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Corporate Social Responsibility as an Antecedent of Innovation, Reputation, Performance, and Competitive Success: A Multiple Mediation Analysis

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Abstract: Corporate social responsibility (CSR) facilitates increased innovation and enhanced reputation and business performance. Small and medium-sized enterprises are commonly acknowledged to be a driver of economic growth, so these firms' CSR and the competitive advantages it generates are of great interest. This study examined whether corporate managers' positive predisposition toward CSR initiatives explains their companies' level of innovation, achieved performance, competitive success, and reputation. Structural equation modeling was used to analyze a sample of 109 companies operating in Spain's Autonomous Community of Extremadura. The results confirm that companies generally have a favorable orientation toward CSR and this strategy's benefits include developing and improving firms' reputation.

Keywords: Corporate social responsibility; competitive success; innovation; performance; reputation

1. Introduction

Currently, business organizations must avoid remaining inert and instead remain constantly active as well as more innovative to achieve competitive success. In recent years, companies have begun voluntarily to integrate social, economic, and environmental concerns into their initiatives in order to contribute to sustainable economic development [1]. These socially responsible initiatives constitute a strategic option for firms, which can translate into better management and competitive success [2].

Corporate social responsibility (CSR) is a mechanism that facilitates innovation [3,4] and better performance [5,6] and that can also determine and enhance companies' reputation [7,8]. The synergy between CSR and innovation is manifested by both being strategic elements of competitiveness. Various researchers have confirmed that CSR has a direct positive influence on innovation [9,10]. Other authors have pointed out that companies implementing socially responsible strategies are more inclined to innovate [11]. In addition, CSR practices can generate positive performance [12–14], thereby improving firms' growth. The relationship between CSR and financial performance, in particular, depends on various factors such as companies' sector of activity sector, geographical context, and size [15]. Concurrently, small and medium-sized enterprises (SMEs) that engage in socially responsible practices are able to improve their reputation [16].

These factors all have a positive effect on local sustainable development and corporate social initiatives [17], which function as clear determinants of sustainability. For this reason, companies are

currently more consciously and actively rethinking their business management strategies in terms of CSR and sustainability [18]. This includes paying attention to business operations' ability to generate wealth and employment without neglecting company activities' impacts on society [19].

Although large companies are clearly focused on CSR [20–22], researchers must also consider SMEs' role as a driver of regional economic growth and generation of value [1,23]. In recent years, significantly more SMEs have been adopting CSR strategies [7,24,25]. However, these companies are characterized by a minimal distinction between management and ownership, and entrepreneurs must often fill multitasking positions and solve problems arising from day to day, even as these individuals seek to develop CSR initiatives.

SMEs operating in local markets also have financial limitations and a more limited vision, as well as being under less pressure than large companies to engage in CSR, so SMEs tend to apply an informal management style to issues related to CSR strategies [26,27]. This is why researchers need to examine the links between the set of strategic variables mentioned in the existing literature on SMEs to identify the competitive advantages these companies can develop through CSR [25,28].

The present study sought to examine CSR's importance and contribution to SMEs' corporate reputation in Spain's Extremadura region by analyzing innovative and socially responsible SMEs' outcomes. In addition, this research considered CSR's effect on these firms' competitive success and performance. A structural model was analyzed and validated, thereby confirming significant links exist between CSR initiatives and the benefits that companies obtain from being socially responsible. These findings are this study's main contribution to the existing literature.

To achieve the research objectives, the current analyses concentrated on determining if company managers' predisposition to engage in CSR initiatives explains their firms' level of innovation, performance, reputation, and competitive success in the market. The research further included examining whether generating innovation and achieving good performance are determinants of companies' enhanced reputation. This study's objectives required a sample composed of a quite specific type of company with a series of behaviors previously identified in the literature as "socially responsible companies".

The theoretical framework adopted also implied a focus on a region with a specific situation regarding CSR, whose companies could thus offer distinctive responses. Extremadura is the first Spanish region in which a law was approved to promote CSR practices in companies (i.e., Law 15/2010 of December 9 on Corporate Social Responsibility in Extremadura). This law [29] embodies a constructive, nonpunitive philosophy that values the efforts of Extremadura companies capable of carrying out CSR initiatives. Extremadura businessmen and public administrators see the present international, national, and regional situation as a source of unique opportunities for firms, so research on CSR in this region could play a decisive role in guiding companies' socially responsible behaviors.

These regional trends provided the motivation to study the Extremadura's business landscape regarding CSR. The assumption was that local companies' responses to questions about the relationships in this regional context would be different from responses obtained in other contexts in which these relationships have been analyzed previously. Thus, this study sought to contribute to the literature by examining companies in a context in which CSR development is supported by the regional government's strong commitment. Notably, Extremadura has recently experienced a severe economic crisis and, despite this, has not ceased to promote regional firms' engagement in socially responsible initiatives.

To achieve the research objectives, the technique of structural equation modeling (SEM) was used to test empirically a structural model based on data collected from a sample of 109 companies in the Autonomous Community of Extremadura. The SEM analysis was carried out via a statistical technique based on observing components (i.e., partial least squares (PLS)) using SmartPLS 3.2.8 Professional Full Version software. Overall, the analysis confirmed that Extremadura companies are favorably inclined toward CSR, and they have the capacity to be socially responsible and motivation to work on expanding and improving their reputation.

This paper is structured into the following sections. The above introduction describes the theoretical framework developed based on the strategic variables that are antecedents of company reputation. The next section presents the conceptual model and hypotheses to be tested. The third section discusses the methodology. This is followed by the results, conclusions, limitations, and future lines of research.

2. Literature Review

In recent years, CSR strategies have taken a leading role at the European, national, and regional level [30,31]. The European Union (EU) has been promoting these initiatives to consolidate the knowledge economy and turns its regions into more dynamic societies with sustainable economies, more and better jobs, and greater social cohesion [30]. To achieve these objectives, the European Commission's [31] green paper on CSR emphasizes, in Article 18, "the need to promote quality and practices in the field of CSR, through the elaboration of principles, instruments, approaches and promotion of good practices and innovative ideas." Therefore, promoting CSR initiatives as an element of sustainable development that assures economic growth—especially for SMEs—is an objective approved by European public administrations and government policies.

At the international level, CSR is a strategy that has been endorsed by different international or multilateral organizations, including the United Nations, Organization for Economic Cooperation and Development (OECD), and International Labor Organization. The International Monetary Fund, World Bank, Inter-American Development Bank, and European Parliament are also important in this regard. At the national level, Spain's Congress of Deputies approved the formation of the CSR Parliamentary Subcommittee and CSR Expert Forum in 2005. The latter prepared four reports before the end of 2007, after which the forum presented proposals for how to promote and develop CSR in Spain. In 2006, the Congress of Deputies' Committee on Labor and Social Affairs published the "CSR White Paper" to continue promoting CSR in Spain. In 2011, the Sustainable Economy Law was passed, after which the "Spanish CSR Strategy 2014–2020" was approved.

At the regional level, Law 15/2010 of December 9 on CSR in Extremadura was passed to promote CSR by changing Extremadura's production model and fostering sustainable development and social and regional cohesion. In 2013, another breakthrough in CSR-related matters occurred with the creation of the CSR Regional Council and CSR Office, in addition to regulations of registration procedures, which include registering in electronic media and qualifying as a socially responsible company in Extremadura.

The main conceptual and empirical studies of the last three decades have been based on work done by Carroll [32], such as his model known as "Carroll's Pyramid", which includes social (i.e., philanthropic), ethical, legal, and economic elements. Business initiatives in all these areas must be executed simultaneously to achieve organizational and financial results. The literature includes some criticism of Carroll's [32] theory, despite this being considered a reference point in the field.

The main theoretical currents have concentrated on the overall benefits offered to business owners, while other researchers have focused on the benefits shared among all interest groups. For example, authors such as Friedman [33] and Ludescher et al. [34] have stated that business managers have only one aim: to promote their businesses' profitability. However, the literature's primary focus is on CSR practices that include social, altruistic, and philanthropic initiatives, which can lead to reduced productivity.

Some authors have asserted that CSR practices are effective business strategies that have recently become successful marketing strategies contributing benefits to company stakeholders [35,36]. In general, CSR has long been considered an efficient business strategy that penetrates every innovative organization and a key way to differentiate these from their competitors [37,38]. The most recent literature on CSR has confirmed that companies that launch CSR initiatives have become drivers of social and economic development.

CSR also helps companies strengthen their competitiveness and develop differentiation through innovation activities [39,40]. According to the OECD's [41] "Oslo Manual", innovation refers to the adoption of, improvement of, and/or significant changes in products, processes (i.e., organizational or industrial), or management of companies in order to improve business results. These manifestations of creativity have resulted in incremental, radical, and open technological innovation [42].

Although few studies have linked CSR and innovation, some theories and evidence have highlighted a relationship between the two strategies, confirming that the concepts are interdependent [38]. Larrieta-Rubín de Celis et al. [43] argue that CSR and innovation are closely related in a synergistic manner, contributing to sustainability, local socioeconomic development, and competitiveness. Gallardo-Vázquez and Sánchez-Hernández [44], and Sánchez-Hernández, Carvalho, and Paiva's [45] work has further confirmed the existence of a direct, positive relationship between CSR and innovation through competitive success. In addition, other researchers, such as Rexhepi et al. [46], have found that innovation is stimulated by companies' overall commitment to CSR.

Although competitiveness is difficult to conceptualize and measure, various authors have reported that companies that focus their resources and capabilities on higher-level initiatives achieve competitive consolidation and continuous, permanent success. These initiatives may include, among others, innovation, new technologies, sustainable development, and CSR [47–49].

To measure these variables from a CSR perspective, the present study incorporated Babbie [50] and Bisbe et al.'s [51] findings. The CSR construct has generally been divided into economic, legal, ethical, and discretionary dimensions, which were first identified by Carroll [32]. Skouloudis and Evangelinos [52] considered CSR's multidimensionality while researching the extent to which this strategy has penetrated SMEs. In parallel, Cagliano et al. [53], Prasad and Pradhan [54], and Weber [55] proposed a multidimensional measurement of competitive success. This takes into account seven variables: market share, productivity, solvency, reputation, customer and employee satisfaction, and competitiveness in terms of price, quality, and innovation. With regard to performance and reputation, these are all multidimensional, strategic factors that are often related to CSR practices and/or strategies, which strengthens companies' competitive advantages [56,57].

The current environment in which companies operate—especially SMEs—is characterized by strong competition and constant change. Thus, these firms' resources and capabilities have become important as together these attributes contribute to the creation of unique value, differentiation [48], performance improvement, and sustainable income generation [58]. In this way, companies can develop competitive advantages over their competition.

The parameters that need to be present for a company to be considered an SME have been set by the European Commission [59] as below 50 employees for small and below 250 for medium-sized enterprises. These firms' annual turnover must be less than or equal to 10 million or 50 million euros, respectively [60]. SMEs constitute 99.8% of the non-financial business economy in the EU and employ 67.1% of the workforce or two-thirds of all employment, in addition to being responsible for over 50% of value generation in the EU [60–62].

These statistics highlight SMEs' crucial contribution to the economy and explain the current interest in related research. These companies' increasing predisposition toward disclosing CSR information is worth noting, especially as, in this area, they are being guided by the Global Reporting Initiative's standards. Given that these firms have to meet certain qualitative and quantitative requirements, SMEs must assess whether their size means they have to report specific non-financial information in accordance with European Directive 95/2014 [22,63].

Business reputation is another multidimensional strategic asset that, although intangible by nature, is among the resources most valued by organizations [44]. Reputation is defined as the company image perceived by stakeholders in companies' surrounding environment. Reputation takes into account all firm initiatives and past, present, and future behaviors regarding competence, which contributes to the generation of competitive advantages that allow differentiation. Although no clear consensus [64]

has been reached on exactly what reputation means, it has been studied based on different theoretical approaches to provide a greater breadth and understanding of its meaning.

According to Melo and Garrido-Morgado [65] and Olmedo-Cifuentes et al. [66], reputation is a collective perception associated with company attributes, image, and identity. Baldarelli and Gigli [7] and Roberts and Dowling [67] observe that a good reputation is an asset that allows firms to achieve profitability and sustained performance. In addition, researchers in this field agree that reputation and social responsibility are closely related business variables [3,68].

3. Development and Justification of Hypotheses

3.1. CSR and Performance

The literature shows mixed results (i.e., positive, negative, and neutral) obtained from attempts to formulate the relationship between CSR and performance [69]. Nonetheless, in 52 primary research articles on the CSR–financial performance relationship, the authors corroborated a positive association, thereby justifying CSR’s strategic importance. More recently, Vishwanathan et al. [70] analyzed this relationship to develop further the concept of strategic CSR. The cited authors examined four mechanisms that can influence the CSR–financial performance relationship and concluded that, in each case, the mechanism explained 20% of variance. The present study thus included those mechanisms found to have a positive effect [70–72].

Performance is a variable that depends on CSR and acts as a driver of competitive advantages [73]. The literature shows that the application of CSR practices enables companies to achieve better performance and economic results of importance to interest groups, which have a positive effect on productivity and organizational competitiveness [74,75]. Hammann et al. [76] and Oliveira et al. [77] assert that interest groups are extremely important as a strategic resource for SMEs. These firms must, thus, maintain a close relationship with their environment, thereby enhancing their performance on a social level and facilitating their growth.

Studies of African companies have also provided evidence for the existence of performance improvement based on CSR practices [12]. More specifically, Tarus’s results [13] included a CSR index showing significant impacts on firm performance. Further evidence from China indicates that environmental CSR has a significantly positive effect on firm performance, which is more pronounced in highly polluting industries with stronger tangible assets and lower state ownership [14]. Other, more recent, studies have confirmed a relationship between CSR and SMEs’ business performance, with economic and social dimensions having the greatest influence on performance [78–80]. Based on these findings, the present study’s first hypothesis was formulated as follows.

Hypothesis 1 (H1). *Companies’ level of CSR is positively and directly associated with their performance.*

3.2. CSR and Competitive Success

Researchers have argued and found evidence that CSR is a tool that can be used to increase competitiveness [38,81]. Morata et al.’s [82] results indicate that CSR can be an opportunity for companies to distinguish themselves from their most direct competition. Other authors have reported that SMEs implementing CSR strategies are more competitive long-term, with benefits to all involved [83]. More recent studies have also confirmed that SMEs that adopt CSR practices achieve profitability and sustained competitive advantages [84,85].

Specifically in the government procurement contracts market, evidence has been found that implies that CSR improves firms’ competitiveness [86]. The cited study confirmed that companies with stronger CSR receive more procurement contracts, with a stronger effect detected in cases of complex contracts and competitive industries. Thus, CSR serves as a differentiation strategy while generating competitive success. Based on these results, the present study’s second hypothesis postulated that:

Hypothesis 2 (H2). *Companies' level of CSR is positively and directly associated with their competitive success.*

3.3. CSR and Innovation

Various researchers have investigated whether these two variables work together to generate competitiveness and performance. Some studies' findings have indicated that innovation activities and processes contributing to continuous improvement are aligned with and influenced by CSR practices [87,88]. In addition, authors such as Lorenz et al. [89] have affirmed that SMEs implementing CSR strategies are more innovative, which generates benefits for all involved. Other studies—for example, those by Gallardo-Vázquez et al. [1], Holmes and Smart [90], Castilla-Polo et al. [9], and Yu et al. [10]—have confirmed the existence of a direct relationship between CSR and business innovation, with CSR having a direct and positive effect on innovation. Companies that implement CSR strategies have a strong tendency to innovation [11,70], and, concurrently, firms engaging in more CSR activities show a higher capacity to innovate [91]. More recent research has indicated that large, medium, and small companies are adopting innovative business models with a sustainable, responsible approach and incorporating them into these firms' processes, products, and services, which fosters increased innovation [92,93].

A quite interesting link exists between responsible research and innovation (RRI), according to which society's welfare is pursued in the context of economic growth and competitive advantage [94–97]. RRI is based on the idea that social welfare (i.e., an objective pursued in CSR) and innovation reinforce each other, so these interconnected strategies can create business opportunities [98,99] and have a positive impact on society [100,101]. In this approach, the social and ethical issues associated with new innovations are anticipated and integrated into the innovation and design process from the beginning [102]. These findings led to the present study's third hypothesis:

Hypothesis 3 (H3). *Companies' level of CSR is positively and directly associated with their innovation.*

3.4. CSR and Reputation

Reputation and interest group theory [103] must be taken into account to measure how stakeholders in companies' environments perceive SMEs' CSR initiatives. Communicative and behavioral aspects are valued as these allow companies to generate profits, improve their performance, gain social acceptance, and foster a positive image in their surrounding environment, thereby allowing firms to achieve competitive advantages. Scholars focusing on this subject, such as Cegarra-Navarro et al. [104], pointed out that SMEs are incorporating CSR practices into their processes and thus improving their image and perceived value (i.e., reputation) among interest groups [16,70,105]. These results have—for the majority of companies and especially SMEs—generated more pressures to comply with CSR-related regulations.

Reputation is, therefore, a valuable, integral resource that is closely related to CSR [106]. Reputation represents companies' strategic potential [107] in terms of competitive success, providing an effective means by which to visualize each firm as an entity with a market value and image. Recent studies have confirmed that CSR also generates competitive potential, enhanced product value, and stronger brands, while improving companies' image and elevating their business reputation [104,108,109]. More specifically, for companies listed in financial markets, CSR can be an important strategy for improving reputation [22]. Based on the existing research, a fourth hypothesis was formulated for the present study:

Hypothesis 4 (H4). *Companies' level of CSR is positively and directly associated with their reputation.*

3.5. Competitive Success and Performance

Numerous authors and theoretical approaches have highlighted the relationship between performance and competitive success [10,48,110,111]. This link has been observed in a variety of contexts, including, among others, studies conducted in Spain by Gallardo-Vázquez et al. [1] and Madrid-Guijarro et al. [112]. Many empirical studies around the globe have directly related companies' competitive success with financial results such as increased sales, customer satisfaction, and higher levels of profitability [113,114]. When firms implement competitive strategies and define their market orientation, they need to focus on achieving gains in incremental performance over competitors, a better understanding of the competitive context, and greater success overall due to improved performance [115,116]. Based on the above findings, the present study included a fifth hypothesis:

Hypothesis 5 (H5). *The greater companies' competitive success, the higher their performance is.*

3.6. Innovation and Competitive Success

In terms of creativity and organizational innovation, numerous scholars have affirmed that innovation is a catalyst that allows businesses to achieve competitive advantages [117,118]. Through creative initiatives and sustained innovation practices, organizations can develop competitive advantages that are difficult to imitate [119,120]. SMEs, thus, can use innovation to achieve more competitive success, which should be considered not only a way to survive but also a continuous objective [121]. Competitive advantages allow companies to continue to develop, strengthen, and continuously improve their position, as well as to generate greater success, growth, and sustainability.

Other analysts have asserted that innovation allows firms to obtain advantages by offering new products and/or services that provide the possibility of increasing demand and translate into the probability of a growing market share and sales [122]. Innovation is a continuous, open process that should enhance companies' sustainability, especially when linked to corporate strategies focused on sustained growth and competitiveness [123]. Recent studies have concluded that a clear relationship exists between innovation and competitive advantages vital to firms' success and growth [124,125].

Another perspective in sustainability orientation is related to integrating management teams' behaviors as a further source of innovation. Researchers have observed that teams' new ideas can generate more innovation in the workplace overall [126], leading to greater competitive success. Innovation can be included in firms' intangible assets, so some experts consider intellectual capital to be a proxy for competitive advantage and highlight the positive attitude of interest groups toward CSR activities [10]. Based on these results, the present study postulated a sixth hypothesis:

Hypothesis 6 (H6). *The more intensive companies' innovation, the greater their competitive success is.*

3.7. Innovation and Reputation

Some indexes have been developed to measure reputation, such as Fortune Magazine's "World's Most Admired Companies", which measures reputation based on nine dimensions, among which innovation stands out as particularly important. The Spanish Corporate Reputation Monitor [127], in turn, conceptualizes reputation as a tree of eight variables, including the direction and management of innovation, and measures aspects that lead organizations to be more responsible internally and externally.

Various authors have pointed out that innovation has a close relationship with CSR and reputation [16,128]. Halme and Korpela [129] investigated SMEs' environmentally and socially responsible innovations and concluded that companies are able to create these innovations by combining different resources, among them reputation. Along the same lines, recent research has found that new product designs and production processes and customer service improvements contribute to

strengthening businesses' reputation [130,131]. The present study's seventh hypothesis reflected the above findings:

Hypothesis 7 (H7). *The more intensive companies' innovation, the stronger their reputation is.*

3.8. Performance and Reputation

Good performance based on attractiveness, trust, quality, vision, and business leadership also generates stronger reputations for organizations [66,132]. Some empirical studies have found a direct relationship between companies' tangible results and performance [133,134]. The link between these two variables could be represented in several ways. Fanasch [135] argues that individual companies' reputation has a significant positive impact on their corporate performance.

The relationships between CSR, culture, performance, and reputation have also been analyzed from employees' perspective [136]. The findings include that reputation is a strong mediator of the CSR practices and firm performance relationship. The existing literature also presents conclusions based on analyses of performance and reputation's behavior, affirming that an increase in profitability, market share, and customer satisfaction help firms achieve a better business reputation [137,138]. Given these results, the last hypothesis was formulated for the present study as follows.

Hypothesis 8 (H8). *The higher companies' performance, the stronger their reputation is.*

Based on the above literature review, a model of causal relationships was constructed, as shown in Figure 1.

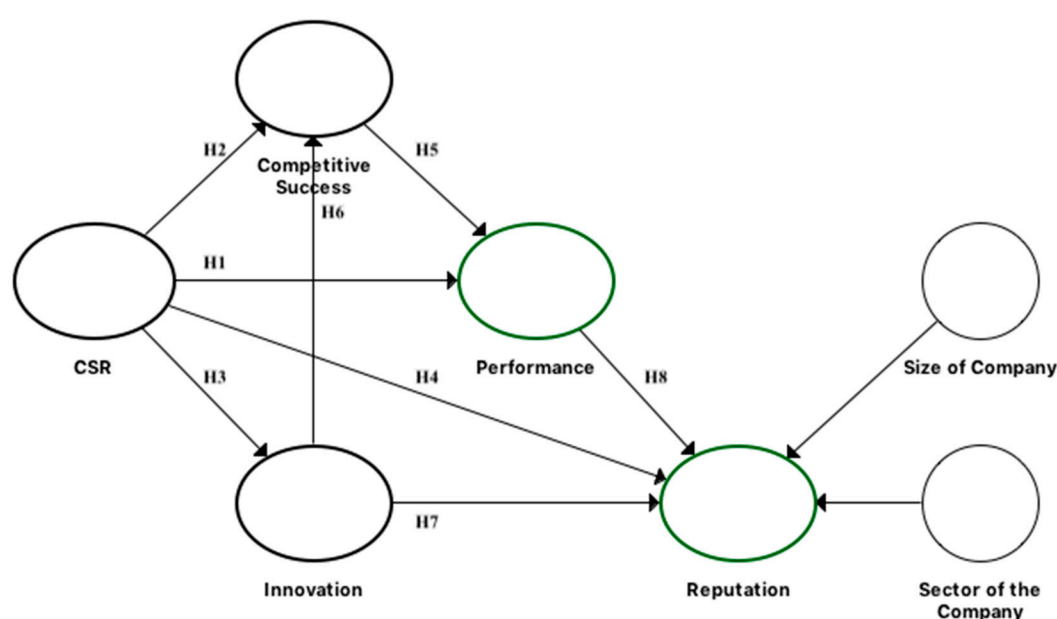


Figure 1. Causal relationships model. Source: Authors.

4. Methodology

4.1. Population, Sample, and Data Collection Techniques

As indicated previously, the present research focused on Extremadura, a region of Spain in which CSR receives strong support from the regional government. To conduct a quantitative study, the companies that participated had to be selected randomly from the microenterprises and SMEs that operate out of Extremadura and that have demonstrated CSR sensitivity and practices. The study universe was made up of companies that have implemented some CSR strategy or regularly develop

socially responsible initiatives. Some firms have already been rated “Socially Responsible Companies” by the Autonomous Community of Extremadura, whereas others are still in the evaluation phase.

The field work was carried out during March and April 2017. A total of 180 microenterprises and/or SMEs were asked to participate in the survey. The final sample was made up of 109 companies from the region’s two provinces, representing 60.55 percent of the defined study population. The present research’s technical data is shown in Table 1.

Table 1. Research data sheet.

Study Universe	180 Companies Contacted
Geographical Scope	Extremadura (Spain)
Data Collection Method	Structured questionnaire distributed to managers (in person or online)
Sample Unit	Managers
Sample	109 companies
Participation Rate	60.55%
Measurement Error	5.9%
Confidence Level	95%; $z = 1.96$; $p = q = 0.5$
Sampling Procedure	Simple random sampling
Type of Population	Finite sample

Source: Authors.

Regarding the sample’s size, Cohen’s [139] power tables and related work done by Roldán and Sánchez-Franco [140] suggest that, assuming a medium effect size with the goal of obtaining a power of 0.80 and alpha level of 0.05, a minimum sample of 76 cases would be required. Thus, the present study had the minimum number of participants necessary to test the proposed model [141,142]. The selected companies’ characteristics are summarized in Table 2.

Table 2. Relationship between company sector and number of employees in percentages.

Company Size						
		Autonomous (0 Employees)	Microenterprises (<10 Employees)	Small (10–49 Employees)	Medium (50–249 Employees)	Total
Company Sector	Primary	3.70%	3.70%	0.90%	0.00%	8.30%
	Secondary	0.90%	7.30%	4.60%	0.90%	13.70%
	Tertiary	12.80%	50.50%	11.00%	3.70%	78.00%
	Total	17.40%	61.50%	16.50%	4.60%	100.00%

Source: Authors.

To collect the data, a questionnaire was distributed to the manager or director of each company selected. This measurement instrument was divided into two sections: items gathering general data on the company and a section comprising five blocks of items. These were structured according to the scales prepared for each variable (i.e., CSR, innovation, competitive success, company performance, and reputation).

Once the questionnaire was ready, a pretest was carried out with a small number of companies to assess the questionnaire’s reliability and check that the scales measured the relevant content. The pretest was conducted to verify that the items would be interpreted properly by a group of 10 managers representing the sample’s business sectors. These respondents were not included in the final sample. The test verified that the questionnaire was realistic and that it could be understood by all the managers after small adjustments were made to the content. After these improvements, the items were considered clear and straightforward, allowing managers to respond quickly, safely, naturally, and spontaneously.

The Google Forms application was used to collect the data. For the pretest, the person in charge of each company was first contacted via telephone or in person to confirm if he or she wished to participate in this study. In addition, the final questionnaire was administered at some companies in person, while other managers received the survey via email or the LinkedIn professional network so that the appropriate individual could fill out the questionnaire. Subsequently, the database with the survey's results was processed using the SmartPLS 3.2.8 Professional Full Version program.

4.2. Creation and Measurement of Variables

This study used reflective variables mainly because they could be adapted to meet the research's needs and objectives. Indicators and/or observable variables are a reflection or expression of the constructs, so these were not observed directly but were linked to the selected indicators [1,28,44,143]. These variables could be characterized because all the indicators of each construct are highly correlated (i.e., covariants). They were thus interchangeable, and the elimination of an indicator would not alter the relevant construct's content [143,144]. The results for each variable's items in the present study's questionnaire can be seen in Table 3.

Table 3. Theoretical model's internal consistency and convergent validity.

Item Number	Indicators	Loads (λ)	CA	CR
CSR			0.862	0.906
1	E1	0.861		
2	E2	0.866		
3	E3	0.876		
4	E4	0.757		
Competitive Success			0.840	0.881
5	C1	0.726		
6	C2	0.726		
7	C4	0.759		
8	C5	0.719		
9	C6	0.783		
Performance			0.891	0.918
11	D1	0.811		
12	D2	0.829		
13	D3	0.879		
14	D4	0.853		
15	D6	0.782		
Innovation			0.941	0.931
16	I13	0.815		
17	I14	0.707		
18	I15	0.801		
19	I17	0.728		
20	I2	0.751		
21	I3	0.756		
22	I4	0.777		
23	I5	0.742		

Table 3. Cont.

Item Number	Indicators	Loads (λ)	CA	CR
24	I6	0.756		
25	I7	0.804		
26	I8	0.821		
	Reputation		0.837	0.891
27	R4	0.792		
28	R5	0.876		
29	R6	0.823		
30	R7	0.786		

Note: CA = Cronbach's alpha; CR = composite reliability. Source: Authors.

4.2.1. CSR

This variable was measured by items based on the main theories relating to social, economic, and environmental CSR activities [103]. The selected items also reflected Carroll and Buchholtz [145] and Gallardo-Vázquez et al.'s [1] studies. Four structured items on CSR were included in the present research's questionnaire to identify CSR activities in their company. The responses were given using a 5-point Likert scale (1 = "Totally disagree"; 5 = "Completely agree"). The items were as follows; "My company . . ." (1) "seeks to offer quality products and services", (2) "offers products priced in relation to their quality", (3) "provides complete information about our products and services", and (4) "recognizes the importance of relationships with customers, suppliers, and partners."

4.2.2. Innovation

This variable was measured by items based on an innovation model grounded in Avendaño and William [146], the OECD [147], and Tomlinson and Fai's [148] empirical studies. These items elicited answers from SME managers about their companies' main innovation practices and/or activities. The responses used a 5-point Likert scale (1 = "Never"; 5 = "Always").

This variable was assessed with 11 items: "My company's operations include . . ." (1) "adaptation to changes and new markets", (2) "resources to innovate and compete", (3) "programs to innovate and ways of innovating with other companies", (4) "the launch of new products or services", (5) "the improvement and redesign of products and services", (6) "improvements in production processes and techniques", (7) "the introduction of new working methods", (8) "innovation as a part of our corporate philosophy", (9) "intense information and communication technology (ICT) activity", (10) "improvements in know-how and creativity", and (11) "adoption of new business practices."

4.2.3. Competitive Success

One of the most difficult to measure variables within the SMEs is competitiveness, due to their characteristics and organizational and financial limitations [149]. For the present study, this variable's measurement was grounded in theories of competitive advantages, resources, and capabilities [110]. In the current questionnaire, the managers were asked to respond to items classifying their SMEs' competitiveness based on their profitability, using 5-point Likert scale (1 = "Below average"; 5 = "Above average"). This variable was measured with 5 items: "My company is competitive because of its . . ." (1) "level of product and service quality", (2) "quality, organizational management, and use of resources", (3) "strengthening of corporate culture", (4) "application of knowledge and use of ICT", and (5) "knowledge and experience of the market." These items were developed based on Gallardo-Vázquez et al. [1], Marín et al. [113], and Rostek's [150] studies.

4.2.4. Performance

Historically, this variable has been one of the most difficult variables to quantify accurately, mainly due to its complexity and the methods of resource control and evaluation used in organizations' daily operations—a problem that becomes worse for SMEs [41]. In the present study, the managers surveyed responded to the items in order to classify their company's performance based on their profitability using a 5-point Likert scale (1 = "Totally disagree"; 5 = "Totally agree"). This variable was measured with 5 items: "My company's performance is improving based on . . ." (1) "increased sales", (2) "higher levels of profitability", (3) "growth", (4) "adaptation to changes in the market", and (5) "a larger market share". These items were created with reference to Gallardo-Vázquez et al. [1] and Smith and Smith's [151] research.

4.2.5. Reputation

From the perspective of marketing and stakeholder theories, reputation is the result of good CSR practices followed by organizations in different dimensions [38,152]. The variable of reputation was conceptualized in the present study based on Money and Hillenbrand [153] and Olmedo-Cifuentes et al.'s [66] findings. This variable was measured by four items in the current study's questionnaire. The respondents were asked to express their perceptions of their SME's reputation based on a 5-point Likert scale (1 = "Totally disagree"; 5 = "Totally agree"). The items were as follows; "My company has a good reputation in terms of . . .", (1) "employee motivation, satisfaction, and loyalty", (2) "the firm's transparency and good governance", (3) "customer satisfaction and loyalty", and (4) "our products and services' added value".

4.3. Control Variables

4.3.1. Company Size

This variable was measured using the natural logarithm of each company's total number of employees in 2017 [154]. This measure was used, as suggested by Pizzi [22], because of the high level of heterogeneity in the sample in term of employees. Traditionally, this variable is frequently used in empirical studies because it is an important parameter of businesses' development and growth [155]. Companies' structural size from the perspective of resource and capabilities theory is considered a determining factor in the generation of organizational (i.e., image and reputation) and financial results (i.e., economic value and increased profitability) [156]. Using this variable can help to solve the problem of possible endogeneity, which constitutes a persistent obstacle to empirical investigations [157].

4.3.2. Company Sector

This variable was measured based on the surveyed companies' economic and/or productive activities in the surrounding environment. This variable is incorporated quite frequently in research models to examine its behavior and effect on dependent variables such as innovation, profitability, and business reputation within competitive contexts [158].

5. Results

5.1. Measurement Model Evaluation

To evaluate the measurement model with reflective variables, analyses were carried out of the items' composite reliability and the scales' internal consistency and convergent validity. To measure each item's (λ) relationship and individual reliability, a standardized loading of the factor greater than 0.707 ($\lambda > 0.7$) is recommended [159–161]. The values obtained in the present study range from 0.707 to 0.879, so, of the 56 initial items, only 30 indicators were kept.

The composite reliability has acceptable values varying from 0.881 to 0.931. More specifically, the model produced the following values; 0.918 for performance, 0.931 for innovation, 0.891 for reputation,

0.906 for CSR, and 0.881 for competitive success. Indicators should score above 0.80 for basic research, according to Nunnally [162] and Vandenberg and Lance [163]. The Cronbach's alphas obtained in the present research were also considered satisfactory because the values are over 0.70 [164] (i.e., between 0.837 and 0.941), which confirms the constructs' high reliability (see Table 3 above). The specific values obtained are 0.891 for performance, 0.941 for innovation, 0.837 for reputation, 0.862 for CSR, and 0.840 for competitive success.

The average variance extracted (AVE) indicates the average amount of variance explained by each indicator. The AVE values in this study range from 0.553 to 0.708, namely, 0.691 for performance, 0.592 for innovation, 0.672 for reputation, 0.708 for CSR, and 0.553 for competitive success. These results are satisfactory as the values should be above 0.500, as recommended by Hair Jr et al. [165].

Finally, the discriminant validity of the model's constructs was verified by analyzing the square root of AVE. All constructs satisfied the criterion of discriminant validity (i.e., $0.831 > 0.424$, 0.431 , 0.250 , and 0.467 ; $0.770 > 0.424$, 0.705 , 0.585 , and 0.614 ; $0.820 > 0.705$, 0.630 , and 0.443 ; $0.841 > 0.630$ and 0.392 ; and $0.744 > 0.392$). The results shown in diagonal and bold in Table 4 for vertical and horizontal AVE are values below the correlations between constructs [166]. This process checks for and detects any anomalies. Thus, the present analyses' results confirm the adequate validity (i.e., convergent and discriminant) and reliability of the model's constructs.

Table 4. Discriminant and convergent validity of constructs.

Constructs	AVE	Performance	Innovation	Reputation	CSR	Competitive Success
Performance	0.691	0.831				
Innovation	0.592	0.424	0.770			
Reputation	0.672	0.431	0.705	0.820		
CSR	0.708	0.250	0.585	0.630	0.841	
Competitive Success	0.553	0.467	0.614	0.443	0.392	0.744

Source: Authors.

5.2. Structural Model Evaluation

The statistical technique of SEM based on analysis of variance was used to validate the hypotheses developed for this research using SmartPLS 3.2.8 Professional Full Version software [167]. This statistical technique and software are appropriate in exploratory and confirmatory research [168,169]. Table 5 shows the results for the beta (β) coefficient, degree of significance, and importance of the value distribution using Student's *t*-test. To test the hypotheses, a bootstrapping procedure with 5000 subsamples was used, as recommended by Chin [170]. Figure 2 shows the nomogram of the model.

Table 5 and Figure 2 above show the results of the estimation of the structural equations using PLS. These results provide empirical support for most of the hypotheses used to structure the research model (i.e., H3, H4, H5, H6, H7, and H8) with the exception of two hypotheses (i.e., H1 and H2). The results for H3 to H7 confirm the variables' positive and significant effects ($p < 0.001$). In the case of H8, the effects are even more positive and significant ($p < 0.05$).

In addition, H3 and H4's results indicate a strong and medium relationship between CSR and innovation and reputation, respectively, within SMEs, as shown by β values of 0.585 and 0.330. H5's results indicate that competitive success exerts a strong influence on SMEs' performance, with a β value of 0.436. Regarding H6 and H7, innovation has a positive and significant effect on SMEs' competitive success and reputation, as shown by the β values of 0.584 and 0.445. Finally, the results for H8 indicate that performance has a less intense but still positive and significant influence on SMEs' business reputation, with a value of 0.160.

Table 5. Hypothesis contrast, correlation, and variance explained by construct.

Hypothesis	Path Coefficients (β)	T Value	F ²	Correlation	Explained Variance (%)	Supported
H1: CSR → Performance	0.079	1.148	0.018	0.250	1.975%	No
H2: CSR → Competitive success	0.051	0.838	0.007	0.392	1.99%	No
H3: CSR → Innovation	0.585 ***	8.706	0.563	0.585	34.22%	Yes
H4: CSR → Reputation	0.330 ***	4.469	0.329	0.630	20.79%	Yes
H5: Competitive success → Performance	0.436 ***	3.153	0.220	0.467	20.36%	Yes
H6: Innovation → Competitive success	0.584 ***	6.710	0.398	0.614	35.86%	Yes
H7: Innovation → Reputation	0.445 ***	4.600	0.194	0.705	31.37%	Yes
H8: Performance → Reputation	0.160 *	2.013	0.050	0.431	6.9%	Yes

Note: F^2 = similarity factor; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$ (based on a Student's $t_{(4999)}$ one-tailed distribution); $t_{(0.05, 4999)} = 1.645$; $t_{(0.01, 4999)} = 2.327$; $t_{(0.001, 4999)} = 3.092$. Source: Authors.

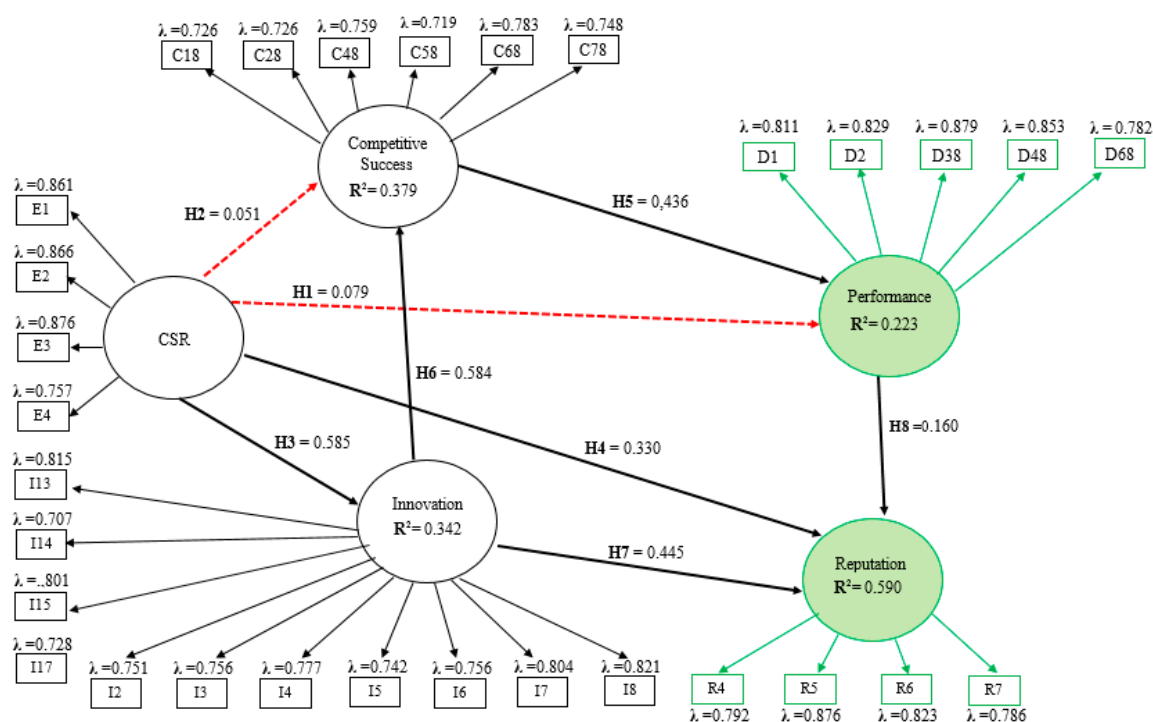


Figure 2. Nomogram and/or model with measures. Source: Authors.

The operational variables of the research model were also incorporated into the control variables (i.e., company size and business sector) to analyze their effects on reputation. The results show that these variables do not have a significant impact on SMEs' business reputation, given the β values of -0.047 for company size and 0.072 for business sector.

The proposed model's goodness of fit was evaluated using covariance-based SEM. In terms of PLS, the measures were not yet fully developed, so these measures could only be estimated based on three aspects. These were (1) the value of path coefficients, (2) an analysis of coefficients of determination

(R^2), and (3) the value of similarity factors (f^2), which are significant individual measures that explain structural models' predictive capacity [168]. Path coefficients with a value of around 0.2 are considered economically significant [171]. The present model's most important coefficients are 0.160, 0.330, 0.436, 0.445, 0.584, and 0.585. Six hypotheses were robustly confirmed with just a 0.1% (i.e., five hypotheses) and 5% (i.e., one hypothesis) probability of making the false rejection mistake.

In this model, the exact contribution of the predictive constructs to the explained variance of the R^2 of each endogenous construct was given as the absolute value obtained by multiplying the path coefficient between two constructs by the value of the existing correlation between said constructs [172]. To estimate the model's AVE and predictive power through R^2 , the following measurement scales were taken. The values of 0.1, 0.25, and 0.36 are small, medium, and large effects, respectively [144]. The current model's results regarding the R^2 of the independent variables are 0.233 for performance, 0.342 for innovation, 0.590 for reputation, and 0.379 for competitive success. These results indicate the model has strong explanatory power (see Table 6).

Table 6. Model's predictive power.

Constructs	R^2 (Explained Variance)
Performance	0.223
Innovation	0.342
Reputation	0.590
Competitive Success	0.379

Source: Authors.

The f^2 value measures the size of effects introduced into the model. The f^2 values of 0.02, 0.15, and 0.35 indicate a weak, medium, or large effect, respectively [173]. The present model's key relationships have values of 0.050 and 0.563 (i.e., 0.563 for H3, 0.329 for H4, 0.220 for H5, 0.398 for H6, 0.194 for H7, and 0.050 for H8). Overall, these results show that the proposed model has adequate structural properties and good explanatory power.

The Q^2 statistical test—a cross-validated redundancy index—is used to evaluate the predictive relevance of endogenous constructs in a structural model with reflective variables. This study's model was evaluated using the blindfolding technique [174]. The values obtained range from 0.131 to 0.298 (i.e., 0.131 for performance, 0.157 for innovation, 0.298 for reputation, and 0.176 for competitive success). Values greater than zero show a remarkable level of predictive power [164]; therefore, these values confirm the strong explanatory qualities of the present model.

To explain more accurately this model's predictive power, a goodness-of-fit test was also performed using PLS. When the standardized root mean square residual (SRMR) falls within the correct range ($< 0.08 - 0.1$), this test indicates an acceptable fit [175]. The present result of 0.08 confirmed that the proposed model has an acceptable predictive power, thereby demonstrating that this study's empirical results are congruent with the existing theory (see Table 7).

Table 7. Stone–Geisser Q^2 Results.

Constructs	Q^2 (1-SSE/SSO)	Model Goodness of Fit SRMR
Performance	0.131	0.08
Innovation	0.157	
Reputation	0.298	
Competitive Success	0.176	

Source: Authors.

5.3. Multiple Mediation Analysis

Given the existence of multiple relationships between the model's constructs, this type of analysis offered the possibility of checking for indirect effects among the variables. Since this research's first objective was to examine the effects of CSR on SMEs' reputation, further analyses were carried out to verify if this relationship can be mediated by competitive success, innovation, and performance, which constitutes a case of multiple mediation.

As Figure 3 shows, the causal effect of the variable CSR is expressed through a direct relationship, according to an understanding of the total effects based on a multiple mediation model divided into three. The first path is CSR's indirect effect on reputation through competitive success ($a_1 \times b_1$), and the second is CSR's direct effect on reputation c such that CSR's total effect on reputation is c' ($c' = c + a_1 \times b_1$) (see Figure 3).

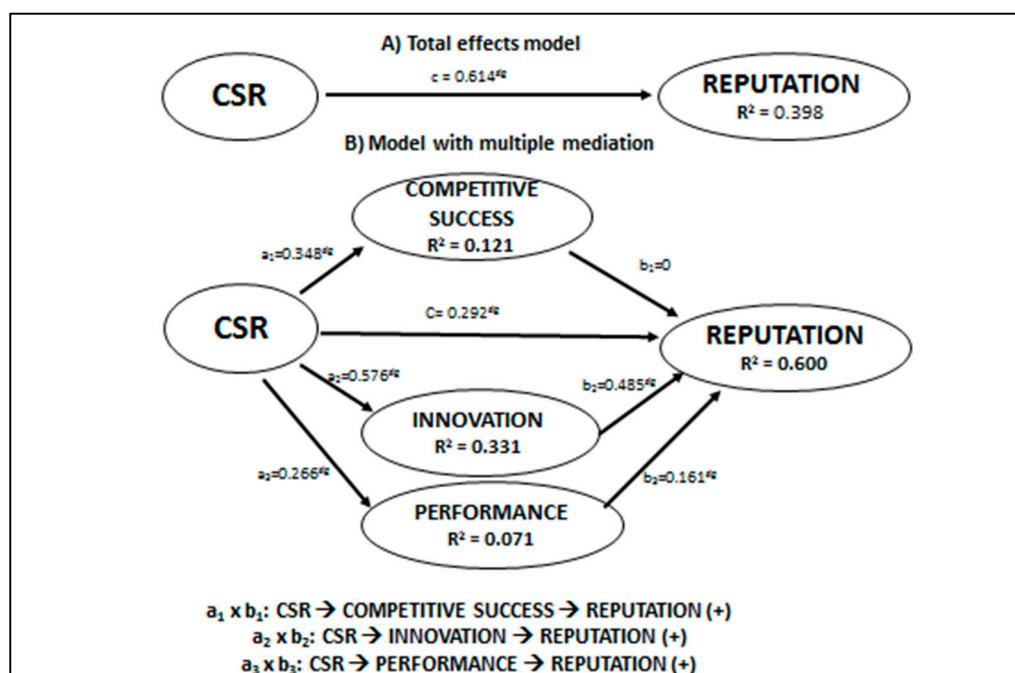


Figure 3. Multiple mediation analysis. Source: Authors

The intermediate path is when CSR's causal effect can be divided equally into two: CSR's indirect effect on reputation through innovation ($a_2 \times b_2$) and CSR's direct effect on reputation (c). This means that CSR's total effect on reputation is c' ($c' = c + a_2 \times b_2$) (see Figure 3 above). Finally, the lower path entails both CSR's indirect effect on reputation through performance ($a_3 \times b_3$) and CSR's direct effect on reputation c so that CSR's total effect on reputation is c' ($c' = c + a_3 \times b_3$).

The multiple mediation analysis first had to demonstrate the existence of CSR's direct effect on reputation based on the methodology proposed by Baron and Kenny [176] and Preacher and Hayes [177] (see Figure 3 above). More specifically, following Roldán and Cepeda's [178] example, two steps were taken to test the mediation. First, the indirect effects were determined ($a_1 \times b_1$; $a_2 \times b_2$; and $a_3 \times b_3$) using a bootstrapping technique with 5000 samples [168,179]. Second, the type of effect and magnitude of the indirect effects compared to the total effect were calculated.

The significance of these direct and indirect effects determines the type of mediation between the variables [180]. To determine this significance, the variance accounted for (VAF) index ($VAF = \text{indirect effects} / \text{total effect}$, based on the following criteria. If $VAF < 20$ percent, no mediation effect exists. If $20 \text{ percent} < VAF < 80 \text{ percent}$, partial mediation is present. If $VAF > 80 \text{ percent}$, complete mediation is confirmed) was evaluated [181]. According to Hair et al.'s [182] understanding of the total effect, if the VAF is between 20 percent and 80 percent, partial mediation is confirmed, which is what occurred in

the present study (see Table 8). This means that CSR's direct effect on reputation exists even though this relationship is expressed through partial mediation.

Table 8. Summary of mediation effects tests.

Direct Effects	Coefficient	Bootstrap 0.95 Confidence Interval				
		Percentile		BC		
c	0.292 ^{sig}	0.106	0.47	0.104	0.467	
a_1	0.348 ^{sig}	0.262	0.492	0.234	0.464	
a_2	0.576 ^{sig}	0.494	0.684	0.478	0.668	
a_3	0.266 ^{sig}	0.162	0.412	0.138	0.388	
b_1	0.000	−0.121	0.139	−0.125	0.135	
b_2	0.485 ^{sig}	0.327	0.621	0.335	0.628	
b_3	0.161 ^{sig}	0.044	0.285	0.040	0.281	
Indirect Effects	Point Estimate	Percentile		BC		VAF
$a_1 \times b_1$	0.000	−0.046	0.054	−0.047	0.0527	0.00%
$a_2 \times b_2$	0.279 ^{sig}	0.183	0.386	0.179	0.382	45.48%
$a_3 \times b_3$	0.043 ^{sig}	0.013	0.084	0.009	0.081	6.97%
Total indirect effect	0.322	−0.031	0.066	0.276	0.373	52.45%

Note: BC = bias-corrected. Source: Authors.

The results thus show that competitive success, innovation, and performance mediate CSR's effect on reputation. When the model considers only the total effect (see Figure 3, line A, above), the results indicate that the more companies engage in CSR, the better their reputation becomes ($R^2 = 0.398$). However, when the mediating variables are considered (see Figure 3, line B, above), CSR's direct effect on reputation increases (see Table 8 above). These results support the first hypothesis (i.e., H1).

In addition, CSR has a positive and significant influence on competitive success ($a_1 = 0.348$), innovation ($a_2 = 0.576$), and performance ($a_3 = 0.266$). Similarly, innovation has a positive and significant effect on reputation ($b_2 = 0.485$) and performance ($b_3 = 0.161$). Competitive success has no effect on reputation ($b_1 = 0$). In summary, the results show that innovation and performance are significant mediating variables in the relationship between CSR and reputation.

6. Discussion and Conclusions

The present international panorama of globalized markets requires businesses to find new ways to generate competitiveness. This trend involves not only large companies but also SMEs, which constitute a high percentage of most business sectors [149,183,184]. Extremadura's economy, in specific, is made up of mainly self-employed workers and tertiary sector microenterprises with fewer than 10 workers. Globalization, a recent economic crisis, and the current intense competition are factors in business frameworks that have led companies both to focus on the creation of wealth and to understand and apply new strategies that help these firms to achieve sustainable competitiveness and growth [185].

Given the main CSR-related trends, particularly those involving stakeholders, resources, and capabilities, this research primarily sought to address the relationship between CSR and innovation and assess both variables' influence on competitive success, performance, and reputation. The investigation focused on SMEs' point of view since little research has been done on this subject. Most of the existing research has concentrated on large companies and has studied only CSR and innovation's generic aspects, without taking into account other variables that are also related to and that influence small businesses' competitiveness.

To achieve the research objectives, this study sought to corroborate whether CSR has a significant influence on innovation in SMEs, producing results aligned with the main theoretical and empirical studies in the literature [48]. The present findings also include that CSR strongly influences SMEs' reputation, which is in alignment with marketing and stakeholder theories [103,186]. The current research's results also corroborate the conclusions of various empirical studies [65,104].

The present study also found evidence that competitive success exerts a strong influence on performance. This finding was compared with the main theories and studies of SMEs, confirming a series of similarities to the present analyses' results [113,120]. That is, when companies reach a certain level of competitive success through their resources and capabilities, such as the deployment of CSR strategies, these firms' productivity and profitability then increase [48].

Another important aspect of the relationships built into the present research's model is that innovation has a strong effect on SMEs' competitive success and reputation. Theories of competitive advantages, resources, and capabilities, among other approaches, have sought to explain these variables' close relationship. Theoretical studies have concluded that companies that develop more innovation practices, such as creating new products, improving processes, and adopting novel business models, achieve significant organizational and financial results [110,185].

In addition, the current study's findings support the conclusion that performance exerts a strong influence on SMEs' reputation, which is consistent with the theories and findings presented in key empirical studies in the literature [66,138]. However, the present research also obtained results without empirical support from previous research on CSR practices' relationship with and influence on SMEs' competitive success and performance. These results do not coincide with stakeholder theory [145]. Some reasons for the present findings could be SME managers' day-to-day approach and focus on various innovation activities that generate value, employee satisfaction, and, to a certain extent, customer satisfaction. Similarly, it is important to highlight that SMEs have strong limitations (financial, technological and administrative) that prevent them from adopting and executing all CSR practices perfectly in most cases. Generally, high costs and ignorance of the benefits of a CSR-centric strategy have prevented SMEs from achieving significant results [187,188]. In general, the managers of these companies focus on short-term strategies and sometimes this can be named as management myopia [188,189]. This type of business requires and uses other factors to remain valid in local markets. However, these actions are driving it to achieve zero competitive success and a low-end and sustained profitability in highly competitive markets [189]. In this type of market—with a capitalist system where wealth is what matters—SMEs have been attracted to this dynamic and have neglected social and environmental actions (focus on the benefits towards interest groups), practices that can lead to achieve better organizational and economic results [190,191]. These goals can cause SMEs to improve their reputation yet sometimes obtain poor financial results [192,193].

Therefore, the present results confirm that CSR and innovation are factors that may have shortcomings in terms of information disclosure and specific implications for SMEs in Extremadura. Nonetheless, these companies consider CSR and innovation to be strategic factors essential to improving the firms' competitiveness in their specific markets. SMEs' managers thus need to adopt various measures.

First, SMEs should develop strategic plans that include CSR practices but link them to financial results. Second, the business community and government must collaborate and include CSR in regional and local political agendas to favor and generate more sustainable economic development and competitiveness for Extremadura companies. One such initiative could be for SME managers to follow the Spanish Monitor of Corporate Reputation's guidelines to achieve wider recognition as socially responsible companies. Last, although the SMEs in question show a certain level of innovation, managers must articulate these practices in conjunction with CSR in order to improve their companies' employee and customer satisfaction, potentially leading to an improved image, reputation, and profitability.

The present study's possible practical applications include underlining the importance of SMEs' adoption of CSR strategies to enhance their innovation, competitive success, performance, and reputation. These are strategic variables that can be considered key to the success and survival of a group of companies that, by their very nature, have difficulty staying in the relevant markets. Thus, the current findings are clearly useful in three ways.

First, the public sector needs to acknowledge the above advantages and take them into account when defining regulations. Second, the previously mentioned business sector can obtain great benefits through CSR strategies. Last, society as a whole should experience overall improvements since SMEs are so prominent in the business sector and their success thus has important repercussions for the general public. These strategic efforts and actions will not have positive impacts if the SME continues to operate in isolation, which is why larger companies are working collaboratively (in a network) with other companies, with other public institutions (universities-government), private and with civil society in order to meet the demands of interest groups [194]. This is currently known as the quadruple helix, a strategy that can help improve the results of CSR practices, innovation ecosystems, image, and profitability for companies [195,196].

Regarding this study's implications for researchers, the measurement scales validated for each construct can be used to guide future academic research. In terms of implications for management, the present study's results include numerous guidelines for improving the parameters of organizations' social responsibility and its links to the other strategic variables. Business executives need to understand CSR as a clear source of competitive advantage in the market; therefore, regardless of their companies' market position, managers must include CSR in their strategies. Concurrently, it is an antecedent of important variables such as innovation and reputation.

Given all these benefits, CSR contributes to stimulating the sustainable development of communities in which socially responsible companies are based. This study's findings can help entrepreneurs and managers understand why they should pay attention to CSR-related issues and what they should expect from any efforts they make to encourage innovation, reputation, performance, and competitive success. From a governmental perspective, this research's results imply officials need to strengthen the institutional impulse to implement CSR and promulgate measures to support the initiatives undertaken.

7. Limitations and Future Lines of Research

This research's results are both positive and encouraging, and they constitute a valuable empirical contribution to the literature on relationships involving CSR and innovation. However, this study requires further research to deepen the current understanding of the relationships between the variables in question.

Some fundamental limitations need to be mentioned. The questionnaire had the drawback of an element of subjectivity in how respondents completed the survey and, to a certain extent, how the items were created or the data interpreted, thereby affecting the present results' empirical value. The specific sample of SMEs may have also limited the study's findings and prevented the possibility of drawing conclusions with a broader scope and more details on the relationships between CSR, performance, and competitive success.

Another limitation was generated by the individuals who filled out the questionnaire. As mentioned previously, this instrument was sent to company managers in Spain's Extremadura who have already demonstrated a clear, well-established interest in CSR. Thus, the findings reflect the perceptions of a single interest group, and the point of view of other stakeholders would be important to ensure a holistic understanding of CSR. The sample was further limited to a single Spanish autonomous community with particular characteristics in terms of CSR. This means that the results cannot be extrapolated directly to other regions unless they have similar laws and use the same evaluation criteria to identify socially responsible companies.

The sample's limited size also makes further research necessary to reinforce and extend the results, as well as to define the degree of their applicability to CSR and innovation strategies, and determine more specific explanatory factors for CSR- and innovation's impacts. This research will need to take into account SMEs' age, specific activities, environment, and type of market. However, the difficulty of recruiting a larger number of companies to participate in these types of studies should be highlighted. As a general rule, increasing this kind of sample's size is difficult due to firms' lack of availability or distrust, even with an anonymous questionnaire. In addition, small companies' use of ICT has been found to be insufficient for successful surveys, so paper questionnaires have to be distributed physically, with the researcher present to explain each section in detail.

Furthermore, CSR, innovation, competitiveness, performance, and reputation are ambiguous, complex, multidimensional concepts, making their interpretation extensively dependent on SMEs' context and the attitudes of those who apply these ideas. To continue analyzing this type of variable, a combination of both qualitative and quantitative methods should be used to provide a deeper understanding of their relationships and behaviors. A descriptive study could also be of interest or even necessary to investigate more specifically—through case studies—companies' CSR and innovation behaviors and results, which would facilitate a comparative analysis of managers' perceptions by sector, size, and region.

Another limitation of the present study may be its focus on a single region. The results could have been different if the sample had had a greater geographical scope. However, this research's initial goal was to work with companies in the Extremadura region because of their sensitivity to CSR issues. Regardless, a follow-up study at the national level could be a relevant future line of research, and an international study also needs to be conducted to facilitate comparisons between countries.

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