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## COMMUNITY SERVICE | REPORT

# Towards Inclusive Growth: Community-Centered Management Strategies for SMEs

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**Abstract:** This research explores the impact of community-centered management strategies on Small and Medium Enterprises (SMEs) and their surrounding communities, aiming to uncover insights into fostering inclusive growth. Employing a systematic literature review, the study synthesizes existing research to analyze the implications of such strategies on SME performance, resilience, and socio-economic development. The methodological approach involves the examination of key empirical studies and theoretical frameworks to elucidate the multifaceted dimensions of community-centered management. Findings indicate a positive correlation between SME engagement in community practices, such as Corporate Social Responsibility (CSR) activities and stakeholder engagement, and enhanced financial performance, competitiveness, and societal well-being. Moreover, the research highlights the critical role of organizational culture, leadership commitment, and institutional support in driving SME involvement in community development initiatives. Despite the potential benefits, challenges such as resource constraints, lack of awareness, and regulatory hurdles hinder SMEs' adoption of community-centered practices. However, collaborative efforts among stakeholders from various sectors can mitigate these barriers and create an enabling environment for SMEs to embrace sustainable business practices. Overall, this study underscores the importance of community-centered management strategies in advancing inclusive growth and sustainable development agendas. The findings contribute to scholarly understanding and inform evidence-based policymaking and practice aimed at promoting SME resilience and socio-economic progress.

**Keywords:** Community-Centered Management, Small and Medium Enterprises (SMEs), Inclusive Growth, Sustainable Development, Stakeholder Engagement.

JEL Code: L26, M14, O16

## 1. INTRODUCTION

In the contemporary landscape of global economic development, the concept of inclusive growth has gained significant attention as a pivotal goal for fostering sustainable prosperity. At the heart of this pursuit lies the empowerment and integration of diverse communities, particularly within the realm of Small and Medium Enterprises (SMEs). SMEs serve as vital agents of economic activity, contributing substantially to employment generation, income distribution, and overall economic dynamism in various contexts worldwide. However, the realization of inclusive growth through SMEs necessitates a nuanced understanding of management strategies that prioritize community-centered approaches. This introduction delves into the general understanding, specific elucidation, observed phenomena, relevant research, and the objective delineation pertinent to quantitative descriptive research aimed at comprehensively exploring the theme: "Towards Inclusive Growth: Community-Centered Management Strategies for SMEs".

Inclusive growth encapsulates a multifaceted vision of economic progress that transcends mere GDP growth, emphasizing equitable opportunities and outcomes for all segments of society, especially those historically marginalized or disadvantaged. Within the framework of SMEs, inclusive growth entails fostering an enabling environment where enterprises actively engage with and benefit various stakeholders, including employees, suppliers, customers, and the broader community. This paradigm

shift from profit-centric to community-centric business models not only aligns with ethical imperatives but also yields tangible benefits in terms of resilience, innovation, and long-term sustainability. Community-centered management strategies denote an array of approaches adopted by SMEs to embed community interests, values, and aspirations into their operational frameworks. These strategies encompass initiatives such as stakeholder dialogue, social responsibility programs, local procurement practices, and capacity-building efforts aimed at enhancing the socio-economic fabric of the communities they operate in. By prioritizing community well-being alongside business objectives, SMEs can foster a symbiotic relationship wherein mutual trust, reciprocity, and shared prosperity become the norm.

The quest for inclusive growth through community-centered management strategies unfolds against a backdrop characterized by both challenges and opportunities. On one hand, SMEs grapple with resource constraints, regulatory complexities, market volatility, and socio-cultural barriers that impede their capacity to adopt and sustain community-centric approaches. On the other hand, there exists a growing recognition among SMEs of the strategic imperative to embrace inclusivity as a source of competitive advantage, resilience, and legitimacy in an increasingly interconnected and socially conscious marketplace. A plethora of research endeavors has shed light on various dimensions of inclusive growth and community-centered management strategies within the SME context. Studies have explored the impacts of stakeholder engagement on firm performance, the role of social capital in fostering community resilience, the effectiveness of CSR initiatives in enhancing brand reputation, and the dynamics of local-global value chain linkages in promoting inclusive economic development. Drawing upon insights from these diverse research streams, the present study seeks to contribute empirically grounded perspectives on the efficacy, challenges, and implications of community-centered management strategies for fostering inclusive growth among SMEs. SMEs have the potential to drive inclusive growth through sustainability-oriented business practices (DiBella, 2022). However, they often fail to consider strategic management approaches, such as the balance scorecard and SWOT analysis, which can positively influence their growth strategies (Nnamseh, 2015). Multinational enterprises can play a role in inclusive development strategies by engaging with SMEs, particularly in sectors like banking and retail (Tulder, 2014). SMEs can also contribute to green and inclusive growth through eco-innovation and job creation, but they need support from relevant policy measures (Koirala, 2019).

Against this backdrop, the primary objective of this quantitative descriptive research is to systematically examine the current landscape of community-centered management strategies employed by SMEs and their implications for inclusive growth. Specifically, the study aims to:

1. Assess the prevalence and nature of community-centered management practices among SMEs across different industries and geographical contexts.
2. Identify the key drivers and barriers influencing the adoption and implementation of community-centered approaches by SMEs.
3. Evaluate the perceived impacts of community-centered management strategies on firm performance, stakeholder relations, and community well-being.
4. Analyze the moderating effects of contextual factors such as institutional environments, market dynamics, and firm characteristics on the relationship between community-centered management strategies and inclusive growth outcomes.
5. Provide actionable insights and recommendations for policymakers, business leaders, and other relevant stakeholders to foster an enabling ecosystem conducive to inclusive growth through community-centered management strategies.

In summary, this introduction sets the stage for a comprehensive exploration of the nexus between community-centered management strategies and inclusive growth within the SME landscape. By elucidating the conceptual underpinnings, empirical phenomena, and research objectives guiding the study, it establishes a robust foundation for advancing scholarly understanding and informing evidence-based policy and practice in this critical domain of economic development.

## 2. LITERATURE REVIEW

The pursuit of inclusive growth through community-centered management strategies among Small and Medium Enterprises (SMEs) has garnered substantial scholarly attention in recent years. This literature review aims to synthesize existing research related to this theme, providing insights into relevant studies, definitions, and specific explanations. By examining a diverse array of literature, this review elucidates the conceptual foundations, empirical evidence, and theoretical frameworks that underpin the study of inclusive growth and community-centered management strategies in the SME context.

### 2.1. Conceptual Framework

Inclusive growth, as elucidated in contemporary research, remains a paramount goal in economic development, emphasizing the importance of equitable opportunities and outcomes across society. Ranieri (2019) underscores that inclusive growth extends beyond mere income redistribution, encompassing broader socio-economic transformations aimed at reducing disparities and enhancing overall well-being. This holistic perspective aligns with recent studies that highlight the multifaceted nature of inclusive growth, emphasizing the need for comprehensive approaches to address systemic inequalities (Smith et al., 2023; Jones & Patel, 2022). In the context of Small and Medium Enterprises (SMEs), inclusive growth entails fostering an environment where businesses actively engage with and benefit various stakeholders, including employees, suppliers, customers, and the broader community. Kayanula and Quartey (2000) emphasize the pivotal role of SMEs in driving inclusive growth, given their potential to generate employment, spur innovation, and catalyze local economic development. Recent research echoes this sentiment, suggesting that SMEs can serve as engines of inclusive growth when equipped with the necessary resources and support (Holliday et al., 2021; Li & Wang, 2023).

Community-centered management strategies emerge as key mechanisms for realizing inclusive growth within the SME domain. Matten and Moon (2008) delineate these strategies as approaches adopted by SMEs to embed community interests, values, and aspirations into their operational frameworks. This perspective resonates with contemporary studies that underscore the importance of stakeholder engagement and social responsibility in fostering inclusive business practices (Chen & Huang, 2022; Zhang et al., 2023). Moreover, recent research emphasizes the role of local procurement practices and capacity-building efforts in enhancing the socio-economic fabric of communities (Cai & Wu, 2022; Liu & Zhao, 2023). The evolution of community-centered management strategies reflects a growing recognition of the interconnectedness between business success and societal well-being. Seelos and Mair (2007) highlight the transformative potential of these strategies in fostering collaborative partnerships and collective action for positive social change. Building upon this foundation, recent studies emphasize the need for SMEs to adopt proactive approaches that go beyond compliance and embrace a broader conception of corporate citizenship (Wu et al., 2022; Cheng & Wong, 2023). The integration of recent research findings enriches our understanding of inclusive growth and community-centered management strategies within the SME context. By synthesizing contemporary perspectives and empirical evidence, we gain insights into the evolving dynamics of inclusive development and the role of SMEs as agents of change. Moving forward, further research is warranted to explore innovative approaches and policy interventions that can facilitate the advancement of inclusive growth agendas in diverse socio-economic contexts.

### 2.2. Relevant Studies

A myriad of contemporary studies has delved into the multifaceted dimensions of inclusive growth and community-centered management strategies within the SME landscape, providing valuable insights into their impacts, drivers, and challenges. Bergh and Thakur-Wernz (2016) conducted a comprehensive analysis of the effects of Corporate Social Responsibility (CSR) activities on both firm performance and community development. Their findings revealed positive associations between CSR engagement and various outcomes, including financial performance and social welfare, underscoring

the dual benefits of CSR for SMEs and their surrounding communities. Similarly, recent research by Smith et al. (2023) delves into the nuanced relationships between CSR engagement and SME performance, emphasizing the role of CSR as a strategic tool for enhancing competitiveness and fostering stakeholder trust. Through empirical analysis, the study provides empirical evidence of the positive impact of CSR on SMEs' financial performance and brand reputation, highlighting the importance of responsible business practices in driving sustainable growth.

Moreover, Hatak et al. (2016) offer insights into the critical role of stakeholder engagement in enhancing SME competitiveness and resilience. Their study underscores the significance of building trust and collaboration with local communities, suppliers, and other stakeholders in driving business success. Drawing upon recent developments in stakeholder theory, the research emphasizes the need for SMEs to adopt proactive strategies that prioritize stakeholder interests and foster long-term relationships for sustainable growth (Jones & Patel, 2022). In addition to examining the positive impacts of community-centered management strategies, recent research has also shed light on the drivers and barriers influencing their adoption by SMEs. Ratten and Jones (2020) identified organizational culture, leadership commitment, and institutional support as critical determinants of SMEs' engagement in community development initiatives. Building upon this foundation, Wu et al. (2022) conducted a qualitative study exploring the role of leadership in driving inclusive practices within SMEs. Their findings highlight the pivotal role of visionary leadership in championing community-centered management strategies and overcoming internal resistance to change.

Conversely, Lee and Shin (2017) underscored the challenges faced by SMEs in implementing inclusive practices, including resource constraints, lack of awareness, and regulatory hurdles. Recent studies by Chen and Huang (2022) and Zhang et al. (2023) corroborate these findings, highlighting the need for tailored support mechanisms and policy interventions to facilitate SMEs' adoption of inclusive practices. By addressing these barriers and providing targeted assistance, policymakers, industry associations, and other stakeholders can play a pivotal role in promoting inclusive growth and fostering a more equitable business environment for SMEs. The synthesis of recent research findings provides a nuanced understanding of the dynamics of inclusive growth and community-centered management strategies within the SME context. By integrating empirical evidence and theoretical insights, scholars and practitioners can gain valuable insights into the factors shaping SMEs' engagement in inclusive practices and identify strategies for overcoming barriers to adoption. Moving forward, further research is warranted to explore innovative approaches and policy interventions that can accelerate the transition towards a more inclusive and sustainable business paradigm.

### 2.3. Definitions and Specific Explanations

In the contemporary landscape of Small and Medium Enterprises (SMEs), the pursuit of inclusive growth through community-centered management strategies remains a focal point of scholarly inquiry and practical implementation. Recent research endeavors have provided nuanced insights into the transformative potential of these strategies, shedding light on their impacts, mechanisms, and implications for both businesses and society. Naidoo and Wu (2011) underscore the transformative nature of inclusive growth through community-centered management strategies, highlighting the shift from profit-centric to community-centric business models. This paradigmatic shift goes beyond mere compliance with regulatory requirements, emphasizing the proactive integration of societal needs and aspirations into SMEs' decision-making processes. Recent studies by Chen and Huang (2022) and Zhang et al. (2023) corroborate these findings, emphasizing the importance of aligning business objectives with broader societal goals to foster sustainable development.

Jenkins (2006) emphasizes the concept of shared value creation, wherein SMEs integrate community interests into their value chains to generate positive outcomes for both business and society. Drawing upon recent developments in stakeholder theory, Smith et al. (2023) highlight the role of SMEs as agents of social change, emphasizing the importance of stakeholder engagement in driving inclusive growth. By fostering collaborative partnerships and co-creating value with diverse stakeholders, SMEs can unlock new sources of innovation and competitive advantage (Jones & Patel, 2022). Moreover, community-centered management strategies enable SMEs to leverage the social

capital embedded within local communities, thereby enhancing their resilience and innovation capabilities. Recent research by Wu et al. (2022) underscores the importance of social networks and collective action in addressing complex socio-economic challenges. By tapping into community resources and networks, SMEs can access new markets, knowledge, and opportunities for growth (Cheng & Wong, 2023).

The participatory approach advocated by community-centered management strategies not only fosters inclusive growth but also contributes to long-term sustainability and competitiveness. Austin et al. (2006) highlight the synergistic effects of social and commercial entrepreneurship, emphasizing the potential of SMEs to drive positive social change while generating economic value. Building upon this foundation, Li and Wang (2023) explore the role of SMEs in promoting environmental sustainability, highlighting the importance of integrating environmental considerations into business practices. The integration of recent research findings enriches our understanding of the transformative potential of community-centered management strategies in fostering inclusive growth within the SME sector. By synthesizing empirical evidence and theoretical insights, scholars and practitioners can develop targeted interventions and policy frameworks to support SMEs in their journey towards sustainability and social responsibility. Moving forward, further research is warranted to explore innovative approaches and scalable solutions that can accelerate the transition towards a more inclusive and resilient economy.

### 3. RESEARCH METHOD

In conducting a qualitative research study on community-centered management strategies for inclusive growth among Small and Medium Enterprises (SMEs), it is imperative to employ a methodological framework that allows for in-depth exploration, interpretation, and understanding of the phenomena under investigation. This section outlines the research methodology, including the rationale for selecting a qualitative approach, data collection methods, sampling techniques, data analysis procedures, and strategies for ensuring rigor and validity.

#### 3.1. Rationale for Qualitative Approach

A qualitative approach is deemed appropriate for this study due to its emphasis on exploring complex social phenomena within their natural contexts, capturing rich, nuanced insights, and facilitating the interpretation of subjective experiences and perspectives (Denzin & Lincoln, 2018). Given the multifaceted nature of community-centered management strategies and their implications for inclusive growth, qualitative methods offer a flexible and holistic means of inquiry, enabling researchers to uncover underlying meanings, patterns, and relationships embedded within the data (Creswell & Poth, 2018).

#### 3.2. Data Collection Methods

Primary data for this qualitative study will primarily be derived from a comprehensive review of relevant literature, encompassing academic articles, books, reports, and policy documents related to community-centered management strategies and inclusive growth in the SME context. Additionally, qualitative interviews may be conducted with key stakeholders, including SME owners, managers, employees, community leaders, and policymakers, to gain firsthand insights into their experiences, perceptions, and practices regarding community-centered approaches (Patton, 2015).

#### 3.3. Sampling Techniques

Sampling for the literature review component will involve purposive selection of scholarly works that are deemed relevant, credible, and influential in the field of inclusive growth and community-centered management strategies. The inclusion criteria may encompass factors such as publication date, theoretical relevance, methodological rigor, and geographical diversity. For qualitative interviews, a

purposive sampling strategy will be employed to select participants who possess relevant knowledge, experience, and perspectives on the research topic (Guest et al., 2020).

### 3.4. Data Analysis Procedures

Data analysis for the literature review will involve systematic synthesis and interpretation of key themes, concepts, and findings across selected sources. This may include techniques such as thematic analysis, content analysis, and narrative synthesis to identify patterns, contradictions, and gaps in the literature (Thomas & Harden, 2008). Qualitative interviews will be transcribed verbatim and analyzed using thematic coding techniques, wherein recurring themes, categories, and sub-themes will be identified and organized into a coherent analytical framework (Braun & Clarke, 2006).

### 3.5. Ensuring Rigor and Validity

To enhance the rigor and validity of the study findings, several strategies will be employed. Triangulation of data sources and methods will be utilized to corroborate and cross-validate findings from different sources (Creswell & Creswell, 2017). Peer debriefing and member checking will be conducted to solicit feedback and validation from external reviewers and participants, respectively (Morrow, 2005). Reflexivity will be maintained throughout the research process, with researchers critically reflecting on their own biases, assumptions, and interpretations to ensure transparency and credibility (Finlay, 2002).

## 4. RESULTS AND DISCUSSION

The exploration of community-centered management strategies for SMEs in fostering inclusive growth yields multifaceted insights, as discussed below.

### 4.1. Impact of Community-Centered Management Strategies

The examination of existing literature underscores the profound impact of community-centered management strategies on the performance of Small and Medium Enterprises (SMEs) and the well-being of their surrounding communities. This impact manifests in various dimensions, encompassing both financial and social outcomes. A seminal study by Bergh and Thakur-Wernz (2016) sheds light on the positive associations between Corporate Social Responsibility (CSR) activities and firm performance, revealing that SMEs engaging in community-centered practices tend to experience enhanced financial performance. Similarly, Hatak et al. (2016) corroborates these findings by highlighting the positive correlation between stakeholder engagement and SME competitiveness and resilience. The positive associations identified in these studies underscore the multifaceted benefits of community-centered management strategies for SMEs. Beyond merely complying with regulatory requirements, SMEs that actively engage with their communities and embed their interests into their operational frameworks reap tangible rewards. As Bergh and Thakur-Wernz (2016) argue, such engagement fosters a sense of social responsibility among SMEs, driving them to pursue business practices that not only maximize profits but also contribute to the greater good of society. This alignment of business objectives with societal needs and aspirations results in a win-win situation, wherein SMEs enhance their bottom line while simultaneously fostering the well-being of the communities they operate in.

Moreover, the role of stakeholder engagement emerges as a critical determinant of SME performance and resilience. Hatak et al. (2016) emphasizes the importance of building trust and collaboration with local communities, suppliers, customers, and other stakeholders in enhancing SME competitiveness. By involving stakeholders in decision-making processes and fostering open communication channels, SMEs can gain valuable insights, identify emerging opportunities and challenges, and respond effectively to changing market dynamics. This participatory approach not only enhances SMEs' adaptive capacity but also strengthens their social license to operate, mitigating risks

and enhancing reputation. Furthermore, the positive impacts of community-centered management strategies extend beyond the confines of individual SMEs to encompass broader community development. By actively engaging with local communities, SMEs can catalyze socio-economic transformations, create employment opportunities, and stimulate economic growth (Dacin et al., 2010). Moreover, CSR initiatives implemented by SMEs can address pressing social and environmental issues, such as poverty alleviation, education, healthcare, and environmental conservation, thereby contributing to the overall well-being of society (Porter & Kramer, 2011).

However, it is essential to recognize that the adoption and implementation of community-centered management strategies by SMEs are not without challenges. Resource constraints, lack of awareness, and regulatory hurdles often pose significant barriers to SMEs' efforts to engage in community development initiatives (Lee & Shin, 2017). Additionally, SMEs operating in competitive markets may face pressure to prioritize short-term profitability over long-term sustainability and social responsibility. Overcoming these barriers requires concerted efforts from various stakeholders, including policymakers, industry associations, financial institutions, and civil society organizations, to provide SMEs with the necessary support, incentives, and capacity-building programs. The analysis of existing literature highlights the significant impact of community-centered management strategies on SME performance and community well-being. Through CSR activities and stakeholder engagement, SMEs can enhance their financial performance, strengthen their resilience, and contribute to the socio-economic development of their communities. However, addressing the challenges inherent in the adoption of community-centered practices requires collaborative efforts from stakeholders across sectors. By leveraging the insights gained from this research, policymakers and practitioners can develop targeted interventions and policy frameworks to promote the widespread adoption of community-centered management strategies among SMEs, thereby fostering inclusive growth and sustainable development.

#### 4.2. Drivers and Barriers

The examination of drivers and barriers influencing the adoption of community-centered management strategies among Small and Medium Enterprises (SMEs) reveals a complex interplay of factors that shape their engagement in community development initiatives. Ratten and Jones (2020) emphasize the significance of internal organizational dynamics, highlighting organizational culture, leadership commitment, and institutional support as key determinants of SMEs' involvement in community-centered practices. They argue that a supportive organizational culture, characterized by a strong sense of social responsibility and ethical values, fosters a conducive environment for SMEs to prioritize community engagement and integrate it into their strategic objectives. Moreover, leadership commitment plays a pivotal role in driving SMEs' engagement in community development initiatives. Leaders who champion community-centered approaches demonstrate a clear vision and commitment to corporate social responsibility, inspiring employees and stakeholders to align their efforts with broader societal goals (Ratten & Jones, 2020). Additionally, institutional support, including access to resources, networks, and partnerships, enables SMEs to overcome barriers and implement effective community-centered strategies (Dacin et al., 2010).

Conversely, Lee and Shin (2017) highlight a range of challenges that hinder SMEs' efforts to adopt inclusive practices. Resource constraints emerge as a significant barrier, with SMEs often lacking the financial and human capital necessary to invest in community development initiatives. Limited awareness of the benefits of community-centered management strategies further exacerbates this challenge, as SMEs may perceive such initiatives as costly or irrelevant to their core business objectives (Lee & Shin, 2017). Furthermore, regulatory hurdles pose additional barriers to SMEs' adoption of inclusive practices. Complex regulatory frameworks, bureaucratic processes, and compliance requirements may deter SMEs from engaging in community development initiatives, particularly when perceived as burdensome or ambiguous (Lee & Shin, 2017). Moreover, the lack of clear guidelines or incentives for SMEs to prioritize social responsibility and community engagement may contribute to a reluctance to invest in such initiatives.

Addressing these barriers requires a multifaceted approach that leverages drivers while mitigating obstacles to SMEs' adoption of community-centered management strategies. Organizations can foster a supportive organizational culture by promoting values of social responsibility, ethics, and stakeholder engagement (Ratten & Jones, 2020). Effective leadership development programs can cultivate a cadre of leaders who are committed to driving social change and integrating community interests into business practices (Dacin et al., 2010). Moreover, providing SMEs with access to resources, networks, and capacity-building programs can empower them to overcome resource constraints and navigate regulatory complexities (Lee & Shin, 2017). Government agencies, industry associations, and non-governmental organizations (NGOs) can play a pivotal role in facilitating collaboration, providing technical assistance, and disseminating best practices in community-centered management strategies (Ratten & Jones, 2020). Additionally, policymakers can enact supportive policies and incentives that incentivize SMEs to prioritize social responsibility and community engagement. This may include tax incentives, grants, and preferential procurement policies that reward SMEs for investing in community development initiatives (Lee & Shin, 2017). By addressing these barriers and leveraging drivers, stakeholders can create an enabling environment that fosters the widespread adoption and implementation of community-centered management strategies among SMEs, thereby advancing inclusive growth and sustainable development agendas.

### 4.3. Opportunities for Sustainable Development

Community-centered management strategies represent a pivotal pathway for Small and Medium Enterprises (SMEs) to actively contribute to sustainable development agendas. By aligning their operations with the interests and needs of the communities they serve, SMEs can generate shared value that accrues to both business and society. Porter and Kramer (2011) advocate for the integration of community interests into SMEs' decision-making processes and value chains, emphasizing the potential to create synergies between economic and social objectives. This approach not only enhances SMEs' competitive advantage but also fosters positive social outcomes, such as poverty alleviation, environmental conservation, and inclusive growth. Moreover, harnessing social capital within local communities emerges as a key driver of SME resilience and innovation capabilities. Mair and Martí (2006) highlight the role of social networks, trust, and reciprocity in facilitating collaboration and knowledge sharing among SMEs and their stakeholders. By leveraging these social resources, SMEs can access new markets, opportunities, and resources, thereby enhancing their adaptive capacity and agility in responding to changing market dynamics. This collaborative approach enables SMEs to address complex socio-economic challenges more effectively and sustainably (Dacin et al., 2010).

Furthermore, the participatory nature of community-centered management strategies fosters inclusive growth while promoting long-term sustainability and competitiveness. Austin et al. (2006) argue that SMEs play a vital role in driving positive social change through their engagement with local communities, suppliers, customers, and other stakeholders. By adopting a stakeholder-oriented approach, SMEs can co-create value, build trust, and foster mutually beneficial relationships that endure over time. This not only enhances SMEs' social license to operate but also strengthens their resilience in the face of external shocks and uncertainties. From an environmental perspective, community-centered management strategies enable SMEs to adopt more sustainable practices and reduce their ecological footprint. By integrating environmental considerations into their business operations, SMEs can minimize waste, energy consumption, and pollution, thereby contributing to environmental conservation efforts (Porter & Kramer, 2011). This proactive approach not only enhances SMEs' environmental performance but also positions them as responsible corporate citizens committed to sustainable development.

However, realizing the full potential of community-centered management strategies requires overcoming various challenges and barriers. Limited resources, lack of awareness, and institutional constraints often hinder SMEs' efforts to adopt inclusive practices (Lee & Shin, 2017). Additionally, navigating regulatory complexities and balancing competing priorities can pose significant challenges for SMEs seeking to integrate community interests into their business strategies (Ratten & Jones, 2020). Addressing these challenges necessitates collaborative efforts from stakeholders across sectors, including

policymakers, industry associations, financial institutions, and civil society organizations, to provide SMEs with the necessary support, incentives, and capacity-building programs. In conclusion, community-centered management strategies offer SMEs a pathway to contribute meaningfully to sustainable development agendas. By harnessing social capital, fostering collaboration, and adopting inclusive practices, SMEs can create shared value, enhance resilience, and drive positive social change. However, realizing these benefits requires concerted efforts to address barriers and create an enabling environment that empowers SMEs to embrace community-centered approaches fully. By leveraging the insights gained from this research, stakeholders can work collaboratively to advance inclusive growth and sustainable development goals, thereby creating a more prosperous and equitable future for all.

#### 4.4. *Towards Sustainable Development*

Moving forward, it is imperative to leverage the insights gained from this research to inform ongoing efforts towards sustainable development. Policymakers, industry associations, and other stakeholders should prioritize initiatives that support SMEs in adopting and implementing community-centered management strategies. This may include providing targeted support, capacity-building programs, and regulatory incentives to facilitate SMEs' engagement in community development initiatives. Additionally, fostering collaborative partnerships between SMEs, civil society organizations, and government agencies can amplify the impact of community-centered approaches and drive collective action towards inclusive growth. Furthermore, future research endeavors should focus on exploring innovative approaches and scalable solutions that can accelerate the transition towards a more inclusive and sustainable business paradigm. Longitudinal studies tracking the implementation and outcomes of community-centered management strategies among SMEs can provide valuable insights into their effectiveness and evolution over time. Additionally, comparative studies across different geographical contexts and industry sectors can elucidate contextual factors that influence the adoption and impact of these strategies. By advancing scholarly understanding and informing evidence-based policymaking and practice, continued research in this area can contribute to transformative change towards inclusive growth and sustainable development. Community-centered management strategies hold immense potential for fostering inclusive growth among SMEs. By addressing the drivers, barriers, and opportunities inherent in these strategies, stakeholders can work towards building a more equitable, resilient, and sustainable future for businesses and communities alike. Through collaborative efforts and ongoing research, we can pave the way towards a more inclusive and prosperous society.

## 5. CONCLUSION

In conclusion, the exploration of community-centered management strategies for Small and Medium Enterprises (SMEs) underscores their pivotal role in driving inclusive growth, fostering sustainable development, and enhancing competitiveness. The synthesis of existing literature reveals that community-centered approaches offer SMEs a pathway to create shared value for both business and society, leveraging social capital, fostering collaboration, and addressing complex socio-economic challenges. By integrating community interests into their decision-making processes and value chains, SMEs can not only enhance their financial performance but also contribute to the well-being of the communities they operate in. This participatory approach fosters inclusive growth by fostering mutually beneficial relationships between SMEs and their stakeholders, promoting long-term sustainability and resilience.

From a theoretical perspective, the findings of this research contribute to the evolving discourse on sustainable business practices and stakeholder engagement. By highlighting the positive associations between community-centered management strategies and SME performance, this study reinforces the importance of considering social and environmental factors in business decision-making. The conceptual framework developed herein provides a theoretical basis for understanding the mechanisms through which community-centered approaches create value for SMEs and society at large. Moreover, the identification of drivers and barriers influencing SMEs' adoption of community-centered practices

enriches theoretical debates on organizational behavior, leadership, and corporate social responsibility. Furthermore, this research extends theoretical perspectives on sustainable development by emphasizing the role of SMEs as agents of positive social change. By elucidating the pathways through which SMEs can contribute to sustainable development agendas, this study underscores the importance of recognizing and harnessing the potential of SMEs in achieving broader societal goals. The conceptual framework developed herein provides a lens through which researchers and practitioners can analyze and assess the effectiveness of community-centered management strategies in driving sustainable development outcomes.

From a managerial perspective, the findings of this research have significant implications for SMEs, policymakers, and other stakeholders involved in promoting inclusive growth and sustainable development. For SMEs, the adoption and implementation of community-centered management strategies offer tangible benefits in terms of enhanced competitiveness, resilience, and reputation. By prioritizing community engagement, SMEs can build trust, foster customer loyalty, and access new markets, thereby driving business growth and long-term sustainability. Moreover, policymakers and industry associations play a crucial role in creating an enabling environment that supports SMEs in adopting and implementing community-centered practices. By providing targeted support, incentives, and capacity-building programs, policymakers can empower SMEs to overcome barriers and leverage opportunities associated with community-centered approaches. Additionally, policymakers can enact supportive policies and regulatory frameworks that incentivize SMEs to prioritize social responsibility and environmental sustainability.

Furthermore, fostering collaboration and knowledge-sharing among SMEs, civil society organizations, and government agencies can amplify the impact of community-centered management strategies and drive collective action towards sustainable development goals. By leveraging the insights gained from this research, stakeholders can work collaboratively to develop tailored interventions and policy frameworks that promote the widespread adoption of community-centered management strategies among SMEs, thereby advancing inclusive growth and sustainable development agendas. Community-centered management strategies hold immense potential for SMEs to drive inclusive growth, foster sustainable development, and enhance competitiveness. By embracing these strategies, SMEs can create shared value for both business and society, leveraging social capital, fostering collaboration, and addressing complex socio-economic challenges. However, realizing the full potential of community-centered approaches requires concerted efforts from stakeholders across sectors to overcome barriers and create an enabling environment that empowers SMEs to embrace sustainable business practices. By leveraging the insights gained from this research, stakeholders can work collaboratively to advance inclusive growth and sustainable development goals, thereby creating a more prosperous and equitable future for all.

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