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**THE ROLE OF ETHICAL LEADERSHIP IN PROMOTING SOCIAL AND
ENVIRONMENTAL RESPONSIBILITY AS A FORM OF CORPORATE SOCIAL
RESPONSIBILITY WITHIN MODERN SMALL- AND MEDIUM-SIZED
ENTERPRISES**

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Abstract

The research focuses on investigating the relationship between ethical leadership (EL) and corporate social responsibility (CSR), with specific attention devoted to comprehending the dynamics, challenges and outcomes associated with the integration of ethical leadership principles into the CSR efforts of SMEs. This study provides an extensive review of academic literature, implementing the methodology of a systematic literature review (SLR) to identify and analyze relevant articles from three academic databases. Initial investigations indicate a significant correlation between EL and the effective development and implementation of CSR strategies within SMEs. Additionally, the examination emphasizes intricate understandings of how ethical leadership inspires a social and environmental responsibility culture in businesses, leading to improved organizational image, stakeholder involvement, and long-term sustainability.

Keywords

Ethical leadership; Corporate Social Responsibility; SMEs; Systematic literature review

List of abbreviations

CSR – Corporate Social Responsibility; EL – Ethical leadership; MNC – Multinational corporation; SME – Small and medium enterprise; SLR – Systematic literature review

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1 Introduction

In recent years, corporate social responsibility (CSR) has been the subject of academic research, dealing with the concept in many ways: its core definition and key components, drivers and motivations of firms to implement socially responsible behaviors, and its positive contributions to the firms' performance (Bokhari et al. 2023). Yet, CSR is not only present in the academic world, but also in the corporate world. In a rapidly changing globalized business environment the concepts of corporate responsibility, ethical behavior and ethical leadership are on the rise to reduce social and environmental pressures on society and corporations (Saha et al. 2020). This trend corresponds to emerging sustainability challenges such as social and environmental issues, including the global climate change, environmental crises, public health issues like COVID-19, and various social challenges (Alatawi et al. 2023).

Further, the concepts of corporate responsibility and ethical behavior have become highly relevant for various actors, aiming for the establishment of ethical businesses. By integrating economic, social and environmental issues into their business strategy and core business activities, companies invest into human, social and environmental capital (Saha et al. 2020; Perrini 2006). Therefore, the role of leaders goes beyond profit and strategic decisions, because (ethical) leaders also have an influence on the culture of a company and its long-term impact on society and the environment (The Economic Times 2023). By following ethical leadership principles, modern businesses foster both positive changes within their organization and within society: *“The importance of ethical leadership cannot be overstated in today's world. Businesses that strive to operate in a socially responsible and sustainable manner create not only long-term success but also promote positive change within their industry and community. With clear objectives, solid relationships and an understanding of the implications of their decisions, ethical leaders can create successful businesses while promoting social responsibility and sustainability within their organizations”* (Terzieva 2023).

Even though the concept of CSR is universal and should be considered by organization regardless of type, size and industry, researchers like Perrini (2006) and Nejati and Amran (2009) argue that CSR in small and medium-sized enterprises (SMEs), as well as the state of research on this topic, differs when compared to large multinational companies (MNCs). While MNCs are more advanced at implementing CSR, with sustainability reports, code of conduct and other policy documents leading to a more strategic implementation of CSR, SMEs follow a “*informal*” and “*hands-on*” organizational mentality (Mousiolis et al. 2015, 580). Nonetheless, due to their important role in local communities, CSR is equally important for SMEs and should be in focus of research more often (Perrini 2006; Nejati and Amran 2009). Representing approx. 90% of businesses worldwide and contributing over 50% of global employment, SMEs constitute the largest sector of the global economy, play a major role in most economies by contributing to job creation and economic development (The World Bank n.d.). Consequently, an understanding of environmental and social issues are of great importance to improve sustainability (Johnstone and Hallberg 2020). Furthermore, CSR provides opportunities for SMEs to access markets, save costs, become more productive and innovate (Perrini 2006).

Based on a Systematic Literature Review (SLR), this research evaluates the benefit of ethical leadership in promoting social and environmental responsibility as a form of corporate social responsibility within SMEs and how ethical leadership can impact the development and implementation of social responsibility initiatives in modern enterprises. With the method of a SLR the current state of research is evaluated and the development in the last years is showcased, while highlighting tendencies within the concepts CSR and ethical leadership.

2 Theoretical concepts

2.1 Conceptuality and definition of corporate social responsibility

In order to gain a comprehensive understanding of the subject, it is essential to explore some key concepts, that describe the social responsibility of businesses whose value creation is focused on the triple bottom line - people, planet and profit. Among these, two key pillars emerge: *economic ethics* and *business ethics*. Economic ethics addresses all stakeholders of the economic system, offering moral guidance and establishing ethical norms concerning economic activities and their consequences on society and environment. Conversely, business ethics shifts the focus to corporate governance and decision-making within organizations. In this context, it considers the company in a practical way, from both a societal (external) and organizational (internal) perspective. Whereas the external perspective deals with the relationship of the business to its environment, the internal perspective sheds light on activities within the company, including leadership, employee engagement and the cultivation of the company's values or corporate culture (Jonker, Stark, and Tewes 2011).

It is crucial to distinguish "doing the right thing" through good business ethics from the concept of corporate social responsibility (CSR), since as a broad concept, business ethics encompasses all of a company's actions. Nevertheless, a company that operates ethically, often also supports a strong CSR (Bartel 2022). The term corporate social responsibility (or short corporate responsibility) can be characterized as the voluntary integration of social and environmental issues in the company's activities, with both an internal and external dimension. The internal dimension addresses the employees, whereas the external dimension addresses the responsibility towards the firm's stakeholder, the firm's environment, and society (Jonker, Stark, and Tewes 2011). To specify some areas within CSR, one could mention legal compliance, philanthropy and community investment, environmental management, sustainability, animal rights, human rights, worker rights and welfare, market relations,

corruption, corporate governance (Blowfield and Murray 2008 as cited in Coppa and Sriramesh 2013).

According to a commonly valid definition, CSR is defined by the European Commission as follows: *“a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”* (COM (2001) 366, as cited in COM/2011/0681). Based on a new definition of the European Commission, the concept is further defined as *“the responsibility of enterprises for their impacts on society”*. Part of this definition is also to integrate social and ecological aspects, human rights and consumer issues into the business management and the core business strategy. In order to create shared value for all shareholders, stakeholders and society, businesses should follow the stakeholder approach (COM/2011/0681).

To highlight one of the most popular theories of CSR, it is necessary to explain Carroll’s CSR Pyramid (*Appendix A*). In 1979 the author proposed a four-part definition, in which CSR is based on the economic, legal, ethical, and discretionary (philanthropic) dimension. By 1991, the definition had been adapted into a pyramid, illustrating the *“building block nature of the four part framework”* (Carroll 2016, 4). At the bottom of the pyramid is the economic responsibility, as CSR is based on sustainable and economically profitable business. On the next level is the legal responsibility, as laws and regulations are seen as the basic rules by which companies operate in society. Moreover, businesses are expected to operate ethically, with justice, and fairness and should minimize harm to all its stakeholders, building the ethical responsibility of the pyramid. Lastly, with the philanthropic responsibilities, businesses are expected to be good corporate citizens and should give financial, physical, and human resource contributions to communities and society. However, even though ethics stands as a separate stage of the pyramid, ethical consideration should be present in each category and is seen as a central role in CSR (Carroll 2016).

2.2 Conceptuality and definition of ethical leadership

A fundamental facet of business ethics encompasses the field of leadership ethics, where a distinction emerges between the ethics and moral values of a leader (referred to as *ethics of a leader, ethical leaders* or *being ethical*) and ethical leadership behavior (Rybnikova and Lang 2021). Ethical leadership goes beyond making decisions based on financial interests, but also includes moral principles and values into the decision making. The concept also encloses taking responsibility for the actions taken, while considering the impact on the stakeholders and acting in a high standard of conduct (The Economic Times 2023). In previous research, ethical leadership has mainly been integrated within transformational and servant leadership. However, ethical leadership is distinct from other approaches to leadership, such as transformational leadership, authentic leadership and servant leadership, with the key distinction in the fact that ethical leadership is driven by moral motives (Ahmed 2023).

Brown, Treviño, and Harrison (2005, 120) define ethical leaders as “*the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making*”. Based on this definition, the authors describe ethical leaders as having a set of attributes, which are normative appropriate, such as honesty, trustworthiness and fairness. Additionally, ethical leaders promote ethics in their social environment, set ethical standards and reward ethical behaviors of their subordinates. Lastly, leaders also reflect the consequences of their decision-making ethically and make fair choices (Brown, Treviño, and Harrison 2005).

In a similar manner, ethical leaders unite several attributes and character traits that influence the company, their followers and even the society. They lead with humanity, value respect and are committed to fairness as well as foster an open culture of trust and communication. In addition, ethical leaders are intrinsically motivated and foster a work environment with values

such as honesty, respect, fairness, accountability, and transparency (Terzieva 2023). It is said that “*ethical leadership emerges out of a combination of characteristics and behaviors that include demonstrating integrity and high ethical standards, considerate and fair treatment of employees, and holding employees accountable for ethical conduct*” (Brown, Treviño, and Harrison 2005, 130). Overall, within a business, leaders have a central role in providing ethical guidance for their employees (Brown, Treviño, and Harrison 2005).

2.3 Interfaces between corporate social responsibility and ethical leadership

Considering that the definitions of both concepts contain intertwined aspects, such as engaging stakeholders actively, demonstrating commitment to society and environment and emphasis of non-financial factors in decision-making, it appears that ethical leadership and CSR complement and reinforce each other. As ethical leaders acknowledge the impact of their decisions, they are more likely to prioritize CSR initiatives and lead in a way that contributes positively to society and without harm to the environment. Furthermore, CSR initiatives within a company are also likely to attract ethical leaders and foster a responsible corporate culture (The Economic Times 2023).

Beyond that, CSR and ethical leadership have a positive impact on the business and its performance. Ethical leadership has a beneficial effect on the employee’s motivation, commitment, trust, and job satisfaction, as well as on business results, knowledge sharing, social behavior and stakeholders’ perceptions (Rybnikova and Lang 2021). Further, the two concepts also benefit the reputation of the organization, help to mitigate risk, prevent scandals, and drive the creation of social and environmental innovations (Economic Times 2023).

3 Research design and methodology

3.1 Objectives and research questions

As previously mentioned, the concepts of CSR and ethical leaderships are highly discussed in literature. Additionally, research shows that sustainability strategies in SMEs are mainly driven by the owner's values (Font, Garay, and Jones 2016) and that "*responsible corporate behaviour is subjectively motivated*" (Perrini 2006, 120). In this regard, the authors suggest that responsible behaviors of corporations are driven by subjective factors of the management and leadership level, such as individual beliefs, values and perspectives play a role in shaping the company's ethical conduct and sustainability performance of a company. Based on those findings, the relevance of examining how ethical leadership influences the development and implementation of corporate social responsibility initiatives in SMEs becomes evident. As a significant part of the business landscape, SMEs have a crucial role in the shaping of local economies and community development. To this end, the impact of ethical leadership on CSR in SMEs is relevant to understand how the values and ethical orientation of leaders within this firms influence their commitment to social and environmental responsibility. This paper aims to contribute to the existing literature by systematically reviewing the knowledge in the field over the last decade, to identify tendencies, trends and key insights into the relationship between ethical leadership and CSR in the context of SMEs.

In this sense, a SLR is used to answer the research question "*How does ethical leadership impact the development and implementation of corporate social responsibility (CSR) initiatives in modern small and medium enterprises (SMEs) over the last 10 years?*" For this reason, the paper describes how the state of research on this topic has developed over the last ten years and critically evaluates it in order to make recommendations for future research and companies. This both promotes scientific discussions and provides valuable insights for practical implementations.

3.2 Methodology

A systematic literature review (SLR) can be defined as “*a systematic, explicit, and reproducible design for identifying, evaluating, and interpreting the existing body of recorded documents*” (Fink 2005, 3 as cited in Seuring and Gold 2012). The methodology significantly contributes to evidence-based practices, aiming to contribute scientifically to a field of study or to a particular research question. With a SLR, researchers systematically gather and analyze existing literature on a topic and aim to provide compressive and structured insight in a specific field. Furthermore, the method aims to identify existing literature and provides collective insights by synthesizing the findings to show a comprehensive overview on the current state of research. In this way, researchers can give a condensed summary of relevant literature to show the state of existing research and highlight the contribution to the topic. Moreover, the review also aims to establish a theoretical framework with a synthesis of theories and concepts and to develop a comprehensive knowledge base out of the findings of various studies (Tranfield, Denyer, and Smart 2003; Seuring and Gold 2012). Besides that, a SLR can also provide ideas, information and recommendations for the practice (Denyer and Tranfield 2009).

According to Denyer and Tranfield (2009), unlike a traditional literature review, a SLR is an independent research project that investigates a defined research question. Moreover, the method differs from other review methods, in its distinctive and demanding principles, as it applies predetermined and transparent quality criteria and as well as being able to consider both published and unpublished studies. In contrast to studies with consistent results, a SLR offers transferable evidence across various contexts while identifying knowledge gaps. It is worth noting that reviews in management tend to be interpretive and explanatory rather than aggregative. As a result, instead of presenting a replicable explanation and describing evidence, they offer a feasible interpretation of the research results (Denyer and Tranfield 2009). Whereas an unsystematic literature review works in form of a snowball-system to gather relevant

literature, a systematic literature review uses predefined search terms and keywords to systematically search scientific databases. Those keywords can be classified into primary search terms and secondary search terms. Primary search terms are described as generic, general, and overarching terms, whereas secondary search terms are defined as subordinate, specific, and adjacent terms (Döring and Bortz 2023). After the identification, the search strategy in the databases should be detailly reported, so the search could be replicated. Only studies that meet all the inclusion criteria and none of the exclusion criteria specified in the review protocol are than included in the review (Tranfield, Denyer, and Smart 2003). The review protocol for the present SLR can be found in *Appendix B*.

As stated by Centobelli et al. (2019), a SLR is a suitable method for qualitative topics, such as ethical leadership and corporate social responsibility, to gain a deeper understanding of qualitative subjects. Given the wide body of literature around those topics, the method is chosen to systematically analyze and synthesize information, draw conclusions and identifying patterns in the existing literature.

3.3 Quality criteria for qualitative research methods

Although the SLR has become a "*fundamental scientific activity*" (Mulrow 1994, 597, cited in Tranfield, Denyer, and Smart 2003) and is considered a method that is replicable, scientific, transparent, and summarizes the existing literature in a thorough and unbiased manner (Denyer and Tranfield 2009), it still faces criticism for not being replicable, transparent, and consistent (Seuring and Gold 2012). To minimize those critics, a qualitative method such as SLR should follow the quality criteria of "*trustworthiness*" according to Lincon and Guba (1985). Based on this, the authors propose four criteria of trustworthiness of qualitative research: *credibility*, *transferability*, *dependability* and *confirmability* (as cited in Döring and Bortz 2023). Similarly, also Denyer and Tranfield (2009) argue that a SLR in management should follow the following four principles: *transparency*, *inclusivity*, *explanatory*, and *heuristic*.

Considering both studies, it appears that the principles overlap. The principle of transparency concerns the documentation of all steps taken by the reviewer, the presentation of findings and the unbiased conduct of the review. Similar aspects are described by the principle of dependability, as the research process should be designed in a comprehensible way and the principle of confirmability, in which the results should be free from biases and the researcher's own perspectives. The principle of inclusivity and credibility both outline that the data evaluation and interpretation of results are trustworthy and the need for high quality data within the studies. Also, the principles of heuristic, explanatory and transferability can be seen as similar. Whereas heuristic describes that the output of the systematic review in management will often bring rules and suggestions to make progress in problem solving and help to develop knowledge in a field, transferability describes that the results of the qualitative work should be transferable to another context. Lastly, the principle of explanatory refers to explaining how and why certain relationships, patterns, or findings exist within the research being reviewed (Döring and Bortz 2023; Denyer and Tranfield 2009).

3.4 Research process

For this SLR, the research process will follow the approach of Denyer and Tranfield (2009). By adopting this framework, the intention is to provide a thorough and well-structured analysis of the existing knowledge in field of study.

Accordingly, the first step of the search strategy is the **question formulation**, as “*a good systematic review is based on a well-formulated, answerable question*” (Counsell, 1997, p.381 as cited in Denyer and Tranfield 2009). Prior to the systematic review, a scoping study of the field was conducted, to define concepts and determine the review question (see chapter 3.1.) to be addressed in the research (Tranfield, Denyer, and Smart 2003). This scoping study is based on a non-systematic literature search and is represented in chapter two of this paper.

In the second step, namely **locating studies**, three electronic databases are identified:

ScienceDirect, Scopus, Web of Science. Those three databases are well-established databases to conduct a systematic review, each providing an extensive coverage of multi-disciplinary and peer-reviewed academic literature, with Scopus counting as the largest abstract and citation base. To cover a broad range and high coverage of relevant literature, same as a high level of rigorousness, more than one database was chosen (Centobelli et al. 2019; Elkhwesky et al. 2023; Dias, Rodrigues, and Ferreira 2019).

The search starts with formulating keywords to use in form of search strings, which are then used in the databases. The keywords are formulated in English language and used in search conventions, based on the principles of simple operators, Boolean Logic and a combination of Boolean operators with parentheses for complex searches (Denyer and Tranfield 2009). For an explanation of these principles, refer to *Appendix C*. The keywords used in this research all belong to the area of corporate social responsibility, ethical leadership, and SMEs. A full table of all search terms can be found in the *Appendix D*.

As result of this search, a list of articles emerges to address the research question. Based on this list, a third step, **study selection and evaluation**, is carried out. To guarantee transparency, this step requires a selection of inclusion criteria, on which basis the identified studies are included or excluded into the review. Additionally, quality criteria are defined (Denyer and Tranfield 2009). Due to the time limitation within the research question, only studies that are published within the last ten years, between 2013 – 2023, are included. Moreover, the inclusion criteria restrict the identified research to peer-reviewed journal articles. The focus on only peer-reviewed journal articles is due to the fact that those are considered as “*validated knowledge and occupy a leading position in terms of influence*” (Vrontis et al. 2021, 619). Additionally, peer-reviewed articles influence upcoming research by introducing new directions for both theoretical and empirical issues (Furrer et al., 2008 as cited in Vrontis et al. 2021).

A full list of both criteria is represented by *Table 1* below:

	Criteria	Description
Inclusion criteria	Research within <10 years	Publish date between 2013-2023
	Language	Only English articles included
	Full-text available	Open Access or Nova Subscription
	Peer-reviewed journal articles only	Exclusion of books / book chapters, conference papers, dissertations, working papers (not peer-reviewed)
Quality criteria	Peer-reviewed	Considered as validated knowledge

Table 1 – Selection criteria and quality criteria (own illustration)

The screening process of the identified paper then follows several steps. First the title and the abstract of the paper will be examined according to the inclusion criteria. After that, all remaining papers will be analyzed according to their full text, to evaluate their relevance to this review.

Step four is the **analysis and synthesis** stage of the SLR. This stage both contains an analysis part, where the individual studies are demerged into constituent parts and their relationships explored, and a synthesis part, where associations between the identified parts of the individual studies are explored. As outlined in Denyer and Tranfield (2009), a central part of the analysis involves the creation of an extraction form, which depicts all papers included in the review. This form serves as a comprehensive repository of all the studies included, providing an overview of the research field. Additionally, by conducting a cross analysis of these studies, key issues and theoretical frameworks that emerge within the literature can be identified. Moreover, a qualitative synthesis is carried out, wherein the body of literature is interpreted by its values and perspectives and explored by different meanings across various studies.

Lastly, step five is the **reporting and using the results**, as represented with this report.

4 Research results

A first search was conducted in Science Direct, using the broad search term CSR AND ethical leadership AND SME, yielding to an initial result of 306 papers, without any limitations in the search. In a first screening of the articles, the title, year, publication type and abstract were analyzed according to the inclusion and exclusion criteria. Based on this, 240 papers are excluded in the first screening. After this, a narrower search was carried out in Science Direct, based on the list of keywords. The total search in Science Direct resulted into an initial result of 428 records in total. Adding on these findings, the other two databases were screened with the same narrow search operators, leading to additional records for both databases, with Scopus (n=9) and Web of Science (n=24). Therefore, a total of 461 results were initially counted from all three databases. Before the first screening duplicates (n=87) were removed, both within one database, but also between all three databases.

A total first screening was carried out with a variety of 374 articles, of which 288 records were excluded due to ineligibility of the title, year, publication type or content of the abstract. Based on this, the search resulted in 86 potentially relevant articles. Before the full text screening a second check of the inclusion criteria and duplicates was carried out, leading to a removal of 7 records. Manually a full-text screening of all remaining articles (n=79) was conducted, to evaluate relevance and eligibility of the research. This was done to ensure, that only papers that have CSR or a related sustainability activities and leadership as core of the research theme. As result of the full text screening, 26 articles were included for the review. The extraction form of the included articles (*Appendix E*) and a summary of the research process (*Appendix F*) is additionally attached.

Upon quantitative analysis of the included articles, a predominant number of articles were sourced from Science Direct (n=20). Equally, an equivalent number of articles were obtained

from both Scopus (n=3) and Web of Science (n=3) for inclusion in this review. Moreover, the majority of papers was published in Journal of Cleaner Production (n=8), followed by Journal of Business Research (n=5). Elsevier's Journal of Cleaner Production is an international and transdisciplinary, containing publications on the topics on clean production, environmental and sustainability research. It serves as a platform for discussing environmental and sustainability issues in businesses, governments, educational institutions and societies, addressing topics such as sustainable development, sustainable consumption, corporate social responsibility, and legislation and policy for sustainability (Elsevier, n.d.).

Reviewing the research methodology used in the collected literature revealed that nine papers used survey-based methods. This suggests that quantitative methods are a widespread and frequently used approach to data collection, bringing practical insights from employees and managers of SMEs. Additionally, a significant proportion of the articles (n=7) followed the approach of a systematic literature review. Conversely, the use of only qualitative research methods, including interviews or focus groups, was relatively rare, reported in only two cases. It is also worth noting that several articles (n=7) used a mixed-method approach, using both quantitative and qualitative research methods. Among those, three articles used case studies to explore the research topic outlined.

A geographical analysis of the reviewed papers revealed varying contributions from different countries. However, it must be noted that not all papers clearly state, where their research was conducted. The distribution of research articles is as follows: Italy (n=1), UAE (n=1), Poland (n=1), Spain (n=1), Saudi Arabia (n=1), Australia (n=1), Russia (n=1), Qatar (n=1), Norway (n=1), Taiwan (n=2), Pakistan (n=2), India (n=3,) and unspecified (n=10). Notably, research was foremost conducted in Asian countries, with higher research activity in Taiwan, Pakistan and India. Additionally, research within various industries was conducted, mostly manufacturing, but also the service industry, tourism and hospitality, and logistics.

A crucial component in the quantitative analysis within a SLR involves a thorough breakdown of publication trends, which helps to define the development and chronology of academic contributions in the field of research. The inclusive scope of this review encompassed publications from 2016 through 2023. Notably, an escalating pattern emerges in the volume of published works over this timeframe. Initial years, 2016 and 2017, revealed a limited representation, each with only one paper included in this review. However, over the years a noticeable increase becomes apparent. An increase in research activity in 2018 can be noticed, totaling to four publications. The following years display a notable fluctuation in the volume of articles. In 2020, three articles were included in the evaluation, while in 2021, only one article was considered. In 2022 there was a significant rise in the number of articles included, with nine articles suggesting a substantial increase in scholarly output. The corpus of evaluated literature in 2023 included seven publications that continued this trend. The evolution indicates a significant increase in research activity over the period, which in turn reflects a changing environment and increased scholarly interest in the topic over the period studied. Moreover, these findings also indicate a high actuality, contemporary relevance, and current significance of the research topic in the field of CSR and ethical leadership. In fact, the findings of this research coincide with other literature reviews on the topics of ethical leadership and corporate responsibility in SMEs, as a similar upward trend on published papers can also be found in the research of Saha et al. (2020) and Ortiz-Avram et al. (2018). A graphical representation of the research results can be found in *Appendix G*.

5 Discussion of results

5.1 Qualitative analysis

In response to the research question, the following discussion attempts to draw out the multifaceted dynamics and implications that emerge from the literature reviewed.

As already analyzed in the previous chapter, research in the field of ethical leadership and CSR with the context of SMEs has seen an increase in research activity in recent years. Several authors acknowledge the considerable amount of attention to CSR and ethical leadership topics within the academic debate and describe the huge discussion. However, a research gap is also frequently mentioned in the included literature, especially in the context of SMEs (Eustachio, Caldana, and Leal Filho 2023; Aftab et al. 2022; Castañeda García et al. 2023; Cheffi et al. 2023; Fernández and Camacho 2016). To fill this gap, the authors shift the discussion to the link between (ethical) leadership and CSR in SMEs, recognizing the importance of these companies in economic, as well as social and environmental terms (Aftab et al. 2022; Cheffi et al. 2023). This explains the huge increase in research activity in recent years, as explained in the previous chapter. In this, the study of Kumar and Srivastava (2022) examined the trend towards corporate social responsibility. Based on its findings, CSR literature has paid most attention to the impact of CSR on financial performance. However, over a period of 15 years, from 1991 to 2020, research has increasingly focused on CSR in SMEs and on the relationship of owners and managers, among others. In contrast, CSR research on ethics and leadership has seen a decrease relative to other topics according to their research (Kumar and Srivastava 2022).

By shifting the focus of research to SMEs, the specific characteristics of small and medium sized enterprises are also under discussion. An important aspect to highlight is that in SMEs, where there is no separation between management and ownership, the personal values and ethical behaviors of managers and leaders influence CSR activities, business ethics and employee and organizational outcomes (Aftab et al. 2022). Due to their flat structure and the limited financial and human resources, SMEs are highly dependent on personal characteristics, styles and ethics of the owners and leaders (Dunne et al. 2016; Rasheed et al. 2021, as cited in Cheffi et al. 2023). Moreover, researchers agree on the characteristics of management and

decision-making in SMEs, which can be described as a centralized process in the responsibility of one person, the owner-manager (Debicka, Olejniczak, and Skapska 2022). In regard to their CSR activities, Chen (2022) argues, that SMEs due to the limited resources, are more likely to focus on fewer and more specific issues than adopting full strategies. Even though SMEs should be more efficient in the use of their resources, efforts in the area of CSR are hardly ever in full compliance with global guidelines. On the other hand, the informal culture, central ownership and flexible structure that characterize SMEs, together with the owners' or managers' ethical orientation towards environmental and social issues, gives them an advantage over larger businesses in that they can implement ethical and sustainable practices more rapidly and flexible (Mitra 2023; Ortiz-Avram et al. 2018). All this stresses the relevance of research into ethical behavior of SMEs' owners, leaders and managers and their influence on organizational outcomes, employee behaviors and social and environmental corporate responsibility. Moreover, several authors argue that both ethical leadership and CSR activities can become a competitive advantage for SMEs and can be crucial for the businesses to stand out from the competition (Aftab et al. 2022; Fernández and Camacho 2016). Furthermore, implementing CSR strategies through ethical leadership methods can enhance the growth and competitiveness of SMEs (Mansour et al. 2022).

Ethical leadership's influence on social CSR

According to Saha et al. (2020), ethical leadership promotes socially oriented changes and initiatives, which are the driving force behind CSR programs and therefore has a direct positive impact in CSR. As a matter of fact, ethical leadership promotes moral reasoning and ethical behavior, setting a clear direction for the entire organization (Ko et al., 2018; Lu and Li, 2014, as cited in Cheffi et al. 2023). Furthermore, leaders who are highly engaged in social responsibility tend to exhibit high levels of ethical leadership (Hoogh and Hartog (2008), as

cited in Saha et al. 2020). In another context, Castañeda García et al. (2023) stress that the owner's or manager's leadership practice is crucial for responsible management of the firm. Although responsible leadership and ethical leadership differ, ethical leadership is a subset of responsible leadership, making responsible leadership a more comprehensive concept. Nevertheless, both approaches focus on caring for employees, listening to alternative ways of thinking, and dealing with the well-being of employees, while responsible leadership focuses on minimizing ethical conflicts within the organization, and the social and environmental responsibility of leaders, ethical leadership concerns the management of internal conflicts (Castañeda García et al. 2023). Furthermore, both leadership styles were found as significant to influence the social dimension of sustainability (Piwovar-Sulej and Iqbal 2023).

Interesting is also the fact that leadership can contribute to business model innovation. Chen (2022) argues that with the positive traits of a leader, the company can build a strong corporate culture, which is a key driver for the achievements of corporate sustainability and business model innovation. As CSR is seen as a primary motivator to influence corporate culture, leaders can also shape a company's value and beliefs to create a healthy corporate culture and a positive working atmosphere. In contrast, Saha et al (2020) see creating a responsible organizational culture as a key task of ethical leadership, and organizational culture as a tool for promoting CSR. However it is said that an organizational culture build on ethical leadership and CSR will foster sustainability and long-term productivity for all stakeholders (Mansour et al. 2022).

On top of that, ethical leaders can influence how their employees perceive issues of CSR (Mansour et al. 2022). Aftab et al (2022) conducted a study on the impact of the positive influence of ethical leadership on organizational and employee job performance and found that CSR serves as a positive mediator in the relationship between ethical leadership and employee job performance. Moreover, ethical leaders influence and initiate CSR practices and with this also employees' job performance. In a similar manner, Eustachio, Caldana, and Leal Filho

(2023) agreed on the fact that ethical leadership has a positive relationship with CSR practices as well as affecting employees' socially responsible behavior. If leaders of a firm are acting ethically and have personal values and beliefs such as altruism, integrity, and honesty, a firm will also be more engaged in CSR activities and the leaders, same as their subordinates, are more likely to achieve a high level of performance (Aftab et al. 2022). Moreover, in this regard, leadership not only influences employees, but also fosters social improvement, e.g. through empowerment, training and employment opportunities, pro-environmental campaigns, social program for communities, or contributions of charities (Castañeda García et al. 2023).

Even further, social responsibility in SMEs is widely regarded to be of great importance. These companies have greater scope to create both direct and indirect employment opportunities, develop local infrastructure, deliver training to local populations, and empower women. As a result, SMEs and their owners are more interconnected with the local socio-cultural and economic environment than larger organizations (Mitra 2022). This contributes to the fact that the socially responsible behavior of SME favors community support and addresses the needs and interests of the regional network and its stakeholders (Ortiz-Avram et al. 2018)

Thus, these findings all indicate that ethical leadership has positive impact on the social dimension of the triple bottom line. This impact is observed not only within the internal dimension of CSR, where EL affects employees' sustainable and ethical behavior and job performance, but also in the external dimension with social improvements seen within the communities.

Ethical leadership's influence on environmental CSR

In addition, the findings of several research projects in this review suggest that ethical leadership not only impacts the social dimension of CSR, but also positively contributes to the environmental perspective of corporate social responsibility. For instance, ethical leadership is

found of relevance to enhance sustainability and development of circular economy practices in SMEs (Cheffi et al. 2023). Further, social responsibility and business ethics are considered to play a key role for the adaption of the circular economy concept. On the other hand, lack of commitment and awareness of SMEs' top management to carry out the adaptations is one of the main barriers for circular economy (Mathivathanan et al. 2022). Sohal and De Vass (2022) also concur with these findings, identifying the passion of leaders as a crucial internal success factor in achieving the goal of a circular economy business.

The study of Mansour et al. (2022) further strengthens that ethical leadership is a key driver of pro-environmental behavior and that it, together with perceived CSR, fosters employees' attitudes towards the environment and sustainable values. Additionally, leadership and ethical orientation of SME owners or managers and employees contributes also positively to eco-friendly waste management as well as to environmental benefits (Mintra 2022).

Besides the implementation of practices to minimize negative effects on the environment, ethical leaders are responsible to reduce greenwashing in the supply chain and establish green supplier criteria. In fact, smaller supply chains as often found in SMEs enable direct interactions with stakeholders, thus contributing with a positive environmental and socio-economic impact, ensure transparency and prevent greenwashing (Inês, Diniz, and Moreira 2023). With ethical leadership, owners of SMEs can shape the decision-making process and prioritize environmental sustainability in their strategy, while initiating support for eco-friendly practices. Moreover, ethical leaders could invest in innovations to improve the company's environmental performance, as green innovation is necessary to maintain market competitiveness. More specifically, ethical leadership can be seen as a strategic resource to shape a firm's green IT capital, to improve environmental performance through the development of functional processes, the production of eco-friendly products, a responsible use of natural resources and the reduction of waste and pollution (Hameed et al. 2023). This suggests that leadership is also

important for fostering innovation and successful CSR projects (Castañeda García et al. 2023).

Practical implications for SMEs

Besides the above-mentioned characteristics of SMEs that prevent the successful implementation of CSR, such as limited resources and a strong influence of the owner's values, several other aspects need to be considered. Although society puts pressure on SMEs to take responsibility for their impact on environment and society, and despite cultural and moral values influencing on owners and managers to act in an ethical responsible way, SMEs do not seem to see CSR as an explicit strategy and do not adequately address CSR concerns (Javed, Rashid, and Hussain 2017). Moreover, a knowing-doing gap appears to be relevant for smaller enterprises and even though more than a half of the surveyed small companies in Debicka, Olejniczak, and Skapska (2022) have formulated a mission and vision, this is unknown to a third of employees.

To reduce those negative aspects that SMEs must deal with, several papers give practical implications for SMEs. Businesses should actively undertake an organizational change and take actions to develop a sustainable organizational culture. Moreover, managers are responsible for fostering positive employee attitudes towards pro-environmental behavior and should raise awareness (Isensee et al. 2020). To foster the positive effects of ethical leadership on employee job performance, leaders should promote a healthy workplace and work-life balance (Aftab et al. 2022). Additionally, firms are advised to strengthen ethical leadership at top management level (Hameed et al. 2023) and consider ethics as a main pillar of organizational culture. To do so, firms should do their recruitment of management based on high levels of conscientiousness and agreeableness (Aftab et al. 2022). Positively for the creation of a sustainable business and the introduction of CSR practices is also to invest in training, networking, and mentoring programs to improve ethical skills of the management and leadership (Aftab et al. 2022, Ortiz-

Avram et al. 2018; Saha et al. 2020).

Since the implementation of CSR programs depends on the interests of SME owners and managers, a combination of economic and ethical drivers need to be considered in the decision-making process, based on the awareness of costs and benefits of responsible behavior, expertise and education of the managers (Ortiz-Avram et al. 2018). According to Mintra (2023), family ownership and influence can be seen as important drivers of CSR practices and for the establishment of an ethical infrastructure. However, researchers also argue, that government support and incentives, such as funding, are needed to drive change in SMEs, just as the effect of legislation could drive SMEs to adopt more sustainable, conscious and ethical behaviors (Lin, Yu, and Chang 2018; Fernández and Camacho 2016). To create a socially responsible SME, it is crucial for management to proactively incorporate environmental and social objectives into the strategy from the outset, as older companies appear to be less active in creating sustainable practices (Ortiz-Avram et al. 2018; Lin et al. 2018). Lastly, as ethical behavior both of managers and employees reduces additional organizational costs and employee turnover, thus creates loyalty and commitment, businesses should prioritize ethical leadership over other forms of leadership to retain employees, customers, and other stakeholders (Saha et al. 2020).

5.2 Reliability, limitations of the study and demand for further research

Although this review followed a rigorous method, it is important to consider certain limitations. While Centobelli et al. (2019) suggest that a SLR is an effective methodology for delving into qualitative subjects, Castañeda García et al. (2023) point out a common limitation of qualitative research: the potential risk of lacking generalizability, objectivity, and reliability. As this review has analyzed only three databases, Scopus, Web of Science and ScienceDirect, and with a narrow time frame of the last 10 years, only a limited number of papers were included into the review. Therefore, future research might explore other databases, leading to additional

academical findings within different papers to enhance the generalizability of the findings.

Fernández and Camacho (2016) emphasized, that while exploring sensitive areas within research, particularly in the area of business ethics, qualitative research methodologies, e.g. qualitative interviews of focus groups, are seen more conducive to yield comprehensive results. Accordingly, the use of different research methods, such as interviews, surveys or case studies would lead to more practical insights and therefore would contribute to the academic literature in this way. As several papers in this review not clearly state a specific industry or country, or thus, are in fact a literature review on their own, further studies could focus on country- and industry – specific situations in order to identify differences and similarities of the concepts.

6 Conclusion

The concept of corporate social responsibility has become highly relevant in the face of growing concerns about sustainability and the need for companies to deal with increasing pressures from stakeholder, society and the environment. For this reason, a rethinking of business activity and towards a more ethical business is needed. Therefore, this paper analyzed the role and the influence of ethical leadership on the development of corporate social responsibility practices, to drive SMEs to a more sustainable and ethical way of doing business. Initial investigations of this review, indicate a significant correlation between ethical leadership and the effective development and implementation of CSR strategies within SMEs. This correlation exists especially in SMEs, where the decision-making process follows a centralized structure, which gives the owner-manager an important and leading role to shape the business and its organizational culture. This alignment also contributes to Carroll's theory that ethics permeates through every stage of the CSR pyramid. Further, ethical leadership strongly influences the adaptation and outcomes of both social and environmental CSR practices in SMEs, leading to improved organizational image, stakeholder involvement, the creation of long-term sustainability as well as business innovation. The central role of SMEs today goes beyond

purely economic considerations to include important contributions to the social and environmental spheres. Companies' sustained commitment to social responsibility and business ethics is closely linked to the moral values and ethical behavior of their managers. Ethical leadership, which is inherent in the flexible structures of SMEs, enables a rapid implementation of sustainable practices. Moreover, ethical leadership facilitates socially oriented changes and drives CSR programs while enhancing moral reasoning and ethical behavior within organizations, thus promoting sustainability and stakeholder productivity. Therefore, EL is a key driver of pro-environmental conduct and attitudes of the business and its stakeholders. It further contributes positively to the social dimension of CSR, by promoting social progress by creating jobs, supporting local infrastructure and empowering communities, but also maintain stronger links with the local socio-cultural and economic landscape than larger organizations. Nonetheless, barriers such as a lack of commitment from top management hinder SMEs' adaptation and a disparity prevails between their recognition of CSR's importance and its effective implementation.

Considering the actuality of the included academic papers, even though both concepts, CSR and ethical leadership, are well established, this review also indicates a high actuality, contemporary relevance, and current significance of the research topic. It provides the academic world with an overview of the state of research and an understanding of the intertwining concepts of ethical leadership and CSR. In essence, while SMEs have significant potential to promote ethical leadership, drive CSR initiatives and positively impact their local communities, bridging the gap between recognizing the importance of CSR and implementing it effectively, is a critical step in maximizing the promotion of sustainability and societal well-being. Therefore, a major task for companies in future will be to actively pursue the implementation of CSR and to actively involve employees as well as the management.

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Appendices

Appendix A: Carroll's pyramid of CSR

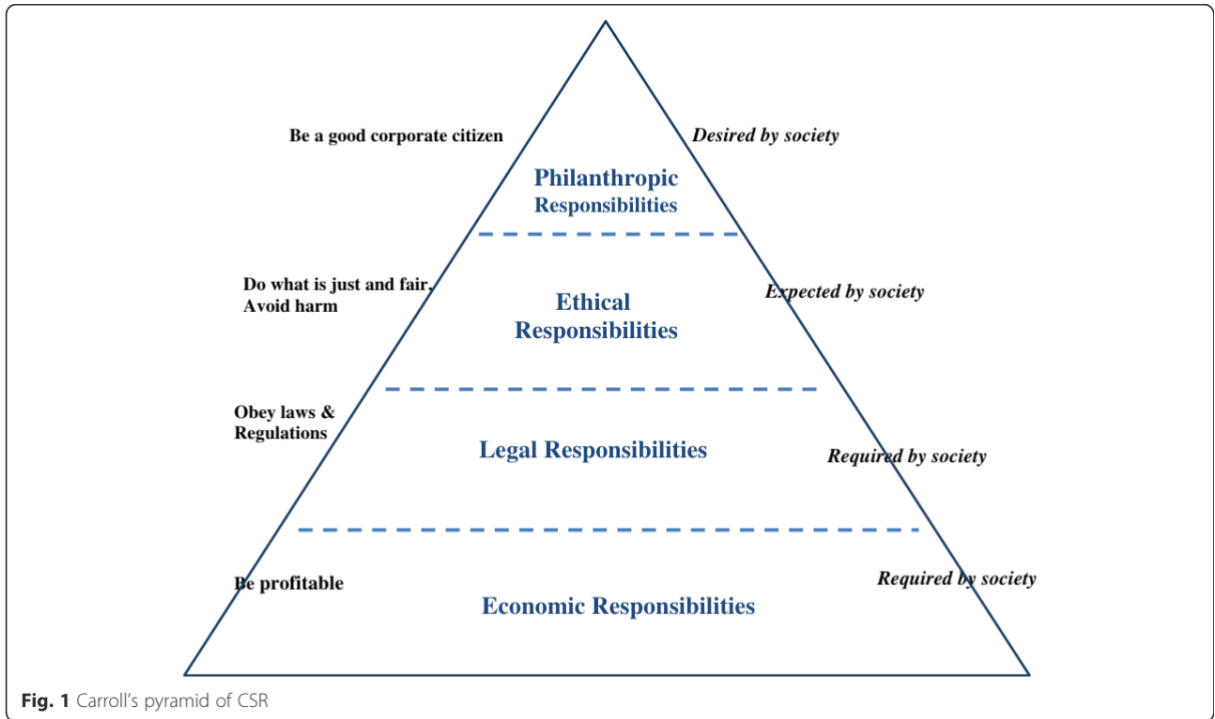


Figure 1 - Carroll's pyramid of CSR (Carroll 2016, 5)

Appendix B: Systematic review protocol

Title	The role of ethical leadership in promoting social and environmental responsibility as a form of corporate social responsibility (CSR) within modern SMEs
Objective of the study	Provide an overview of the state of art in current literature on the topic with a SLR, show how the state of research developed in the last years and highlight tendencies within the concepts CSR and EL
Research question	How is ethical leadership impacting the development and implementation of social responsibility initiatives in modern small and medium enterprises (SMEs) over the last 10 years?
Inclusion criteria	Research within <10 years (publish date between 2013- 2023) English language Full-text available: Open Access or Nova subscription Peer-reviewed journal articles only → exclusion of books / book chapters dissertations, conference papers, working papers (not peer-reviewed)
Search strategy	Databases: ScienceDirect, Scopus, Web of Science
Keywords used in search:	
<i>CSR – related</i>	‘CSR’ OR ‘Corporate social responsibility’ OR ‘Corporate responsibility’ or ‘social responsible’ OR ‘socially responsible’ OR ‘organizational sustainability’ OR ‘corporate sustainability’ OR sustainability
<i>EL - related</i>	‘Ethical leadership’ OR ‘ethical leader*’ OR ‘ethical leadership behavior’
<i>SME – related</i>	‘SME’ OR ‘small and medium enterprise’ OR ‘small business’
Quality assessment criteria	Peer-reviewed
Screening procedure	1. Title and Abstract 2. Full text
Analysis	Descriptive analysis: Where (Country and Journal), when and with what methodology has the research been published? Narrative integration of qualitative content: Description of key themes and summary of papers, identification of relationship between papers

Table 2 - Systematic review protocol (own illustration)

Appendix C: Search principles according to Denyer and Tranfield (2009):

- *Simple operators*: simple operators include exact phrases, e.g. “Ethical Leadership”, word association or truncation characters (* or ?), e.g. leader* to search for related terms in the field of leadership.
- *Boolean Logic*: searches with the phrases OR, AND or AND NOT. Whereas searches with the operator OR includes either of the search terms, the operator AND forms an intersection with the articles that combine both search terms. AND NOT, on the other hand, excludes a term.
- *Combination of Boolean operators with parentheses complex searches*, as a combination of both search terms, e.g., “Corporate Social Responsibility” AND (leader* OR SME)

Appendix D: Search words / Search strings

List of Keywords and Search terms
CSR AND ethical leadership AND SME (only used for Science Direct)
“corporate social responsibility” AND "ethical leadership" AND "Small business"
"corporate responsibility" AND "ethical leadership behavior"
"corporate social responsibility" AND "ethical leadership" AND "Small business"
sustainability AND "ethical leadership" AND ("Small business" OR "SME")
"corporate responsibility" AND "ethical leaders" AND ("Small business" OR "SME")
"social responsibility" AND "ethical leaders" AND ("Small business" OR "SME")
"socially responsible" AND "ethical leadership" AND ("Small business" OR "SME")
"organizational sustainability" AND "ethical leadership" AND ("Small business" OR "SME")
"corporate sustainability" AND "ethical leadership" AND ("Small business" OR "SME")

Table 3 - Search words (own illustration)

Appendix E: Extraction form

Author	Year	Corporate Social Responsibility	Environmental sustainability	Social sustainability	Ethical Leadership	Other form of Leadership (e.g. responsible leadership)	(Ethical) Corporate culture	SMEs
Altab et al.	2022	X			X			X
Al-Swidi et al.	2021		X		X		X	
Castaneda Gracia et al.	2023		X	X		X		X
Cheff et al.	2023		X		X			X
Chen	2022	X					X	X
Debiela, A., Oljiczak K., Slepiska, J.	2022	X				X		X
Eustachio et al.	2023	X			X	X		
Fernandez, Camacho	2016	X			X		X	X
Hameed et al.	2023		X		X			X
Inceoglu et al.	2018			X	X	X		X
İncés et al.	2023		X		X	X		X
Ismee et al.	2020	X	X				X	X
Javed et al.	2017	X					X	
Johannsdottir and Meherun	2018	X	X			X		X
Kumar and Srivastava	2022	X			X	X		X
Lin et al.	2018	X	X		X		X	X
Mansour et al.	2022	X	X		X			X
Mathiathana et al.	2022	X	X		X			X
Mitra	2022	X	X	X	X			X
Mitra	2023	X	X	X	X		X	X
Ortiz-Ayram et al.	2018	X						X
Piwoar-Sulek and Iqbal	2023	X			X	X		X
Saha et al.	2020	X			X			
Sobal and De Vass	2022		X		X		X	X
Soloyova and Sivolapova	2022	X			X		X	X
Tourky et al.	2020	X					X	

Extraction Form 1 - Research fields (own illustration)

Author	Year	Title	Findings
Alfah et al.	2022	Does CSR mediate the nexus of ethical leadership and employee's job performance? Evidence from North Italy SMEs	EL enhances the socially oriented initiatives and changes, that are components of CSR activities, EL is crucial in attaining CSR support and generates a sustainable competitive advantage. unethical leaders ignore the need for CSR. -> EL has a direct and positive effect on CSR. CSR has an indirect mediating effect on the EL and EIP
Al-Swidi et al.	2021	The joint impact of green human resource management, leadership and organizational culture on employees' green behaviour and organisational environmental performance	Confirms the important role of leaders in promoting the organisational identity and culture, that affects employees & performance. GHRM & leadership creates a system of beliefs and norms within the organization to help employees promote green behavior & identification with norms No direct link between GHRM and green leadership behaviour and employees green behaviour
Castaneda Gracia et al.	2023	Identifying core "responsible leadership" practices for SME restaurants	RL highly topical research subject, within the last 12 years, but lack of research on SMEs, where owners/managers are responsible for almost the entire strategic orientation of the firm -> five RL practices considered essential in SME practices: social orientation, ethics (ethical behaviour of an leader), stakeholder involvement, power-sharing, environmental orientation all practices positive related to the financial and innovative performance of the restaurant RL concerned with the why of adopting certain practices, less with the how (certain behaviours) RL at "higher-level", encompassing leadership that is more concerned with an outer perspective
Cheff et al.	2023	Ethical leadership, management control systems and circular economy in SMEs in an emergent economy, the UAE	The results revealed the key drivers of the deployment of CE practices. We find that both ethical leadership and the use of MCSs are positively associated with the extent of CE practices. However, ethical leadership indirectly affected CE through the mediating role of MCS. Overall, the findings demonstrate how instrumental ethical leadership and MCSs can be used in the deployment of CE practices. SME owners and managers play a crucial role in producing a legitimate MCS (Efferin & Hartono, 2015), based on which they influence the deployment of CE practices
Chen	2022	The mediating effect of corporate culture on the relationship between business model innovation and corporate social responsibility: A perspective from small- and medium-sized enterprises	Outcomes suggest that SMEs implement CSR resulting in strong corporate culture in attempting to reach BMI. The partial relationship analysis is identified that corporate culture has mediating effects on the BMI outcomes suggest that SMEs implement CSR resulting in strong corporate culture in attempting to reach BMI. The partial relationship analysis is identified that corporate culture has mediating effects on the BMI. when leaders values play role in CSR, they will in turn signif. influence corporate culture. Corporate culture key driver for achievements of corporate sustainability.
Debiele, A., Ojniczak K., Skapska, J.	2022	Enterprises' perception and practice of humane entrepreneurship	Study results show that the surveyed enterprises' perception of the importance of the selected Humant components is at a high level. The second study provided information on how important human aspects are, especially from the perspective of employees. Results indicate knowledge-doing gap problem of mission and vision within SMEs
Eustachio et al.	2023	Sustainability leadership: conceptual foundations and research landscape	Ethical leadership has a positive relationship with CSR performance and practices as well as affecting employees's socially responsible behaviour
Fernandez, Camacho	2016	Effective Elements to Establish an Ethical Infrastructure. An Exploratory Study of SMEs in the Madrid Region	Leadership plays key role in all three aspects (communication, training, management), leader usually driver of many initiatives on ethics and CSR, personal convictions and values of the founder/leader can be accelerators when implementing ethical decisions and CSR, CSR and ethical standards is perceived as a competitive differentiator element, legislation on CSR Factors that influence effectiveness of ethical infrastructure: strong culture, middle management, visibility of impacts Distinction between ethics and CSR in SMEs: CSR social action of the company, while ethics allies to relationships between stakeholders and stakeholders
Hameed et al.	2023	Ethical leadership and environmental performance: The role of green IT capital, green technology innovation, and technological orientation	CEO ethical leadership positively related to GITC and GIT influences SME's env. performance CEO ethical leadership as strategic resource and SMEs should use GITC, which improves GITI and env. performance
Inceoglu et al.	2018	Leadership behaviour and employees well-being: An integrated review and a future research agenda	hedonic forms of employee well-being (job satisfaction) overrepresented in literature, eudaimonic forms of well-being (e.g., work engagement, thriving) underrepresented. most of the studies in the review focused on positive forms of well-being, but with increasing interest in leadership research on negative forms of follower well-being such as stress, burnout and irritation more research is needed. Physical measures of well-being (e.g., sleep quality) were also under-researched and warrant inclusion in future research
Ints et al.	2023	A review of greenwashing and supply chain management: challenges ahead	ethical leaders can prevent greenwashing by establishing green supplier criteria corporate leadership should move away from transactional leadership to more ethical or transformational leadership styles that inspire the transition to a sustainable supply chain
Iensee et al.	2020	The relationship between organizational culture, sustainability and digitalization in SMEs: A systematic review	SMEs should proactively engage in the necessary task of organizational change, managers responsible for shaping positive employee attitudes towards digitalization SME can shape positive employee attitudes towards sustainability throughout management support SMEs should develop an environmental organizational culture
Javed et al.	2017	Well-governed responsibility spurs performance	Aggregate CSR toward primary stakeholders cause a surge in both financial and non-financial performance Corporate governance as a pillar of sustainable CSR and as the fundamental purpose of corporate governance to ensure effective implementation of corporate strategies in the interest of stakeholders
Johannsdottir and McInerney	2018	Developing and using a Five C framework for implementing environmental sustainability strategies: A case study of Nordic insurers	Commitment (leadership, training and skills, employee empowerment) as key theme -> clear commitment of leaders is key to enable conditions, leaders role to establish environmental strategy & vision, leaders to identify environmental risk, opportunities

Extraction Form 2 - Main findings (1/2) (own illustration)

Author	Year	Title	Findings
Kumar and Srivastava	2022	Trends in the thematic landscape of corporate social responsibility research: A structural topic modeling approach	In the past 15 years, number of research articles related to sustainability, supply chain, SMEs, financial performance, customers, employees, communication and owners and managers increased CSR research with stakeholders, societal value creation, political perspectives, ethics and leadership, learning and education and codes, rights and laws has declined
Lin et al.	2018	Determinants of CSR Practices for Reducing Greenhouse Gas Emissions: From the Perspectives of Administrative Managers in Tour Operators	managers who have strong attitudes towards benefits of CSR, subjective norms and PBC led to better CSR. Tour operators more likely to practice CSR supply chain initiatives, the longer the tour company was in business, the less likely the corporate manager was to have positive attitude regarding the benefits of CSR and the less likely it was to establish CSR policies and practices in their business operations
Mansour et al.	2022	Perceived corporate social responsibility, ethical leadership and moral reflectiveness impact on pro-environmental behavior among employees of small and medium enterprises: A double-mediation model	Link of CSR and ethical leadership: by applying ethical ideas and practices, CSR as a business system may provide profits for all stakeholders, ethical leaders required to promote ethical behavior & can influence employee's perception of CSR activities Results: perceived CSR directly impacted moral reflectiveness and ethical leadership, moral reflectiveness and ethical leadership mediated the relationship between perceived CSR and pro-environmental behavior, perceived CSR and ethical leadership can trigger the pro-environmental behavior of employees because of the positive influence of ethical leadership Previous research studies have shown the link of CSR on PEB and EL on PEB. Furthermore, elaborated that CSR and EL contribute in promoting the pro-environmental behavior Perceived CSR through ethical leadership enhances pro-environmental behavior, ethical leadership as a key driver for employee's pro-environmental behaviour; in SMEs middle line manager's perceived CSR practice important as it affects ethical leaderships, which triggers Env. Behav. Empirical evidences show importance of CSR and EL impact on SME are significant, provides evidence that CSR via EL can be more effective for SMEs to grow
Mathivathana et al.	2022	Drivers of circular economy for small and medium enterprises: case Study on the Indian state of Tamil Nadu	driver element: social responsibility and ethics as linkage driver element Managers should focus on understanding consumers' attitudes toward CE products and develop awareness on need and benefits of CE
Mitra	2022	An exploratory study of sustainability and firms performance for Indian manufacturing small and medium enterprises	strong direct and indirect association among leadership and ethical orientation of managers and employees, environmental and social practices, environmental benefits and firm's financial and non-financial performance strong leadership & top management commitment outranks other drivers of sustainability → Leadership ensures effective skill development and knowledge for employees, which facilitates the implementation of sust. bus. practices and firms performance but: no relationship between leadership and ethical orientation on firm's community-related social sustainability practices
Mitra	2023	Investigating the effect of organizational values on sustainable practices and the moderating role of family influence in Indian SMEs	organizational values/culture, and owners'/managers' values, beliefs, leadership and ethical orientation have a positive impact on firms' waste disposal/recycling and workplace-related social practices; been observed that for family SMEs, the relationships between organizational values/culture and owners'/managers' positive attitude and ethical orientation, and waste disposal/recycling and employe-related social practices are stronger than for non-family SMEs. However, for family SMEs, the relationships between employee-related social practices, and waste disposal/recycling and community development have been found to be non-significant, which indicates that family SMEs need to focus more on their employee practices than what they are doing now.
Ortiz-Avram et al.	2018	Exploring the integration of corporate social responsibility into the strategies of small-and medium-sized enterprises	implementation of CSR initiatives does more from combination of ethical and economic drivers extent and depth of CSR implementation in SMEs will depend on the owner-manager awareness of costs of irresponsibility and benefits of responsible behaviour SME managers more likely to adapt CSR activities within the regional context
Piwovar-Sulek and Iqbal	2023	Leadership styles and sustainable performance: A systematic literature review	Findings resulted in 21 different leadership styles, most popular sustainable and transformational leadership, ethical leadership addressed in 4 papers (8.51%) Ethical leadership and responsible leadership significantly influence social performance, but not environmental performance in general CSR domain, the most examined leadership style was ethical and transformational leadership
Saha et al.	2020	Effect of ethical leadership and corporate social responsibility on the firms performance: a systematic review	Results highlight, that financial aspects hinder CSR; personal values have an impact on ethical leadership that has direct positive impact on CSR. Firms need an effective combination of EL and CSR to retain customers and employees, EL promotes and establishes an ethical culture, firm's performance on triple bottom line is a reflection of ethical traits embodied by the leader
Sohal and De Vass	2022	Australian SMEs's experience in transitioning to circular economy	passion of leaders to implement CE as critical success factor (internal), change of attitudes (cultural change) internal and external to the firm is crucial for successful implementation necessary to change capabilities, not just at leadership level in terms of passionate, innovative and during leadership, but also in technology & data-driven decision making and training at organisational level
Solovyova and Sivolopova	2022	Corporate social responsibility in transport and logistics sector	general evolution of the CSR attitudes observed can be described as follows: from "necessity" for firm's reputation in the early years of the business establishment to "willingness" to participate in the local community's life, the feeling of own power and ability to contribute to society's betterment. But CSR not main priority for broad discussions, limited understanding in the sector
Tourky et al.	2020	The role of corporate identity in CSR implementation: An integrative framework	CI through the founder, core values, mission and culture helps identify internal drivers and set visions for CSR, to result in CSR strategies operationally, CSR contributes to implementing CSR through elements drawn from senior management and founder leadership

Extraction Form 3 - Main findings (2/2) (own illustration)

Author	Year	Journal	Database	Industry	Country	Method
Aftab et al.	2022	Social Responsibility Journal	Scopus	Manufacturing	Italy	Survey
Al-Swidi et al.	2021	Journal of Cleaner Production	ScienceDirect	Not specified	Qatar	Survey
Castaneda Gracia et al.	2023	International Journal of Contemporary Hospitality Management	Web of Science	Tourism / Hospitality	Not specified	Mixed methods
Cheffi et al.	2023	Journal of Business Research	ScienceDirect	Not specified	UAE	Survey
Chen	2022	Asia Pacific Management Review	ScienceDirect	Not specified	Taiwan	Survey
Debiecka, A., Oljniczak K., Skapska, J.	2022	Journal of Small Business and Enterprise Development	Web of Science	Multiple (Production, Commercial, Service)	Poland	Mixed methods
Eustachio et al.	2023	Journal of Cleaner Production	ScienceDirect	Not specified	Not specified	Bibliometric analysis
Fernandez, Camacho	2016	Journal of Business Ethics	Scopus	Multiple (Service, Media, Telecommunication and IT, Construction)	Spain	Interviews and focus groups
Hameed et al.	2023	Technological Forecasting and Social Change	ScienceDirect	Manufacturing	Saudi Arabia	Survey
Inceoglu et al.	2018	The Leadership Quarterly	ScienceDirect	Not specified	Not specified	SLR
Inés et al.	2023	Cleaner Environmental Systems	ScienceDirect	Not specified	Not specified	SLR
Isensee et al.	2020	Journal of Cleaner Production	ScienceDirect	Not specified	Not specified	SLR
Javed et al.	2017	Journal of Cleaner Production	ScienceDirect	Manufacturing	Pakistan	Survey
Johansdotir and McInerney	2018	Journal of Cleaner Production	ScienceDirect	Insurance companies	Norway	Case Study
Kumar and Srivastava	2022	Journal of Business Research	ScienceDirect	Not specified	Not specified	SLR
Lin et al.	2018	Tourism Management	ScienceDirect	Tourism / Hospitality	Taiwan	Mixed methods
Mansour et al.	2022	Frontiers in Psychology	Scopus	Multiple (Textile, leather / footwear, sports, food and beverage, metal, wood and furniture)	Pakistan	Survey
Mathivathana et al.	2022	Journal of Business Research	ScienceDirect	Not specified	India	Mixed methods
Mintra	2022	Journal of Cleaner Production	ScienceDirect	Manufacturing	India	Survey
Mitra	2023	IIMB Management Review	ScienceDirect	Multiple	India	Survey
Ortiz-Avram et al.	2018	Journal of Cleaner Production	ScienceDirect	Not specified	Not specified	SLR
Piwowar-Sulek and Iqbal	2023	Journal of Cleaner Production	ScienceDirect	Not specified	Not specified	SLR
Saha et al.	2020	Corporate Social Responsibility and Environmental Management	Web of Science	Multiple; majority of research focuses on manufacturing industry, only little on the service industry	Not specified	SLR
Sohal and De Yass	2022	Journal of Business Research	ScienceDirect	multiple	Australia	Case study
Solovjova and Sivolapova	2022	X International Scientific Siberian Transport Forum — TransSiberia	ScienceDirect	Transport and Logistic	Russia	Case study
Tourky et al.	2020	Journal of Business Research	ScienceDirect	Multiple	Not specified	Interviews

Extraction Form 4 - Research information (own illustration)

Appendix F: Summary of the research process

Flow Diagram in accordance with Page et al. (2021).

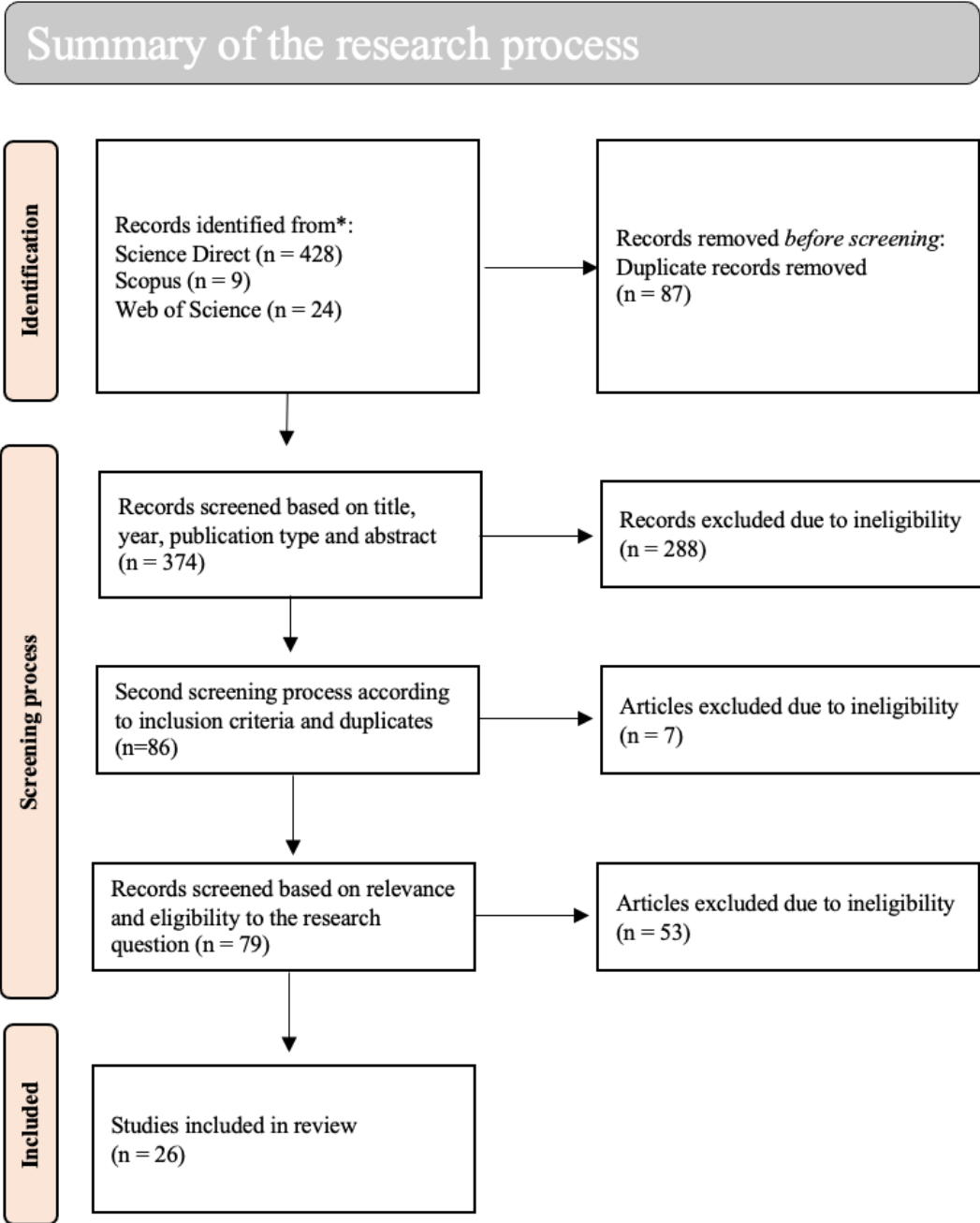


Figure 2 - Flow Diagram (own illustration)

Appendix G: Research results

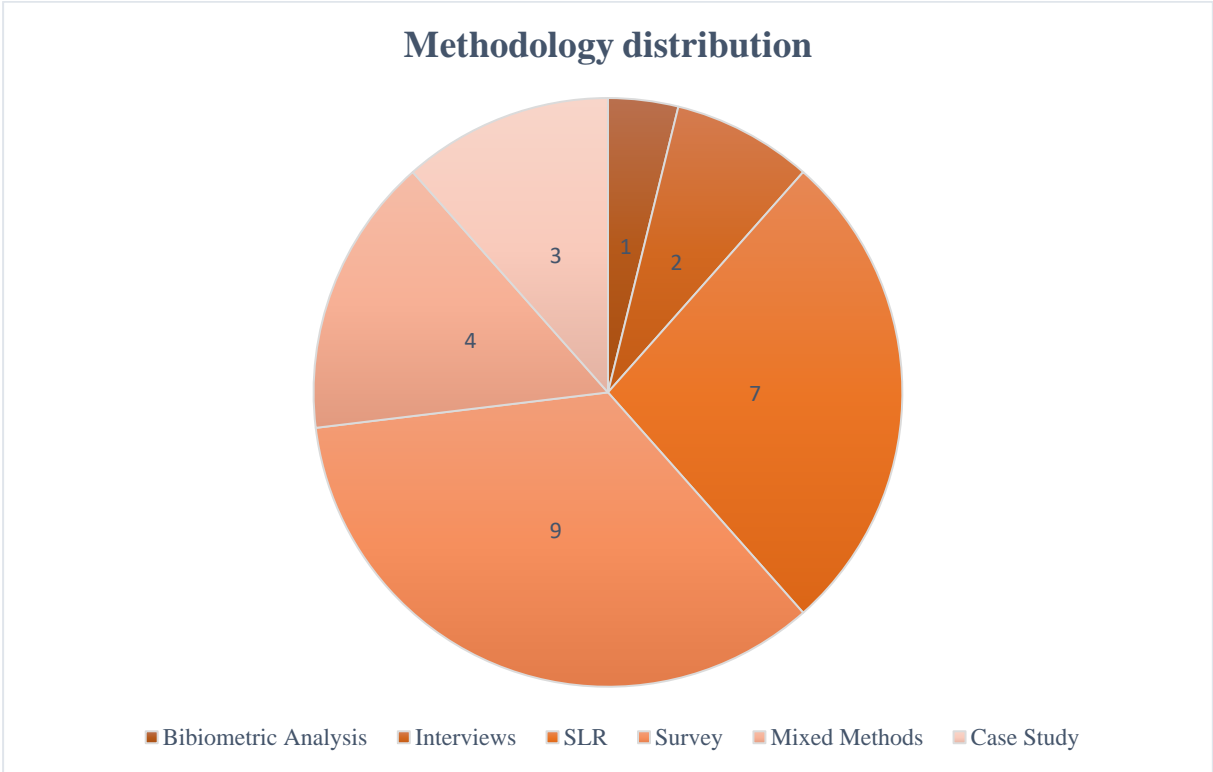


Figure 3 – Methodology distribution (own illustration)

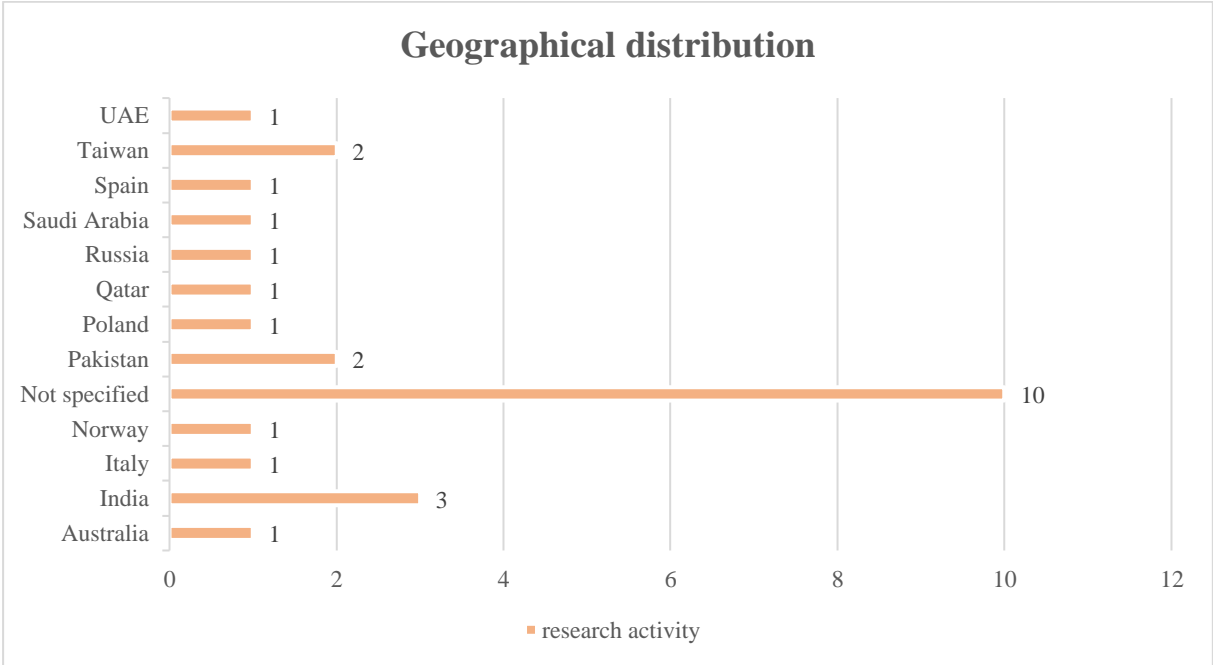


Figure 4 - Geographical distribution (own illustration)

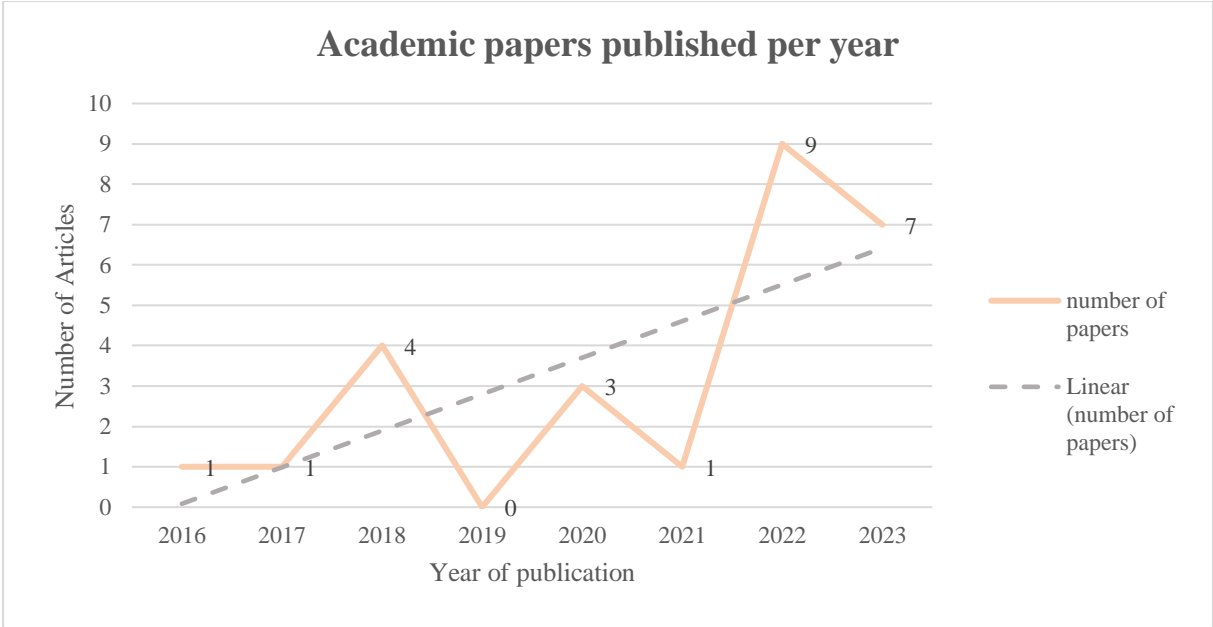


Figure 5 - Trend analysis (own illustration)