

# **Awareness-raising Sustainable Business and Corporate Social Responsibility Among Small and Medium-sized Enterprises**

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## **Abstract**

Sustainable business and corporate social responsibility (CSR) activities have been raising in Turkey since 2001 Economic Crisis. Corporate social responsibility (CSR), is an approach developed with the concept of sustainable development. CSR is a kind of self-regulation management and organization model. CSR means that a company's business model should be socially responsible and environmentally sustainable. It refers to responsible corporate action beyond legal requirements; CSR manifests itself throughout the value chain, in a company's treatment of its employees and in its dealings with the relevant stakeholders. Especially, most large-sized companies in Turkey at least have played some roles on sustainable development with their projects, activities or reports. Most of them have relations with the world business environment. That's why they could find chance and had to use sustainable strategic management methods to prevent their stakeholders. But many small and

medium-sized companies (SMEs) couldn't have realized yet the importance of sustainability and CSR because of the many reasons (financing, accounting, human resources, work places, cultures and others). SMEs give dynamism to the Turkish economy, employment and businesses providing an important contribution to sustainable development. 98% of total enterprises in Turkey are SMEs, Community and the environment in which SMEs can make significant contributions to corporate social responsibility. Because the term responsible for the business, social and environmental issues become part of the company's activities to ensure the economic success of the company with sustainability. CSR in Turkey is not a new subject. Historical background the society has already got a culture of philanthropy by some foundations and trade guilds. The research problem was how SMEs efforts could be improved into responsible entrepreneurship by raising questions on the possible ways with a profitable and sensible manner. The research may also help the companies in our region identify further actions that they can take to strengthen their business, its reputation and performance. The research area was undertaken in Aydin. Only seven percent of companies have ISO 9000 certificate. Almost nearly SMEs don't have certificates such as ISO 14000 and CE certificates. This situation may be the result of SMEs adequate environmental awareness. SMEs owner/managers play important roles to build workplace, environmental, marketplace and community policies. Cause they are the first policy makers on enterprises' values. Besides they think that these are unnecessary expenditures for themselves and the society or they have limited ability to apply.

**Keywords:** Sustainable Business, Corporate Social Responsibility, Small and Medium-Sized Enterprises, Business Policies, Company Values

## 1. INTRODUCTION

In the present days, business environment, financial, political, and social factors all have impacts and subsequent affects on enterprises. Society of environment are becoming consistently more aware of the importance of the environment, social and ethical issues. As a result, greater awareness of Corporate Social Responsibility (CSR) within the business world has been developing. Corporate social responsibility (CSR), is an approach developed with the concept of sustainable development. CSR is a kind of self-regulation management and organization model.

The Committee for Economic Development commented about CSR as: "Today it is clear that the terms of the contract between society and business are, in fact, changing in substantial and important ways. Business is being asked to assume broader responsibilities to society than ever before and to serve a wider range of human values. Business enterprises, in effect, are being asked to contribute more to the quality of life than just supplying goods and services (Acar and Oksuz 2008).

CSR means that a company's business model should be socially responsible and environmentally sustainable. It refers to responsible corporate action beyond legal requirements. CSR manifests itself throughout the value chain, in a company's treatment of its employees and in its dealings with the relevant stakeholders. Especially, most large-sized companies in Turkey at least have played some roles on sustainable development with their projects, activities or reports.

CSR can benefit all stakeholders, including employees, manufacturers, and consumers, while addressing their social and environmental concerns. Therefore businesses of all sizes, including SMEs, have felt the impact of the above within subsequent changing business environments.

Many of the focus studies and works in Corporate Social Responsibility (CSR) have been about big-sized enterprises so far, such as the Corporate Responsibility Index or the Global Reporting Initiative. The very phrase "CSR" implies a certain size of enterprise. This is because big businesses have more abilities and tools than SMEs. They are more international which means facing more pressures than SMEs. But in Europe many enterprises are SMEs which means the society will probably expect CSR from SMEs now or later, whether business shape is large or not. At last enterprises which need to improve their quality, have to adopt a more social management style, sustainable business. It is necessary therefore to study the concept CSR in the SME context to understand and know the CSR key success factors that will enable SMEs to compete effectively and succeed in the long run. So this search focus on the SMEs roles at CSR.

This research paper has been organized in the following order. Subsequent to the introduction, SMEs is briefly explained, followed by the short perspective of CSR. This is followed by the methodology of the study and its results are provided. Finally, the conclusions and recommendations for future research are given for the benefit of the field.

## **2. SMALL AND MEDIUM-SIZED ENTERPRISES**

SMEs are important for country economies. Although big companies have strong sources to reach local communities, SMEs are more closer and better relations.

### **2.1. The Definition of SMEs**

Over 90% of enterprises in which both the developed and developing countries are SMEs (Aykaç et al, 2008). This means, Small and Medium-Sized Enterprises (SMEs) are playing a major role for the countries' economical and social area growths. SMEs is a kind of business concept that used in almost all countries. But there is no global definition accepted of SMEs.

Different country use various measures of size depending on total number of employees, total investment or sales turnover. That's why the definition of SMEs varies from country to country. The definition of SMEs depends on the national economy, the level of industrialization, the market size, sector, and vary according to the method used in the production. European Commission, has got new definition since 2005 to solve this problem.

**Table 1: The definition of SMEs in Europe and Turkey**

	<b>Enterprise category</b>	<b>Employees</b>	<b>Turnover or Balance Sheet Total</b>
<b>Europe</b>	Medium-sized	50-249	< 50 Million Euros or < 43 Million Euros
	Small	10-49	< 10 Million Euros or < 10 Million Euros
	Micro	0 - 9	< 2 Million Euros or < 2 Million Euros
<b>Turkey</b>	Medium-sized	50-249	< 25 Million TL or < 25 Million TL / 10,87 Million Euros
	Small	10-49	< 5 Million TL or < 5 Million TL / 2,174 Million Euros
	Micro	0 - 9	< 1 Million TL or < 1 Million TL / 0,435 Million Euros
			1 Euro = 2,30 TL, February 2012

**Source:** European Commission (2005: 14), [www.kosgeb.gov.tr](http://www.kosgeb.gov.tr) 2011

Table 1 shows that, SMEs have been defined in EU, as enterprises, which employ fewer than 250 employees and which have either an annual turnover not exceeding 50 million Euros, or an annual balance sheet total not exceeding 43 million Euros. The size and diversity of SMEs in Europe is enormous. Eurostat estimates that there are about 20 million enterprises in industry and services of which more than 99% are SMEs with fewer than 250 people employed (www.ec.europa.eu 2012). In Turkey, enterprises which employ less than 250 employees, and annual net sales revenue or fiscal balance sheet is not exceeding 25 million Turkish Liras are called SMEs (www.kosgeb.gov.tr 2012).

## **2.2. The Importance of SMEs in Turkey**

Turkey is a functioning market economy. Based on IMF estimates of worldwide GDP, Turkey is the world's 16th largest economy. Turkey's GDP per capita has increased from approximately \$1.300 to \$4.000 in 2000 and exceeded \$10.000 in 2011. Although this level stands at 46% of the EU average, Turkish economy could have reached 6,5% annual growth rate during 2002-2011 (<http://evds.tcmb.gov.tr/cbt.html>).

The size of the population is close to 75 million, and it is projected to reach 84 million in 2025. Turkey has a young population. The proportion of the population under the age of 24 is 44 percent. This represents a demographic potential that can contribute to economic growth if future policies focus on improving the state of the labor market. Removing rigid labor market regulations, reducing the tax wedge, and, more importantly, enhancing human capital through education reforms are essential policies for accelerating the economic growth rate on a sustainable basis. Currently, the Turkish economy is using less than half of its workforce (Ararat 2011).

Almost 98,8% of companies are SMEs in Turkey. 61,1% of workers are employed by the SMEs. The SMEs investment rate in all companies is 56,5%. Besides 37,7% of annual production of Turkish Economy is made by these companies (see Table 2). These rates indicate that SMEs have a great power on Turkish society, such as reducing unemployment, flexible production abilities, national economic and social development.

**Table 2: Economical Indicators of SMEs in Turkey**

Economical Indicators	%
SMEs rate in all enterprises	98,8
Employment rate	61,1
Investment rate in all enterprises	56,5
Annual production rate	37,7
Annual given bank credit rate	4
Export rate in all enterprises	8

**Source:** Bayat, 2011:p.569

SMEs are more closer than the large ones to the markets, have better relations with customers and employees. SMEs generate competition level higher of the sector in which they operate. Besides, the development of SMEs are considered the most efficient instrument for transition economies, which generates sustainable economic growth, employment, poverty alleviation and improvement of national economic welfare. Below are listed the most important factors for the contribution of SMEs to the market economy (Keskin and Senturk, 2010):

- SMEs provide the strength of element of “balance” income spectrum. This balance gains importance in terms of both social and economic sides. These enterprises are the sources of new ideas and discoveries. They contribute to the industries for providing required elasticity.

- SMEs have the opportunity to make a decision more quickly. Because they work with less expense of management and general operating, they have faster and cheaper production.
- SMEs play an important role in creating private initiatives. Also they enjoy large shares in employment and training. These enterprises are the first establishments in which many qualified workers receive technical training.
- SMEs constitute an effective way to expand the manufacturing and industrialization to the whole country.
- SMEs are of the situation to be the manufacturer of intermediate goods and inputs of large industrial enterprises.
- SMEs may be effective in increasing quality of life providing some opportunities for small investments to use labor force, raw material and financial sources that cannot be used because of social and political reasons.
- SMEs possess a significant role to fulfill the function to reflect small savings and family savings directly to the investments.

However, due to their structural capabilities and national economic-social policies, SMEs face many problems. In Turkey, most small businesses have capital and management problems which cause functional disorganizations (Ayik and Keskin 2011). So that SMEs have not only financial problems for investments, but also have nonqualified workers, inexperienced managers, inadequate bank credits, old technologies, standardization deficiencies, corporate management, marketing and sales problems (Aykac et al, 2008).

Today businesses are struggling with a new role around the World. They need to meet the needs of their societies where they live. Organizations are being called upon to take responsibility for the ways their operations impact to societies and the natural environment. Small businesses may not know or have not ability and use the term "CSR", but their close relations with stakeholders such as employees, markets and society often will expect to trust.

Many SMEs are committed to environmental, social and community responsibility is certainly clear. Much of this will not be called "CSR" by those who are doing it. Successful SMEs are regularly providing excellent goods and service. They provide employment. They engage their employees and harness their motivation and skills for the long-term success of the enterprise. They recognise the value of informing and consulting employees, and of creating participative workplaces (www.csr-in-smes.eu, 2011).

### **3. A SHORT HISTORICAL PERSPECTIVE ON CSR**

CSR seems new concept, but it has been in the academic literature since 1950's. But it has not got a universal accepted definition yet.

#### **3.1. The Definition Of CS**

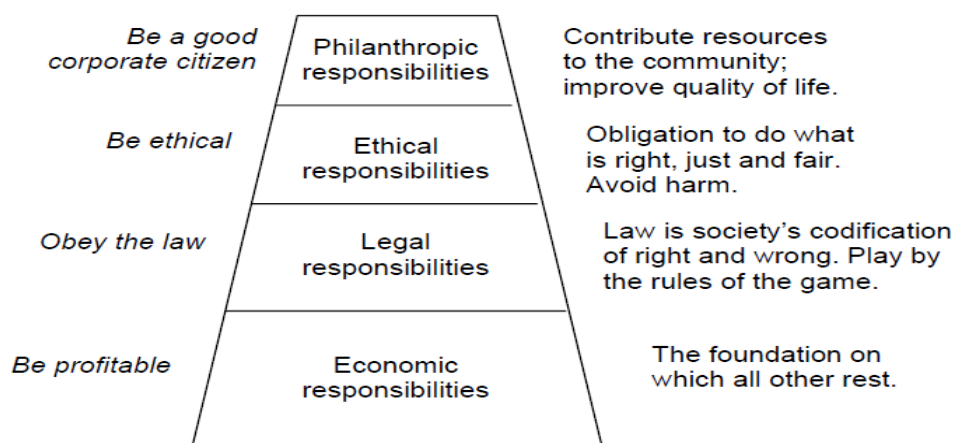
CSR is an evolving concept that currently does not have a universally accepted definition. Generally, CSR is understood to be the way firms integrate social, environmental and economic concerns into their values, culture, decision making, strategy and operations in a transparent and accountable manner and thereby establish better practices within the firm, create wealth and improve society. The World Business Council for Sustainable Development has described CSR as the business contribution to sustainable economic development (Hohnen 2007). Another definition of CSR is “Operating a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business (Raynard and Forstater 2002). As issues of sustainable development become more important, the question of how the business sector addresses them is also becoming an element of CSR.

CSR is defined by the EU as a concept “whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.” (www.csr-in-smes.eu, 2011). Here, corporate social responsibility, is an approach developed with the concept of sustainable development. CSR is a kind of self-regulation management and organization model. CSR is a kind of concept that describes the relationship between a business and its environment. So that for CSR, any business models should be socially responsible and environmentally sustainable from their impacts.

### **3.2. Views on CSR**

Corporate Social Responsibility, has existed in name for over 70 years. In academic literature, various authors have referred to a sequence of some approaches, each including and transcending one other, showing past responses to the question to whom an organization has a responsibility (Marrewijk, 2003). It is not until Bowen’s seminal text that CSR becomes the object of significant academic interest. Bowen in 1953 defines CSR as “the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of actions which are desirable in terms of the objectives and values of our society”. (Freeman and Hasnaoui 2010). But the classical view on CSR is “the social responsibility of business is to increase its profits” by legal means (Friedman, 1970). Milton Friedman contributed to the creation of a general CSR theory by asking questions such as “Should companies take responsibility for social issues?” (Friedman, 1970). Managers are only responsible for their shareholders. Profit maximization, is the main responsibility of the business. Other thing such as socially responsible activities are a major task of governments (Arslan, 2005). Consequently, the use of organizational resources for the larger good, such as donating to charities, is detrimental to firms since it may decrease profitability or increase product prices or both (Snider et al 2003).

The modern argument on CSR says that both big enterprises and SMEs are responsible to society as a whole, of which they are an integral part. They should use their resources to improve the welfare of its environment. Consistent with this argument, Carroll identified a model called “The Pyramid of CSR” (see Figure 1).



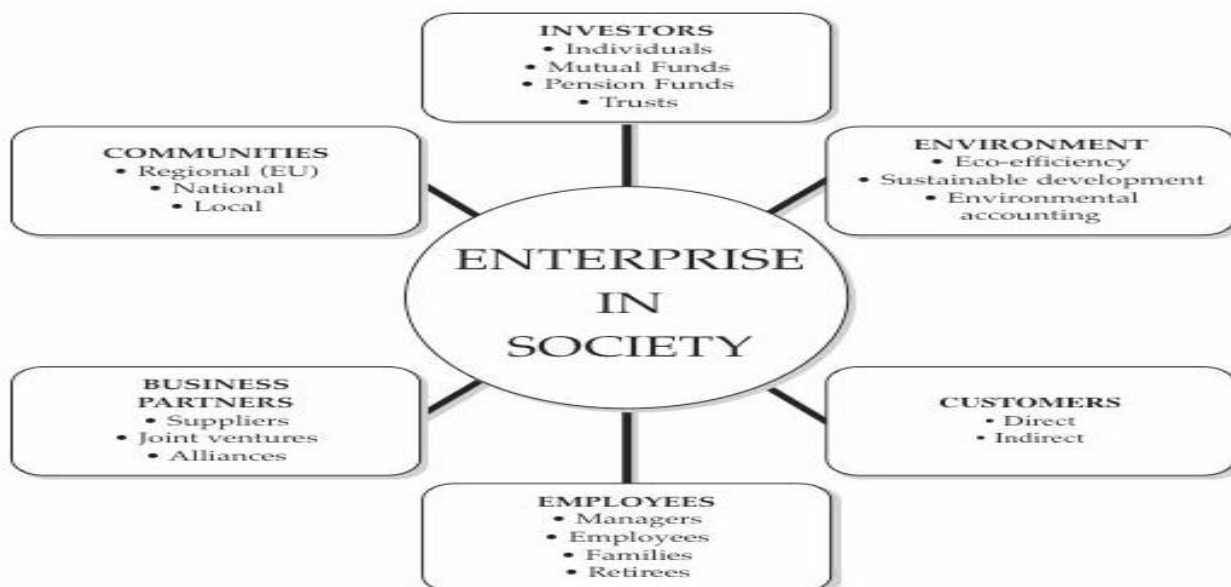
Source: Branco M. C. and Rodrigues L. L, 2007

Figure 1: The Pyramid of CSR

Accordingly this model, CSR has four dimensions: economic, legal, ethical. and philanthropic (Carroll, 1991). The economic component is business's fundamental responsibility to make a profit and grow. The legal component is their duty to obey the law and to play by "the rules of the game." The ethical component is their responsibility to respect the rights of others and to meet the obligations placed on them by society that ensure these rights. Finally, the discretionary component involves philanthropic activities that support the broader community (Snider et al 2003). All of these dimensions of responsibilities have always existed to some extent. But it has only been in recent years that ethical and philanthropic functions have taken a significant place (Carroll, 1991). In his model, each dimension of CSR can be examined in relation to the various stakeholders of organization. The modern definitions emphasize that a socially responsible company must have concerns beyond short-term profitability (Mohr, 2001). Obeying the laws is not enough to build a modern society.

The modern view on CSR is defined as briefly explained by E. Freeman's "stakeholder theory". Stakeholders identified and categorized by their "interest, right, claim or ownership in an organization" (Snider et all 2003). A stakeholder is a part of business who can affect the organization or is affected by the activities of an organization. (Ertuğrul 2008). Stakeholder theory indicates that shareholders are not the only accountable group for the organizations but also there are another important stakeholders: customers, managers, employees, civil society, suppliers, government, competitors or investors ect. (Wood, 1990). Figure 2, shows that there are six responsibility areas. It is also shows the stakeholders groups. CSR is really about how to manage these six responsibilities. Hence, stakeholder theory provides a useful framework to evaluate corporate social responsibility through social reporting activities.





Source: Palazzi M. and Starcher G. (2006: 9)

Figure 2: The Six Responsibility Areas in CSR

The growth of corporate social responsibility as an issue in modern society stems from a wide range of events and trends. The trends outlined below are receiving increased coverage by the media (Mamun et al 2009):

Changing Expectations of Stakeholders Regarding Business

Shrinking Role of Government

Increased Customer Interest

More Competitive Labor Markets

Supply Chain Responsibility

Growing Investor Pressure

Demands for Increased Disclosure

New and Emerging Issues

### 3.3. The Relationship Between Sustainability and CSR

There is a growing belief that firms can and should pursue strategies that address economic, social, and environmental problems that, if unresolved, may erode the basis for businesses' continuity. Economic sustainability is of fundamental importance to firms and is best reflected in their business models and governance choices. Social sustainability emphasizes the embedded nature of business in society. Issues such as poverty, access to medicine, access to clean water, polarization of income, and social exclusion are all related to the context in which businesses operate. Environmental sustainability considers the impact of

economic activities on natural resources, ecological balance, and global warming (Ararat et al 2011).

Around the world, companies are becoming increasingly aware of the impact of their activities. They are striving to make their business decisions more sustainable by applying the principle of corporate social responsibility (CSR) within the company, in the wider environment they operate in, and in their relationship with suppliers and customers. In line with their own economic interests, businesses – small and large, domestic and international – are starting to share responsibility for the ecological and social situation in their immediate environment. Examples include the protection of human rights, drawing up and implementing employment and environmental standards and minimising corruption (Conze 2011). Hence CSR is formulated managing change at company level in a socially responsible manner. This happens when a company seeks to set the trade-offs between the requirements and the needs of the various stakeholders into a balance, which is acceptable to all parties. If companies succeed in managing change in a socially responsible manner, this will have a positive impact at the macro-economic level (European Commission 2002). The most competitive economy on the world will probably be achieving sustainable development capability by social responsible management.

### **3.4. Corporate Social Responsibility and SMEs**

The CSR concept was developed mainly by and for large multinational enterprises. Because of their lower complexity and the strong role of the owner, SMEs often manage their social impact in a more intuitive and informal way than large companies. In fact, many SMEs are already implementing socially and environmentally responsible practices without being familiar with the CSR concept or communicating their activities. These practices are often defined and understood as responsible entrepreneurship by SMEs (European Commission 2002). Social responsibility applications of SMEs are affecting by stakeholders. We can say that a stakeholder is a part of a value chain. Stakeholders press each other. Especially SMEs having relationships with international affairs can be affected by through direct supply chain, as well as the development of legislation, getting international standardization or any certifications. On the other hand, CSR offers opportunities for greater market access, cost savings, productivity and innovation to SMEs, as well as broader social benefits such as education and community development. Without the incorporation of SMEs into the global 'social' value chain, the aim of CSR will not be met.

## **4. MATERIALS AND METHODS**

The research problem was: How could SMEs efforts be improved into responsible entrepreneurship? We tried to find awareness level of SMEs by raising questions on the possible ways with a profitable and sensible manner.

This study used both quantitative and qualitative research methods to compare multiple forms of data and seeking convergence in the findings. A questionnaire was used to collect data. It was sent to the entrepreneur and managers of SMEs by. Face to face interviews with corporate executives were also done to seek insights on their CSR practices. The questionnaire was taken from The European Commission Directorate-General for Enterprise (www.ec.europa.eu, 2012). It consisted of four major parts (workplace, environmental, marketplace and community policies), and 30 questions. The research results are used as data material for the analysis. The data analysis was conducted by using the SPSS program (Statistical Package for Social Science) and for evaluation and comments, the frequency analysis was used.

## **5. RESULTS AND DISCUSSION**

The number of enterprises responding to the survey is 40. The answers to the questionnaire were evaluated by means of frequency analysis. Frequency analysis of responses to the survey results are described separately below.

33 of the respondents are business owner/managers and the others are managers (general managers or unit directors). Only 3 of them are females. 72,5% of those interviewed are university graduates. Only 10% of them are over 50 ages. 70% of the enterprises are between 0-20 years old. Besides 37,5% of them are micro sized, 52,5% of them are small sized and 10% of them are medium sized enterprises.

### **5.1. Workplace Policies of SMEs**

The long-term success of enterprises and their ability as an effective entrepreneur often depend on the knowledge, skills, talent, innovative creativity and the motivation of their employees. As an enterprise grows, it will need people that it can rely on and delegate to, so that it can innovate the business. According to survey 29 of enterprises encourage their employees to develop real skills and long term careers. 10 of them have partially long-term plans. 37% of them have a process to ensure adequate steps taken against all forms of discrimination both in the workplace and at the time of recruitment. 35% of them have no processes and 8% of them have partially. 77,5% of the enterprises consult with employees on important issues. While 7,5% of them answered “no”, 15% of them consult partially. 21 enterprises have suitable arrangements for health, safety and welfare that provide sufficient protection for their employees. 17 of them have partially and 2 of them don't have suitable arrangements. While 17 enterprises actively offer a good work-life balance for their employees for example, by considering flexible working hours or allowing employees to work from home, 18 of them offer partially, and 4 of them do not.

## 5.2. Environmental Policies of SMEs

Environmental degradation is both a global and a local problem of increasing concern throughout society and therefore also among customers. Further, good environmental performance often makes financial sense. Energy efficiency, pollution prevention, waste minimisation and recycling can all result in significant cost-reductions for the enterprises. 60% of enterprises have tried at least once to reduce their energy consumption, 25% of them have tried partially and 15% of them don't have any energy reduction plan. 22 of the enterprises have tried to minimize their waste and maximize recycling while 18 of them have tried partially or not. Only 27 of enterprises have tried to use pollution prevention procedures for example effluent discharges, noise. 26 of enterprises exactly have some procedures to prevent the natural environment. But 10 of them have partially protection procedures. 47,5% of SMEs have sustainable transport options.

42,5% of enterprises have ability saving money by reducing their environmental impacts, 30% of them have partially. 65% of enterprises on the research area consider the potential environmental impacts when developing new products and services. 7,5% of managers do not know the impacts of their activities. The number of enterprises supplying clear and accurate environmental information on products, services and activities to customers, suppliers and local community is 30, whether 5 of enterprises have partially procedures and 3 of them do not supply.

We asked the enterprises whether they could think of ways in which their enterprises could use the sustainability of its products and services to gain an advantage over competitors such as recyclability of products, energy efficiency, etc. The ratio of "yes" answers is 60%, "no" is 10%, 25% is "in part". 2,5% of the ratio is "don't know and 2,5% is "not applicable".

## 5.3. Marketplace Policies of SMEs

Enterprises are basically 'human' organisations that rely on a web of internal and external relationships which are vital for mutual prosperity. The way in which these working relationships are managed is often vital to the success of an enterprise. Good relations with customers and suppliers bring gains for both sides. According the survey 80% of enterprises have policies to ensure honesty and quality in all their contracts, dealingd and advertising (e.g. a fair purchasing policy, provisions for consumer protection, etc). 75% of them are supplying clear and accurate information and labelling about products and services, including its after-sales obligations. 17,5% of them supply partially.

27 of enterprises ensure timely payment of suppliers' invoices, but 3 of them don't ensure. 7 of them ensure partially. Only 22 of enterprises have a process to ensure effective feedback, consultation and/or dialogue with customers, suppliers and the other people they do business. Accordingly the survey 72,5% of enterprises try to register and resolve complaints

from customers, suppliers and business partners. 25% of them can register and resolve complaints partially. Besides 52,5% of SMEs have been working with other companies or other organisations to address issues raised by responsible entrepreneurship but 15% of them don't work with others.

#### **5.4. Community Policies of SMEs**

There is a clear connection between a healthy and profitable business and the wellbeing of the community around it. Most small businesses are an integral part of their community and have an active involvement with local aspirations and activities. According to survey 35% of enterprises offer training opportunities to people from the local community. 30% of them can offer partially, but 30% of them don't offer any training opportunities. The number of enterprises having an open dialogue with the local community on adverse, controversial or sensitive issues that involve their enterprise is only 15. 14 of them don't have any open dialogues. Accordingly the survey whether 70% of enterprises try to purchase locally, only 4 of them don't have local purchasing relations. 62,5% of enterprises encourage their employees to participate in local community activities such as practical help, employee time and expertise. 60% of SMEs can give regular financial support to local community activities and projects (e.g. charitable donations or sponsorship). 20% of them can support partially, but 17,5% of them can not.

#### **5.5. Company Values of SMEs**

Most small businesses already "do the right thing" or at least do a number of good things. Small and medium-sized enterprises often reflect the existing values and principles of the owner/manager. But few enterprises have put their values into a code of conduct, a statement of good business practice or even a set of simple rules articulating the company's vision, values, responsibilities and ambitions. Accordingly the survey nearly %85 of SMEs have clearly defined their enterprises' values and rules of conduct. 12,5% of them partially have defined values and 2,5% of them have not defined enterprise values yet. 60% of enterprises told their values to customers, business partners, suppliers and other interested parties. 32.5% of them told partially their values to stakeholders. Hence 60% of SMEs' customers know the enterprises' values and rules of conduct. Respondents explained that 85% of enterprises' employees were aware of the enterprises values and rules of conduct because enterprises tried to train on the importance of their values and rules of conduct. 70% of enterprises train their employees, but 30% of them partially could train.

### **6. CONCLUSION**

CSR and sustainable business is not well-known concept for SMEs in Aydin. Empirical findings show that the perception of CSR is very unclear. Most enterprises heard about CSR

concept for the first time with this survey. We can say that at least we reached our aim. Hence enterprises could be noticed business responsibilities and were raised by this survey. We found that the values of the owner/manager are major importance keys when deciding on company workplace, environmental, and community policies. Educational level of managers is also important to improve responsible enterprises. But they think that these are unnecessary expenditures for themselves and the society or they have limited ability to apply. On the other hand SMEs' employees can play important roles to reach the new concept of CSR in the future. If SMEs can give safety and healthy workplace conditions, and career plans to employees will be highly motivated. That means SMEs give value them as individuals. Being responsible business is be valid unless building trust between managers, employees, customers and local community.

Regardless of size or sector, all companies have some foot prints which are usually negative impacts on the environment. Negative impacts arise through the direct or indirect consumption of energy and resources, the generation of waste and pollutants and the destruction of natural habitats. Not only big enterprises but also SMEs can reduce the destruction of natural habitats. This can be done by new technologies, production procedures, sharing experiences with stakeholders, improving relationship with suppliers, customers and local community or etc. All of these benefits clearly will establish the long-term sustainability and success of SMEs.

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## Appendixes

### QUESTIONNAIRE

#### PART 1: Knowledges About Managers And Entreprises

1. What is your position?  
a. Owner            b. General Director            c. Vice of General Director  
  
d. Department Director    e. Vice of Department Director    f. Other
2. What is your education level?  
a. Primary School   b. High School    c. College            d. Faculty  
  
e. Master Degree   f. Doctorate
3. What is your gender?  
a. Female            b. Male



4. How old are you?  
a. 18-29 b. 30-39 c. 40-49 d. 50-59 e. 60 or more
  
5. How many years have been operating your enterprise?  
a. 0 -5                      b. 6-10                      c. 11-15 d. 16-20 e. 20 or more
  
6. How many employees are working in your enterprise?  
a. 0-9                      b. 10-49                      c. 50-249

## **PART 2: Workplace Policies**

1. Do you encourage your employees to develop real skills and long-term careers (e.g. via a performance appraisal process, a training plan)?
2. Is there a process to ensure adequate steps are taken against all forms of discrimination, both in the workplace and at the time of recruitment (e.g. against women, ethnic groups, disabled people, etc.)?
3. Do you consult with employees on important issues
4. Does your enterprise have suitable arrangements for health, safety and welfare that provide sufficient protection for your employees?
5. Does your enterprise actively offer a good work-life balance for its employees, for example, by considering flexible working hours or allowing employees to work from home?

## **PART 3: Environmental Policies**

1. Have you tried to reduce your enterprise's environmental impact in terms of energy conservation?
2. Have you tried to reduce your enterprise's environmental impact in terms of waste minimisation and recycling?
3. Have you tried to reduce your enterprise's environmental impact in terms of pollution prevention (e.g. emissions to air and water, effluent discharges, noise)?
4. Have you tried to reduce your enterprise's environmental impact in terms of protection of the natural environment?
5. Have you tried to reduce your enterprise's environmental impact in terms of sustainable transport options?
6. Can your enterprise save money by reducing its environmental impact (e.g. by recycling, reducing energy consumption, preventing pollution)?
7. Do you consider the potential environmental impacts when developing new products and services (e.g. assessing energy usage, recyclability or pollution generation)?
8. Does your enterprise supply clear and accurate environmental information on its products, services and activities to customers, suppliers, local community, etc?
9. Can you think of ways in which your enterprise could use the sustainability of its products and services to gain an advantage over competitors (e.g. recyclability of products, energy efficiency, etc)?

#### **PART 4: Marketplace Policies**

1. Does your company have a policy to ensure honesty and quality in all its contracts, dealings and advertising (e.g. a fair purchasing policy, provisions for consumer protection, etc)?
2. Does your enterprise supply clear and accurate information and labelling about products and services, including its after-sales obligations?
3. Does your business ensure timely payment of suppliers' invoices?
4. Does your company have a process to ensure effective feedback, consultation and/or dialogue with customers, suppliers and the other people you do business with?
5. Does your enterprise register and resolve complaints from customers, suppliers and business partners?
6. Does your company work together with other companies or other organisations to address issues raised by responsible entrepreneurship?

#### **PART 5: Community Policies**

1. Does your company offer training opportunities to people from the local community (e.g. apprenticeships or work experience for the young or for disadvantaged groups?)
2. Do you have an open dialogue with the local community on adverse, controversial or sensitive issues that involve your enterprise (e.g. accumulation of waste outside your premises, vehicles obstructing roads or footpaths)?
3. Does your enterprise try to purchase locally?
4. Are your employees encouraged to participate in local community activities (e.g. providing employee time and expertise, or other practical help)?
5. Does your enterprise give regular financial support to local community activities and projects (e.g. charitable donations or sponsorship)?

#### **PART 6: Company Values**

1. Have you clearly defined your enterprise's values and rules of conduct?
2. Do you communicate your enterprise's values to customers, business partners, suppliers and other interested parties (e.g. in sales presentations, marketing material or informal communication)?
3. Are your customers aware of your enterprise's values and rules of conduct?
4. Are your employees aware of your enterprise's values and rules of conduct?
5. Do you train employees on the importance of your enterprise's values and rules of conduct?

FREQUENCY TABLE							
PART 1 : Knowledges About Managers and Entreprises							
	Frequency / Percent	Frequency / Percent	Frequency / Percent	Frequency / Percent	Frequency / Percent	Frequency / Percent	Total
	a	b	c	d	e	f	
Q1	33 / 82,5	3 / 7,5	2 / 5,0	2 / 5,0	-	-	40 / 100
Q2	1 / 2,5	10 / 25,0	9 / 22,5	13 / 32,5	5 / 12,5	2 / 5,0	40 / 100
Q3	3 / 7,5	37 / 92,5	-	-	-	-	40 / 100
Q4	5 / 12,5	17 / 42,5	14 / 35,0	2 / 5,0	2 / 5,0	-	40 / 100
Q5	3 / 7,5	10 / 25,0	7 / 17,5	8 / 20,0	12 / 30,0	-	40 / 100
Q6	15 / 37,5	21 / 52,5	4 / 10,0	-	-	-	40 / 100
PART 2 : Workplace Policies							
	Yes	No	In Part	Don't Know	Not Applicable	Total	
Q1	29 / 72,5	10 / 25,0	1 / 2,5	-	-	40 / 100	
Q2	15 / 37,5	14 / 35,0	8 / 20,0	2 / 5,0	1 / 2,5	40 / 100	
Q3	31 / 77,5	3 / 7,5	6 / 15,0	-	-	40 / 100	
Q4	21 / 52,5	2 / 5,0	17 / 42,5	-	-	40 / 100	
Q5	17 / 42,5	4 / 10,0	18 / 45,0	-	1 / 2,5	40 / 100	
PART 3: Environmental Policies							
Q1	24 / 60,0	6 / 15,0	10 / 25,0	-	-	40 / 100	
Q2	22 / 55,0	5 / 12,5	11 / 27,5	2 / 5,0	-	40 / 100	
Q3	27 / 67,5	2 / 5,0	5 / 12,5	2 / 5,0	4 / 10,0	40 / 100	
Q4	26 / 65,0	2 / 5,0	10 / 25,0	-	2 / 5,0	40 / 100	
Q5	19 / 47,5	5 / 12,5	9 / 22,5	5 / 12,5	2 / 5,0	40 / 100	
Q6	17 / 42,5	6 / 15,0	12 / 30,0	2 / 5,0	3 / 7,5	40 / 100	
Q7	26 / 65,0	1 / 2,5	7 / 17,5	3 / 7,5	3 / 7,5	40 / 100	
Q8	30 / 75,0	3 / 7,5	5 / 12,5	-	2 / 5,0	40 / 100	
Q9	24 / 60,0	4 / 10,0	10 / 25,0	1 / 2,5	1 / 2,5	40 / 100	
PART 4: Marketplace Policies							
Q1	32 / 80,0	-	7 / 17,5	-	1 / 2,5	40 / 100	
Q2	30 / 75,0	2 / 5,0	7 / 17,5	-	1 / 2,5	40 / 100	
Q3	27 / 67,5	3 / 7,5	7 / 17,5	1 / 2,5	2 / 5,0	40 / 100	
Q4	22 / 55,0	2 / 5,0	14 / 35,0	1 / 2,5	1 / 2,5	40 / 100	
Q5	29 / 72,5	-	10 / 25,0	-	1 / 2,5	40 / 100	
Q6	21 / 52,5	5 / 12,5	13 / 32,5	-	1 / 2,5	40 / 100	
PART 5: Community Policies							
Q1	14 / 35,0	12 / 30,0	12 / 30,0	-	2 / 5,0	40 / 100	
Q2	15 / 37,5	14 / 35,0	9 / 22,5	2 / 5,0	-	40 / 100	
Q3	28 / 70,0	4 / 10,0	7 / 17,5	-	1 / 2,5	40 / 100	
Q4	25 / 62,5	4 / 10,0	8 / 20,0	2 / 5,0	1 / 2,5	40 / 100	
Q5	24 / 60,0	7 / 17,5	8 / 20,0	1 / 2,5	-	40 / 100	
Part 6: Company Values							
Q1	34 / 85,0	1 / 2,5	5 / 12,5	-	-	40 / 100	
Q2	24 / 60,0	1 / 2,5	13 / 32,5	1 / 2,5	1 / 2,5	40 / 100	
Q3	24 / 60,0	1 / 2,5	15 / 37,5	-	-	40 / 100	
Q4	34 / 85,0	2 / 5,0	4 / 10,0	-	-	40 / 100	
Q5	28 / 70,0	-	12 / 30,0	-	-	40 / 100	