mandatory Accounting Standard CFC TG 1000 for the accounting of SMEs in Brazil; and (2) by the standardized systematization of the data carried out by the authors in a specific spreadsheet for each company. The period of collection (a receipt of reports), systematization, and tabulation lengthed ten months during 2016.

Selection of Stakeholders and Calculation of the Measures of Financial Expenditures

Based on the topics foreseen in the Ethos-Sebrae CSR indicators for micro and small enterprises (Custodio & Moya, 2013), we identified the expenses incurred by the companies relating to the workforce, customers, and the community in the content of their analytical balance sheets. In the workforce, we included the expenditures on gross payroll, health, safety and working conditions, benefits, and professional development inherent to employees, outsourced workers, interns, young apprentices, and owners-managers. In the customers, we considered spending on labeling, packaging, and usage instructions, repairing damaged products and/or services, research on customer satisfaction, gifts and promotional materials, and sales bonuses. In the community, we included spending on community entities (crèches, orphanages, neighborhood associations, churches, community centers), cultural and leisure events and local sports teams, and donations to political parties.

We systematized the values relating to the expenses for each company and year on a specific spreadsheet. We attributed zero code to the spreadsheet when the balance sheets did not present the topics or spending. Based on the conceptual CSR model (Schwartz & Carroll, 2003), we classified the expenditures into mandatory – when foreseen in the laws regarding labor (including collective labor conventions) and products and services (CDC and others) – or spontaneous – when not contemplated in law, such as those that fit into the ethical domain of the CSR. We found mandatory and spontaneous workforce and customer expenditures and only spontaneous community ones.

According to the Social Balance methodology of the Brazilian Institute of Social and Economic Analysis (IBASE), the sum of the indicator's values was divided by the net revenue in each year of analysis, obtaining relative indices. The sum of the index relating to the expenses forms the subcategories, and these compose the categories. The subcategories are mandatory workforce expenditures (Wforce-M), spontaneous workforce expenditures (Wforce-S), mandatory customer expenditures (CUST-M), and spontaneous customer expenditures (CUST-S). The categories are total spending on the workforce (Wforce), total spending on customers (CUST), spending on the community (COMM). Subsequently, we calculated the means of the period for these variables.

Measures of Financial Conditions

We measure the financial conditions of companies through measures of profitability and financial slack. The former is composed of return on sales (ROS) – gross profit divided by gross revenue; return on assets – operating profit divided by average total assets; return on asset (ROA) – operating profit divided by average total asset; and return on equity (ROE) – net income divided by average equity. The latter consists of current liquidity (CL) – current assets divided by current liabilities, and potential slack (PS) – net equity divided by current liabilities.

Grouping of the Companies by Similar Financial Conditions

Based on the (continuous) variables of financial conditions and the (categorical) variables "size" and "sector," the two-step cluster technique was applied to group the companies. We grouped into five clusters with a good cohesion and separation measure (≅ 0.7), indicating reasonable internal homogeneity and external heterogeneity (Fávero & Belfiore, 2017). We displayed the distribution of the clusters in Table 1.

Table 1.
Distribution of the clusters by sector, size, and financial conditions.

Cluster *	Nº Emp	Size			Sector			ROA**		ROE*		ROS**		CR**		PS**		Final Means***	
		Mi	S	M	I	C	S	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Profit	Fin S.
1	17	0	0	17	6	11	0	0.186	0.226	0.225	0.193	0.064	0.1009	1.93	0.872	1.24	1.465	0.158	1.59
2	29	17	12	0	29	0	0	0.182	0.225	0.319	0.237	0.185	0.1848	3.15	1.282	3.14	1.769	0.229	3.15
3	24	24	0	0	0	24	0	0.175	0.146	0.219	0.198	0.232	0.2285	3.20	1.118	2.83	1.414	0.209	3.02
4	24	0	23	1	0	14	10	0.228	0.256	0.296	0.245	0.108	0.1426	2.21	1.189	1.31	1.733	0.211	1.76
5	27	26	0	1	0	0	27	0.300	0.246	0.317	0.266	0.333	0.2517	3.05	1.457	3.43	1.744	0.317	3.24
Total	**121**	**67**	**35**	**19**	**35**	**49**	**37**	-	-	-	-	-	-	-	-	-	-	-	-

Notes: *Clusters (1 – medium industrial and commercial companies with low profitability and low financial slack, 2 – micro and small industrial companies with high profitability and moderate financial slack, 3 – commercial micro-companies with average profitability and moderate financial slack; 4 – small and medium-sized commercial and service companies with low profitability and moderate financial slack; 5 – micro and medium-sized service companies with high profitability and high financial slack). Size (Mi = micro, S = small, M = medium). Sector (I = industry; C = commercial; S = services). **Mean value relating to the period from 2011 to 2015. ***Final means of profitability and financial slack measures relating to the period from 2011 to 2015.

Classification and Characterization of the Clusters

Based on the distribution by size, sector, and final means of the profitability and resources slack measures (Table 1), we classified the clusters into different profiles of financial conditions. Cluster 1 is composed of medium industrial and commercial companies with low profitability and low financial slack, Cluster 2 of micro and small industrial companies with high profitability and moderate financial slack, Cluster 3 of commercial micro-companies with average profitability and moderate financial slack, Cluster 4 of small and medium-sized commercial and service companies with low profitability and moderate financial slack, Cluster 5 of micro and medium-sized service companies with high profitability and high financial slack.

Data Analysis Procedures

The data did not have a normal distribution (Shapiro-Wilk test; $p < 0.05$) and homogeneity of variance (Levene test; $p < 0.05$). Therefore, we applied the Kruskal-Wallis non-parametric test for k independent samples ($k > 2$), corresponding to the non-parametric one-way analysis of variance (Fávero

& Belfiore, 2017). We compared the clusters' stakeholder expenditures (Wforce-M, Wforce-S, Wforce, CUST-M, CUST-S, CUST, and COMM). The results of the Kruskal-Wallis test indicated significant differences ($p < 0.05$) in the variables for stakeholder expenditures, as Table 2 shows.

Table 2.
Results of the Kruskal-Wallis non-parametric test corresponding to the one-factor ANOVA of the sample studied.

Fixed Factor (Independent Variable)	Dependent Variables							
	Statistic	**Wforce-M**	**Wforce-S**	**Wforce**	**CUST-M**	**CUST-S**	**CUST**	**COMM**
Clusters	Chi-Squared	23.006	17.785	23.194	27.538	18.111	30.712	20.639
	Degree Freedom	4	4	4	4	4	4	4
	Level Signific.	0.000	0.001	0.000	0.000	0.001	0.000	0.000

Results and Discussion

Table 3 shows the average ranks of the stakeholder expenditure variables calculated by the Kruskal-Wallis test for each cluster. The significance levels in Table 2 for each variable point to significant differences between the clusters but do not indicate where these differences are. The pairwise comparison of the clusters provides the answers, as presented and discussed in the following subsection.

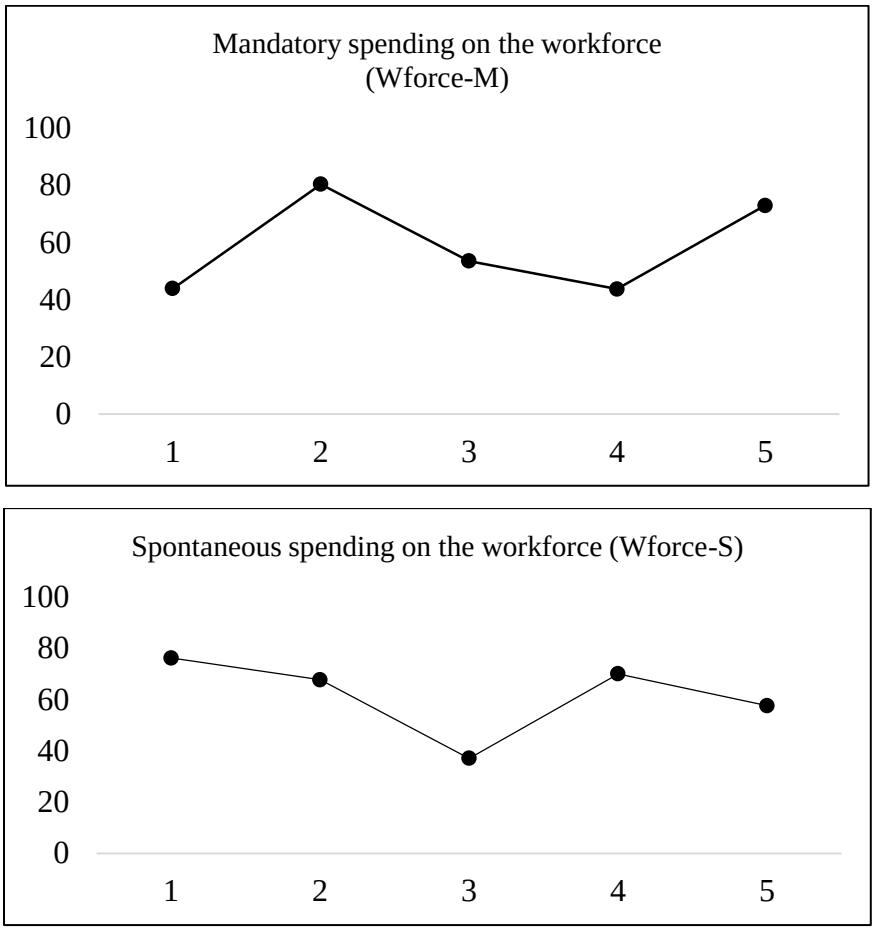
Table 3.
Average ranks relating to the stakeholder expenditure variables by cluster.

Cluster*	Wforce-M	Wforce-S	Wforce	CUST-M	CUST-S	CUST	COMM
1	43.88	76.18	44.71	82.35	86.59	95.89	73.47
2	80.41	67.69	80.41	52.34	54.86	51.79	55.98
3	53.50	37.04	52.67	59.42	52.35	51.52	49.5
4	43.71	70.00	43.44	70.29	64.12	68.04	75.06
5	72.96	57.56	73.33	50.00	56.39	51.09	56.26

Notes: A higher rank value indicates a higher level of spending on the variable. *Clusters (1 – medium industrial and commercial companies with low profitability and low financial slack, 2 – micro and small industrial companies with high profitability and moderate financial slack, 3 – commercial micro-companies with average profitability and moderate financial slack; 4 – small and medium-sized commercial and service companies with low profitability and moderate financial slack; 5 – micro and medium-sized service companies with high profitability and high financial slack). Size (Mi = micro, S = small, M = medium). Sector (I = industry; C = commercial; S = services).

Comparison of the Average Ranks of Stakeholder Expenditures of the Clusters

Figure 1 shows the averaged stakeholder expenditure variables ranks presented by cluster. It describes the results of the Kruskal-Wallis tests obtained in the pairwise comparisons of the clusters at the levels of significance adjusted by the Bonferroni correction (Hair Jr. et al., 2009). We discussed these results and their implications based on established hypotheses 1 to 3.



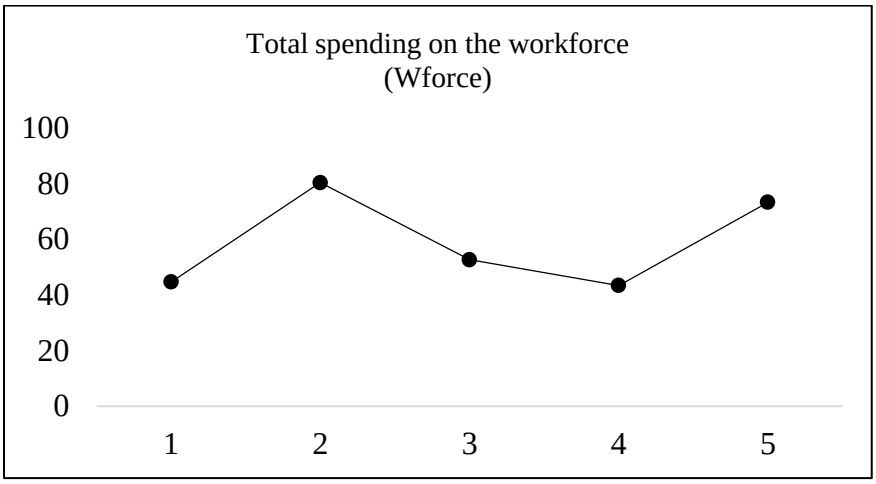


Figure 1. Average rank of mandatory, spontaneous, and total spending on the work force by cluster
Notes: Y axis = in average ranks of expenditures; X axis = clusters.

In relation to the total spending on the work force (Wforce) (Figure 1), significant differences are verified between four pairs of clusters: a) 1 and 2 (X2 = -35708; $p < 0.05$), b) 2 and 3 (X2 = 27,747; $p < 0.05$), c) 2 and 4 (X2 = 36.872; $p < 0.05$), and d) 4 and 5 (X2 = -29,792; $p < 0.05$). Regarding mandatory work force expenditures (Wforce-M) (Figure 1), there are significant differences between three pairs of clusters: a) 1 and 2 (X2 = - 36.531; $p < 0.01$), b) 2 and 4 (X2 = 36.705; $p < 0.01$), and c) 4 and 5 (X2 = -29,255; $p < 0.05$). These results show that micro and small industrial companies (Cluster 2) and micro and medium service companies (Cluster 5), with higher profitability and moderate financial slack, compared to medium industrial and commercial companies with low profitability and low financial slack (Cluster 1) and small and medium commercial and service companies with low profitability and moderate financial slack (Cluster 4), apply a greater volume of expenses to meet the demands of their workforce, including mandatory ones, corroborating hypotheses 1.

Despite cluster 1 not being formed only of industrial companies, evidence indicates the acceptance of hypothesis 1a. Altogether, these results confirm the premises of the slack resources theory, signaling that SMEs, when endowed with higher financial conditions, pay higher official salaries to their workforce, even if this implies higher mandatory social charges (Souza et al., 2012). It is relevant

evidence for the context of SMEs, given that the workforce is the stakeholder with the most significant potential to increase or reduce productivity in small businesses (Madueño et al., 2016).

For the spontaneous workforce expenditures (Wforce-S) (Figure 1), the significant differences are between clusters 1 and 3 (X2 = 39.135; $p < 0.01$), 2 and 3 (X2 = 30.648; $p < 0.05$), and 3 and 4 (X2 = - 32,958; $p < 0.01$). In this case, medium industrial and commercial companies with low profitability and low financial slack (Cluster 1) have a higher level of spontaneous expenses with the workforce than other companies with high financial conditions, which leads to the rejection of hypothesis 2. So, this result does not corroborate the premises of slack resources theory. It is likely that SMEs in the worst financial difficulties pay only the mandatory base salary of the category and complement the remuneration of the workforce with other spontaneous elements, such as productivity bonuses, food assistance, and allowance for studies. Given these, they do not make the mandatory social labor charges more expensive (Souza et al., 2012).

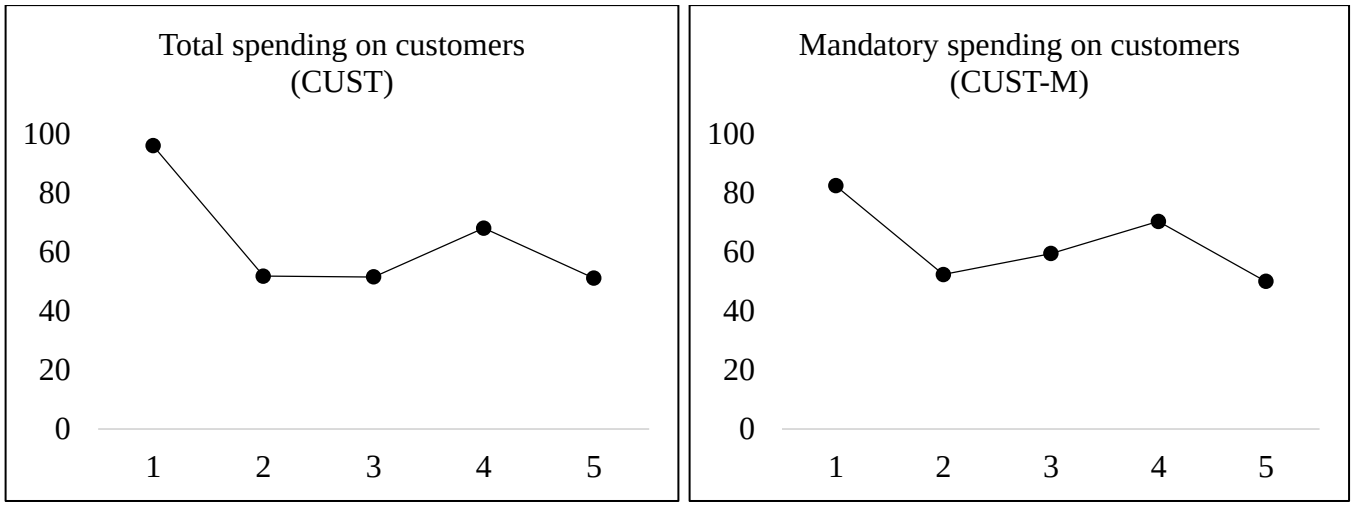


Figure 2. Average rank of total spending on customers and mandatory spending on customers by cluster
Notes: Y axis = in average ranks of expenditures; X axis = clusters.

Concerning the total customer (CUST) and mandatory customer (CUST-M) expenditures (Figure 2), there are significant differences between clusters. In the former the differences are found between clusters 1 and 2 (X2 = 44.089; p < 0.01), 1 and 3 (X2 = 44,362; p < 0.01), 1 and 4 (X2 = 27,841; p < 0.05), and 1 and 5 (X2 = 44,790; p < 0.01); in the latter the differences are between clusters 1 and 2 (X2 = 30.008; p < 0.01), 1 and 3 (X2 = 23.936; p < 0.05), 1 and 5 (X2 = 32.353; p < 0.01), and 4 and 5 (X2 = 20,292; p < 0.05). In both cases, micro and small industrial companies with high profitability and moderate financial slack (Cluster 2) have a significantly lower level of expenditure than medium industrial and commercial companies with low profitability and low financial slack (Cluster 1). These results lead to the rejection of hypotheses 2 and 2a, refuting the premises of slack resources theory. They indicate that if the cost of complying with product legislation (criteria and standards of production, quality, product safety, etc.) is the same for both clusters of companies, this cost weighs more for companies in the worst financial conditions, which ones cannot properly adequately transfer it to the sale price of the products. Perhaps, the solution to this imbalance is the creation of technical and financial incentives in the context of governance of SME supply chains to reward those that, even in the worst financial conditions, meet the legal requirements of product quality and safety, and punish those do not comply, as seen in Agrisystems supply chains (Henson, Masakure, & Boselie, 2005).

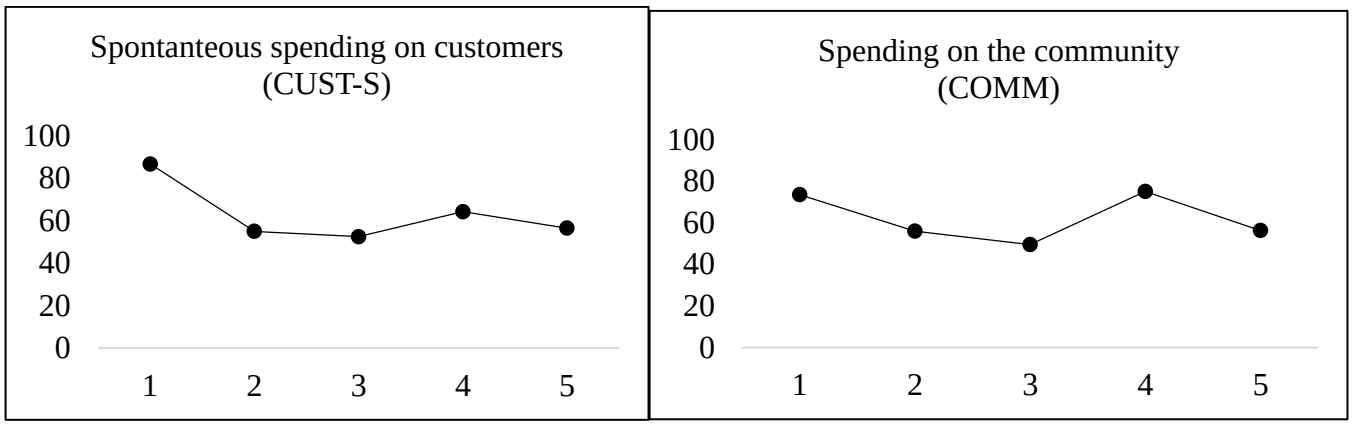


Figure 3. Average rank of spontaneous spending on customers (CUST-S) and spending on the community by cluster
Notes: Y axis = average ranks of expenses; X axis = clusters.

Comparing the average rank of spontaneous customer expenditures (CUST-S) between the clusters (Figure 3), significant differences are identified between clusters 1 and 2 (X2 = 31.726; $p < 0.01$), 1 and 3 (X2 = 34,234; $p < 0.01$), and 1 and 5 (X2 = 30.199; $p < 0.01$). Medium industrial and commercial companies with low profitability and low financial slack (Cluster 1) spend the most financial resources on meeting the spontaneous demands of customers compared to micro and medium service companies with high profitability and high financial slack (Cluster 5). This result leads to the rejection of hypothesis 2b and the refutation of the premises of slack resources theory. Despite spontaneous customer expenses (bonuses, gifts, rewards, prizes, discounts, etc.) stimuli sales increases (Pimentel, 2016), the result shows that these sales strategies may compromise companies' financial health. It indicates the need for managers to rethink their spontaneous expenses with customers and add new marketing elements to their sales strategies.

Analyzing the average rank of community expenditures (Figure 3), the clusters that differ significantly between each other are 1 and 3 (X2 = -23,971; $p < 0.05$), 4 and 2 (X2 = -19,080; $p < 0.05$), and 4 and 3 (X2 = -25562; $p < 0.01$). Considering that the highest spending levels are from medium industrial and commercial companies with low profitability and low financial slack (Cluster 1) and small and medium commercial and services companies with low profitability and moderate financial slack (Cluster4), there is evidence for rejection for hypothesis 3. It is possible that SMEs in financial difficulties, concerned with maintaining their reputation in the local community, are directing financial resources in an assistentialist way (Passador, 2002). I also mean that meeting community demands is not following the business strategy (Porter & Krammer, 2006), which does not return economic benefits (Singal, 2014). In this case, SMEs must identify other community action fronts that better dialogue with their business, including them in their strategic planning.

Concluding Remarks

This study adds new results, anchored in countable data, to the traditional literature, formed by studies with subjective data that investigate relationships between corporate financial performance

(CFP) and corporate social performance (CSP)/corporate social responsibility (CSR) in the context of SMEs. The findings regarding the workforce expenditures and mandatory workforce expenditure confirm hypotheses 1 and 1a, corroborating and extending the premises of slack resources theory to the context of SMEs. On the other hand, the results regarding the workforce spontaneous expenditures led to the rejection of hypothesis 1b. Similar results occurred concerning total, mandatory and spontaneous spending with clients, and spontaneous expenses with the community, leading to the rejection of hypotheses 2, 2a, 2b, and 3.

Despite the low number of medium companies and the non-inclusion of other measures of financial slack, the results widen the existing findings that report financial slack with SME performance and add new evidence, from the perspective of slack resources theory to the field of CSP in SMEs. Given the classification of clusters in the profitability and financial slack, there are indications that it is the previous level of profitability responsible for the more significant application of financial resources in the demands of stakeholders and not previous level of slack resources. We suggest that future studies address the results related to SMEs in financial difficulties.

We advise: 1) to the possible complementation of the mandatory base salary of the workforce with spontaneous remuneration elements that they do not increase the social labor charges (resulting from hypothesis 1a); 2) the researchers to reveal the adoption of strategies to offset costs arising from compliance with product legislation (resulting from hypothesis 1b); 3) why sales strategies focused on product bonuses, gifts, discounts and other economic rewards to customers may not be suitable for SMEs in financial difficulties and identify which sales strategies are best suited to get companies out of this situation; and 4) the researchers to identify whether it is the concern with the reputation or the philanthropic character of the owner that has led SMEs in financial difficulties to spend financial resources with community demands not related to the business objectives (result from hypothesis 3).

References

Aguilera-Caracuel, J., Guerrero-Villegas, J., Vidal-Salazar, M. D., & Delgado-Márquez, B. L. (2015). International cultural diversification and corporate social performance in multinational enterprises: the role of slack financial resources. *Management International Review*, *55*(3), 323-353. https://doi.org/10.1007/s11575-014-0225-4

Agyemang, O. S., & Ansong, A. (2017). Corporate social responsibility and firm performance of Ghanaian SMEs. *Journal of Global Responsibility*, *8*(1), 47-62. https://doi.org/10.1108/JGR-03-2016-0007

Almeida, G. de G. (2013). *Estudo comparativo da legislação aplicável à cadeia de produção de leite e lacticínios em Portugal e no Brasil*. Lisboa, Portugal, Dissertação de Mestrado. Universidade Técnica de Lisboa, 164 p. Available at: https://www.repository.utl.pt/handle/10400.5/5994

Antunes, J., & Sampaio, V. D. C. A. (2007). Bonificações no setor de varejo: receita ou redução de custos? *ABCustos*, *2*(1), 42-56. https://revista.abcustos.org.br/abcustos/article/view/13

Ashley, P. A. (coord.) (2019). *Ética, responsabilidade social e sustentabilidade nos negócios:* (des)construindo limites e possibilidades. São Paulo: Saraiva.

Assaf Neto, A. (2015). *Estrutura e análise de balanços: um enfoque econômico-financeiro*. 11. ed. São Paulo: Atlas.

Bandeira-de-Mello, R., Marcon, R., & Alberton, A. (2008). Drivers of discretionary firm donations in Brazil. *Brazilian Administration Review*, *5*(4), 275-288. https://doi.org/10.1590/S1807-76922008000400003

Bansal, P. (2005). Evolving sustainably: a longitudinal study of corporate sustainable development. *Strategic Management Journal*, 26(3), 197-218. https://doi.org/10.1002/smj.441

Battaglia, M., Testa, F., Bianchi, L., Iraldo, F., & Frey, M. (2014). Corporate social responsibility and competitiveness within SMEs of the fashion industry: evidence from Italy and France. *Sustainability*, *6*(2), 872-893. https://doi.org/10.3390/su6020872

Bnouni, I. (2011). Corporate social responsibility (CSR) and financial performance (FP): case of French SMEs. In: International Council for Small Business (ICSB). *Proceedings…* Washington, United States. Available at: https://www.researchgate.net/profile/Imene-Bnouni-2/publication/321609261_Corporate_Social_Responsibility_CSR_and_Financial_Performance_FP_Case_of_French_SEM's/links/5f575d3292851c250b9d0bb1/Corporate-Social-Responsibility-CSR-and-Financial-Performance-FP-Case-of-French-SEMs.pdf

Borba, P. R. F (2006). Relação entre desempenho social corporativo e desempenho financeiro de empresas no Brasil. In*:* Encontro Nacional da ANPAD (EnANPAD), 30, Salvador, 2006. *Proceedings*... Salvador. Available at: http://anpad.org.br/abrir_pdf.php?e=NTc4OQ

Boso, N., Danso, A., Leonidou, C., Uddin, M., Adeola, O., & Hultman, M. (2017). Does financial resource slack drive sustainability expenditure in developing economy small and medium-sized enterprises? *Journal of Business Research*, *80*(11), 247-256. https://doi.org/10.1016/j.jbusres.2017.06.016

Brasil. Presidência da República. (1943). Decreto-Lei n. 5.452, de 01 de maio de 1943. Brasília. Available from: http://www.planalto.gov.br/ccivil_03/decreto-lei/del5452.htm. Access on March, 11, 2015.

Brasil. Presidência da República. (1981). Lei n. 6.938, de 31 de agosto de 1981. Brasília. Available from: http://www.planalto.gov.br/ccivil_03/leis/l6938.htm. Access on Nov., 13, 2021.

Brasil. Presidência da República. (1990). Lei nº 8078, de 11 de setembro de 1990. Brasília. Available from: http://www.planalto.gov.br/ccivil_03/leis/l8078.htm. Acessed on March 13, 2017.

Brasil. Presidência da República. (2002). Lei n. 10.406, de 10 de janeiro de 2002. Brasília. Available from: http://www.planalto.gov.br/ccivil_03/leis/2002/L10406compilada.htm. Access on Nov., 13, 2021.

Brasil. Presidência da República. (2006). Lei complementar n. 123, de 14 de dezembro de 2006. Brasília. Available from: http://www.planalto.gov.br/ccivil_03/leis/lcp/lcp123.htm. Access on May, 05, 2015.

Brasil. Presidência da República. (2010). Lei n. 12.305, de 2 de agosto de 2010. Brasília. Available from: http://www.planalto.gov.br/ccivil_03/_ato2007-2010/2010/lei/l12305.htm. Access on Nov., 13, 2021.

Brasil. Presidência da República. (2011). Lei Complementar n. 140, de 8 de dezembro de 2011. Brasília. Available from: http://www.planalto.gov.br/ccivil_03/leis/lcp/lcp140.htm. Access on Nov., 13, 2021.

Brower, J., Kashmiri, S., & Mahajan, V. (2017). Signaling virtue: does firm corporate social performance trajectory moderate the social performance–financial performance relationship? *Journal of Business Research*, *81*, 86-95. https://doi.org/10.1016/j.jbusres.2017.08.013

Buckley, P. J. (1989). Foreign direct investment by small and medium sized enterprises: the theoretical background. *Small Business Economics*, *1*(2), 89-100. https://doi.org/10.1007/BF00398627

Cesar, J. F., & Silva Jr. A. (2008). A relação entre a responsabilidade social e ambiental com o desempenho financeiro: um estudo empírico na Bovespa no período de 1999 a 2006. In: Congresso Associação Nacional dos Programas de Pós-Graduação em Ciências Contábeis (APCONT), 2, Salvador, 2008. *Proceedings…* Salvador. Available at: http://legado.fucape.br/_public/producao_cientifica/2/ANPCONT%20-%20Annor.pdf. Acessed on Oct., 30, 2016.

Combs, J. G.; Crook, T. R., & Shook, C. L. (2005). The dimension of organizational performance and its implications for strategic management research. In: Ketchen, D. J., & Bergh, D. D. (org.). *Research methodology in strategy and management*, 2, 259-286. San Diego: Elsevier. https://doi.org/10.1016/S1479-8387(05)02011-4

Crisóstomo, V. L., Freire, F. de S. & Vasconcellos, F. C. (2011). Corporate social responsibility, firm value and financial performance in Brazil. *Social Responsibility Journal*, *7*(2), 295-309. https://www.emerald.com/insight/content/doi/10.1108/17471111111141549/full/html

Cruz, J. E., & Porto, R. B. (2016). Desempenho social e financeiro de pequenas e médias empresas: modelo conceitual de causa e efeito. *Revista Ibero Americana de Estratégia*, *15*(2), 60-70. https://periodicos.uninove.br/riae/article/view/15646

Custodio, A. L. M. de & Moya (2013). *Indicadores Ethos-Sebrae de responsabilidade social empresarial para micro e pequenas empresas*. São Paulo: Instituto Ethos-Sebrae. Available at: https://www.ethos.org.br/wp-content/uploads/2013/07/IndicadoresEthos-Sebrae_2013_PORT.pdf. Acessed on Acessed on Oct 20, 2016.

Fávero, L. P., & Belfiore, P. (2017). *Manual de análise de dados:* estatística e modelagem multivariada com excel, spss e stata. Rio de Janeiro: Elsevier.

Filártiga, G. B. (2007). Custos de transação, instituições e a cultura da informalidade no Brasil. *Revista do BNDES*, *14*(28), 121-144.

Gasparin, G. (2011). Com baixo desemprego, pequenas e médias investem para reter talentos. Pequenas Empresas e Grandes Negócios. Portal G1, 07.01.2011. São Paulo. http://g1.globo.com/economia/pme/noticia/2011/01/com-baixo-desemprego-pequenas-e-medias-investem-para-reter-talentos.html. Acessed on March, 3, 2017.

Hair Jr., J. F., Black S. C., Babin, B. J., Anderson, R. E., & Tathan, R. L. (2009). *Análise multivariada de dados*. 6. ed. Porto Alegre: Bookman.

Henson, S., Masakure, O., & Boselie, D. (2005). Private food safety and quality standards for fresh produce exporters: the case of Hortico Agrisystems, Zimbabwe. *Food Policy*, *30*(4), 371–384. https://doi.org/10.1016/j.foodpol.2005.06.002

Jain, P., Vyas, V., & Chalasani, D. P. S. (2016). Corporate social responsibility and financial performance in SMEs: A structural equation modelling approach. *Global Business Review*, *17*(3), 630-653. https://doi.org/10.1177/0972150916630827

Jenkins. H. (2006). Small business champions for corporate social responsibility. *Journal of Business Ethics 67*(3), 241-256. https://doi.org/10.1007/s10551-006-9182-6

Leal Junior, I. C. & Silva, A. J. (2006). A implementação do sistema de benefícios espontâneos nas organizações como fator de desenvolvimento empresarial consistente: um panorama da Região Sul Fluminense. In: Simpósio de Excelência em Gestão e Tecnologia, III. Resende/RJ, 2006. *Procedings…* Resende/RJ. Available at: https://www.aedb.br/seget/arquivos/artigos06/554_Beneficios%20Espontaneos%20Seget.pdf.

Lee, C. L., & Wu, H. C. (2015). How do slack resources affect the relationship between R&D expenditures and firm performance? *R&D Management*, *46*(3), 958-978. https://doi.org/10.1111/radm.12141

Liu, X., & Jin, Z. (2018). Effects of unexpected financial slack on SMEs' diversification and growth: evidence from China. *Nankai Business Review International*, *9*(4), 500-518. https://doi.org/10.1108/NBRI-07-2017-0036

Madueño, J. H., Jorge, M. L., Conesa, I. M., & Martínez-Martínez, D. (2016). Relationship between corporate social responsibility and competitive performance in Spanish SMEs: empirical

evidence from a *stakeholders*' perspective. *BRQ Business Research Quarterly*, *19*(1), 55-72. https://doi.org/10.1016/j.brq.2015.06.002

Maldonado-Guzman, G., Pinzon-Castro, S. Y., & Lopez-Torres, G. C. (2016). Corporate social responsibility and business performance: the role of Mexican SMEs. *International Journal of Asian Social Science*, 6(10), 568-579. https://doi.org/10.18488/journal.1/2016.6.10/1.10.568.579

Man, T. W. Y. (2001). *Entrepreneurial competencies and the performance of small and medium enterprises in the Hong Kong services sector*. PhD Thesis, Hong Kong, Polytechnic University, 360 p. Retrieved on February 20, 2017, from: https://theses.lib.polyu.edu.hk/handle/200/3023.

Nguyen, T. T., & Chieu, T. D. (2018). Slack resources and innovation in Vietnamese SMEs. No. wp-2018-78. *World Institute for Development Economic Research* (UNU-WIDER).

Oikonomou, I., Brooks, C., & Pavelin, S. (2014). The effects of corporate social performance on the cost of corporate debt and credit ratings. *Financial Review*, *49*(1), 49-75. https://doi.org/10.1111/fire.12025

Paiva, L. E. B., Araujo, F. J. A., Luca, M. M. M., & Vasconcelos, A. C. (2019). Práticas de responsabilidade socioambiental e o desempenho em pequenas e médias empresas brasileiras. *Gestão & Regionalidade*, *35*(106), 86-107. https://seer.uscs.edu.br/index.php/revista_gestao/article/view/gr.v35i106.5184

Panwar, R., Nybakk, E., Hansen, E., & Pinkse, J. (2017). Does the business case matter? The effect of a perceived business case on small firms' social engagement. *Journal of Business Ethics*, *144*(3), 597-608. https://doi.org/10.1007/s10551-015-2835-6

Pascoal. R. F. C. (2008). Diferenças entre pequenas e médias empresas e grandes empresas portuguesas: uma análise empírica dos indicadores económicos e financeiros entre 2001 e 2006. Lisboa, Portugal. Dissertação de Mestrado. ISCTE, Business School. 86 p. Available at: https://repositorio.iscte-iul.pt/bitstream/10071/2629/1/TESE_Diferen%C3%A7as%20entre%20PME%20e%20GE_Ruben%20Pascoal.pdf

Passador, C. S. (2002). A responsabilidade social no Brasil: uma questão em andamento. In: Congreso Internacional del Clad Sobre la Reforma del Estado y de la Administración Pública, VII, Lisboa, 2002. *Procedings…* Lisboa. Available at: http://unpan1.un.org/intradoc/groups/public/documents/clad/clad0044201.pdf.

Pazello, E. T., Bivar, W., & Gonzaga, G. (2000). Criação e destruição de postos de trabalho por tamanho de empresa na indústria brasileira. *Pesquisa e Planejamento Econômico*, *30*(2), 259-288.

Pereira, A. F. A., Stocker, F., Mascena, K. M. C. D., & Boaventura, J. M. G. (2020). Desempenho social e desempenho financeiro em empresas brasileiras: análise da influência do disclosure. *Brazilian Business Review*, *17*(5), 540-558.

Pimentel, P. C. (2016). Uso de merchandising como ferramenta para o incremento de vendas. *PMKT on-line*, *9*(2), 73-84.

Porter, M., & Kramer, M. (2006). Estrategia y sociedad. *Harvard Business Review*, *84*(12), 42-56.

Richard, P., Devinney, T., Yip, G., & Johnson, G. (2009). Measuring organizational performance: towards methodological best practice. *Journal of Management*, *35*(3), 718-804. https://doi.org/10.1177/0149206308330560

Sadeghi, V. J., & Biancone, P. P. (2018). How micro, small and medium-sized enterprises are driven outward the superior international trade performance? A multidimensional study on Italian food sector. *Research in International Business and Finance*, *45*, 597-606. https://doi.org/10.1016/j.ribaf.2017.07.136

Saeidi, S. P., Sofian, S., Saeidi, P., Saeidi, S. P., & Saaeidi, S. A. (2015). How does corporate social responsibility contribute to firm financial performance? The mediating role of competitive advantage, reputation, and customer satisfaction. *Journal of Business Research*, *68*(2), 341-350. https://doi.org/10.1016/j.jbusres.2014.06.024

Santos, C. A. (Coord) (2014). *Pequenos negócios: desafios e perspectivas, avanços 2011-2014*. Brasília: SEBRAE, 2014, 396 p. Available at: https://bibliotecas.sebrae.com.br/chronus/ARQUIVOS_CHRONUS/bds/bds.nsf/b449b8c1b93575d03b773ffadfc757bc/$File/4508.pdf.

Schwartz, M. S., & Carroll, A. B. (2003). Corporate social responsibility: a three-domain approach. *Business Ethics Quarterly*, *13*(04), 503-530. https://www.cambridge.org/core/journals/business-ethics-quarterly/article/abs/corporate-social-responsibility-a-threedomain-approach/0655292E11AC9C9CA33ACD433417518C

Silva, A. B. (1998). *A pequena empresa na busca da excelência*. João Pessoa: Universitária.

Singal, M. (2014). Corporate social responsibility in the hospitality and tourism industry: do family control and financial condition matter? *International Journal of Hospitality Management*, *36*, 81-89. https://doi.org/10.1016/j.ijhm.2013.08.002

Singh, J. (1986). Performance slack and risk taking in organizational decision making. *Academy of Management Journal*, *29*(3), 562-585. https://doi.org/10.5465/256224

Sobreira, A. E. G., & Adissi, P. J. (2003). Agrotóxicos: falsas premissas e debates. *Revista Ciência & Saúde Coletiva*, *8*(4), 985-990. https://doi.org/10.1590/S1413-81232003000400020

Souza, A. P., Firpo, S. P., Ponczek, V. P., Zylberstajnet, E., & Ribeiro, F. G. (2012). *Custo do trabalho no Brasil:* proposta de uma nova metodologia de mensuração. Relatório Final. FGV/EESP, São Paulo/SP, Brasil, 2012. Available at: https://cmicro.fgv.br/sites/cmicro.fgv.br/files/file/Custo%20do%20Trabalho%20no%20Brasil%20-%20Relat%C3%B3rio%20Final(1).pdf on May, 20, 2015.

Teixeira, N. M. D., & Amaro, A. G. C. (2013). Avaliação do desempenho financeiro e da criação de valor: um estudo de caso. *Revista Universo Contábil*, *9*(4), 157-178. https://doi.org/10.4270/ruc.2013436

Telles, R., Rocha, J. S. L., Siqueira, J. P. L., Hourneaux Junior, F. H., & Cardoso, S. R. (2016). Formalidade ou informalidade? Análise sobre os fatores presentes na decisão do microempreendedor brasileiro. *Revista Alcance*, *23*(2), 189-213. https://doi.org/10.14210/alcance.v23n2.p189-213

Tognazzo, A., Gubitta, P., & Favaron, S. D. (2016). Does slack always affect resilience? A study of quasi-medium-sized Italian firms. *Entrepreneurship & Regional Development*, *28*(9-10), 768-790. https://doi.org/10.1080/08985626.2016.1250820

Torelli, R., Balluchi, F., & Furlotti, K. (2019). The materiality assessment and stakeholder engagement: a content analysis of sustainability reports. *Corporate Social Responsibility and Environmental Management*, *27*(2). https://doi.org/10.2139/ssrn.3433149

Turyakira, P., Venter, E., & Smith, E. (2014). The impact of corporate social responsibility factors on the competitiveness of small and medium-sized enterprises. *South African Journal of Economic and Management Sciences*, *17*(2), 157-172. https://doi.org/10.4102/sajems.v17i2.443

Wood, D. J. (2015). Corporate social performance. *Wiley Encyclopedia of Management*, *11*, 1-2. https://doi.org/10.1002/9781118785317.weom110041

Xu, E., Yang, H., Quan, J. M., & Lu, Y. (2015). Organizational slack and corporate social performance: empirical evidence from China's public firms. *Asia Pacific Journal of Management*, *32*(1), 181-198. https://doi.org/10.1007/s10490-014-9401-0

Zhang, M., Di Fan, D., & Zhu, C. J. (2014). High-performance work systems, corporate social performance and employee outcomes: exploring the missing links. *Journal of Business Ethics*, *120*(3), 423-435. https://link.springer.com/article/10.1007%2Fs10551-013-1672-8

Submetido: 31/12/2020

Aceito: 19/11/2021