Corporate Social Responsibility for Small and Medium Enterprise

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Abstract-The corporate social responsibility in the world has got immense attention to cater the market leaders for their company’s success. The study mainly focus the influence of corporate social responsibility on small medium enterprises to evaluate codes of conducts, global value chain, small medium enterprise policy, small medium enterprise’ social responsibilities, labor rights, multi-stakeholders initiatives and their responsibilities. Furthermore this research has acknowledged that government’s role is very necessary to implement these social responsibilities by the corporation. In conclusion this study has assessed the limitations that firms in the world need to be aware of the standards to which they will be held accountable in today increasingly globalized market.

Keywords: Corporate Social Responsibility (CSR), Small and Medium Enterprises (SMEs) and Strategic Corporate Social Responsibility (SCSR), CSR drivers.

I. INTRODUCTION

We have discussed about the relation between the corporate social responsibilities in small medium enterprise as how corporate social values are important in the gain of corporate social responsibilities, design a structure of CSR what are the gaps which are occurring between employee and firm. Governments also play a great role in maintaining the CSR policies between the legal compositions. Discussed one case of Netherland which are the policies they are adopting their culture. Small and Medium Enterprise generating GDP of 40% to 50% also tell about the activities in European countries are doing regarding SME’s. It also plays a very great role in development of CSR in SME’s.

II. Corporate Social Responsibility

Corporate social responsibility in business is the continuing commitment to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. [1] “CSR is a set of values and activities of companies in order to integrate environmental, social and economic and governance considerations into their business model and to support the sustainable development of their communities [2].

A. Business gain of CSR

Bowen [6] estimated businesses to provide social goods for example:

a) Standard of living is high;
b) Economic Progress and security increases;
c) Freedom, justice and rules.
d) Development of person

B. Structure for CSR

GAP describes their current position rather than stages in their development of CSR [8]. It has four “threads”:

a) The sustainable solutions in their supply chain including improving working conditions, monitor suppliers’ factories into their business practices, and collaborating to drive the industry change.
b) By making GAP for employees, people can build and flourish their careers.
c) By involving community from their foundation to their volunteerism.
d) For business functioning, environment, energy, health and safety are necessary factors.
C. Role of any Government and CSR
Government’s four possible roles are [9]:

a) Mandating for enabling CSR actions related to legal compositions
b) Facilitating the existing firms.

c) Partnering with corporations related to CSR actions.
d) Endorsing for providing understanding and knowledge.

D. Case study: Knowledge and Information Center specially for CSR in Netherlands
This center is managed by CSR Netherlands. The center has four activities [10]:

a. To collaborate with businesses in order to get better access to companies and also to solve the needs;
b. To collaborate with institutions of entrepreneurs in order to include the CSR information and activities;
c. To collaborate and promote with international trades like international trade of companies;
d. To distribute and promote the CSR topics like human resource management, marketing etc;

III. Small and Medium Enterprise

B. GDP of Ten Countries

Table 1 GDP of countries

<table>
<thead>
<tr>
<th>Sr No.</th>
<th>Country</th>
<th>Lowest</th>
<th>Highest</th>
<th>Last</th>
<th>Previous</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Kuwait</td>
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<td>33.99</td>
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<tr>
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<td>14.2</td>
<td>7.8</td>
<td>7.5</td>
</tr>
<tr>
<td>3</td>
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<td>23.01</td>
<td>-5.5</td>
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</tr>
<tr>
<td>4</td>
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<td>2.4</td>
<td>1.2</td>
</tr>
<tr>
<td>5</td>
<td>Malaysia</td>
<td>-6.2</td>
<td>10.3</td>
<td>5</td>
<td>4.4</td>
</tr>
<tr>
<td>6</td>
<td>Singapore</td>
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<td>19.8</td>
<td>5.8</td>
<td>4.4</td>
</tr>
<tr>
<td>7</td>
<td>Qatar</td>
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<td>32.9</td>
<td>6</td>
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</tr>
<tr>
<td>8</td>
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</tr>
<tr>
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<td>19.1</td>
<td>2.7</td>
<td>2.9</td>
</tr>
<tr>
<td>10</td>
<td>Vietnam</td>
<td>13.2</td>
<td>8.48</td>
<td>6.04</td>
<td>5.54</td>
</tr>
</tbody>
</table>

Fig 1 GDP of JAPAN

Fig 2 GDP of IRAN

Fig 3 GDP of SINGAPORE

The phrase SME has various types of businesses ranging from your single artisan work at home and creating handicrafts in order to sophisticated software-producing corporations selling with specialized worldwide niches. Both the United States and the Europe generally use the same threshold of fewer than 10 employees for small offices. In the EU, SMEs comprise approximately 99% of all firms and employ between them about 65 million people. Globally SMEs account for 99% of business numbers and 40% to 50% of GDP [11].

A. Small and Medium Enterprise in Europe
Small, micro and Small and medium enterprises in which often employee less than 250 people and which have an 12-monthly turnover not necessarily exceeding 50 million euro and an annual harmony sheet complete not out performing 43 million euro [14]
C. Corporate Social Responsibility among different Small and Medium Enterprise

Small businesses are different from big corporations just due to quantity of resources readily available, strategies, owners, importance regarding managerial valuations, level regarding involvement and stakeholder prioritization. These elements impact the different ways that CSR is usually perceived and practiced within SMEs compared with big companies. Values of person from the owner or manager impact the Corporate Social Responsibility strategy from the firm, since small establishments are seen as an absence of the separating between possession and administration. [16]

D. Strategic Corporate Social Responsibility and Organization

Strategic CSR may be including by several organizations specific variables that influence CSR benefits. As a regulator, CSR inside Tools refer to firms own rules, functions and set ups that safeguard a socially liable firm. Good cultural circumstance, resources and also needs with the firm, strategic CSR pursuits could address combining economic, ecological, social, stakeholder and also voluntary measurement related difficulties [17].

E. Significance of Small and medium Enterprise

Small as well as medium-sized firms play a vital role in the Australian economic system. They displayed around 2 million for trading the firms in July 2007 as well as employed about 42% involving total labor force in Quarterly report. They are generally estimated to own contributed about 46% involving Australia's low domestic product or service throughout 2006. Inside OECD nations, SMEs paid for over 95% involving firms as well as 60–70 % of work [19].

Ministry of Labor and Social Affairs [26] conducted on a sample of around 400 companies, suggests that the most frequent CSR initiatives in Italy are: training activities (89%); safeguarding employees’ health (82%); support of the local community (72%) and control of product safety (67%) and environmental impact (62%). These companies usually adopt CSR tools such as employee involvement programs (83%); sponsorships (75%); donations (51%); direct investments (47%) and management systems (42%). The survey in conducted in the city of Denmark where the issues of Corporate Social Responsibility in Small and Medium Enterprise addressed in supply chain [30].

IV. Relationship between CSR and SME

We have examined the relationship between CSR and SMEs in Italy. There are a number of reasons for the limited degree of commitment of the majority of SMEs to “formalized” CSR actions. Italian firms own rules, functions and set ups that safeguard a socially liable firm. Good cultural circumstance, resources and also needs with the firm, strategic CSR pursuits could address combining economic, ecological, social, stakeholder and also voluntary measurement related difficulties [17].

A. Frame Work (A model for strategic CSR and SME's Growth)
A model for strategic CSR and SMEs Growth

Through prioritizing the stakeholders, SMEs influence social investment capital and improve their growth [33]. CSR activities may contribute to help firm growth should they are aligned while using competitive strategy with the firm, consequently cost command, differentiation as well as quality push. Finally, to ‘contextualize’ the relationship between CSR and also firm growth we take into account several organization and market characteristics [35]. This framework is used to enhance the reliability of study and able to feed back to policy makers, civil society and SMEs managers through the recommendations put forward in this study. We focus on firm growth rather than other performance measures as among SMEs sales growth is a widely used long term measurement of performance [36], consistent with the notion of sustainability of firms [37].

V. Suggestion/Limitations

CSR has been fueled from the increasing rapidity of businesses worldwide in enhancing performance and by simply continued economic deregulation and also trade reforms which are putting stress on firms to enhance their efficiency and interact to market calls for and disorders. Firms in neighborhood need to learn the specifications to which they’ll be held dependable in currently increasingly globalized current market. A low a higher level CSR action seems surprising for the relatively high-income degrees of the Caribbean countries along with the numerous international firms that appeal to Northern consumers within the tourism sectors.

VI. Conclusion

Growing interest in CSR worldwide is inserting increased pressure on organizations worldwide, to combine such concepts so as to compete successfully. Such pressures can be institutionally based originating from governments along with regulators, or they might be derived from local communities as well as the non-governmental, activist market. As government and SMEs are not taking interest before but now with the growing values of the company and demand by the infrastructure by the company polices CSR playing a great role to establish the small firms. SMEs that pursue a differentiation or a quality driven strategy can achieve fast growth and in particular avoid sales decline by implementing CSR activities related to the workforce. SMEs that implement CSR activities related to the environment do not benefit from these in terms of growth, regardless of the competitive strategy pursued. Finally, the impact of CSR activities on SMEs growth can be enhanced through specific strategies and policies. To make our economy grow our SMEs also have to implement the CSR policy to serve the society and give the more benefit to human.

Reference


