

Corporate Social Responsibility: An analysis in SME's at Faridabad Region

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ABSTRACT

Corporate Social Responsibility is one of the important aspects of civilized society in which every individual is continuously receiving different experiences from the society. These experiences have great influence in developing a character of an Individual. It is a responsibility of us to give back to the society, which has given us such a priceless treasure throughout our life. Every industry, no matter how big or small it is, has the larger role to play in this, as industry is a group of people working for some common cause.

We all know that Small & Medium Enterprises sector is contributing almost 50% of nation's GDP. This sector is also responsible to create jobs, which are more than 50% of total employment requirement of our country. This means there is large number of individuals whose livelihood is solely dependent on SMEs.

Keywords: Corporate Social Responsibility, SMEs

INTRODUCTION

What is CSR

The words 'corporate,' 'social,' and 'responsibility' suggests that, CSR covers the responsibilities that companies or corporations have towards the societies within which they are based and operate. From a practical perspective, CSR involves a business identifying its stakeholder groups and incorporating their needs and values within the strategic and day to-day decision-making process (University of Miami, 2007, p. 1).

A brief description of CSR is as shown in the following figure:

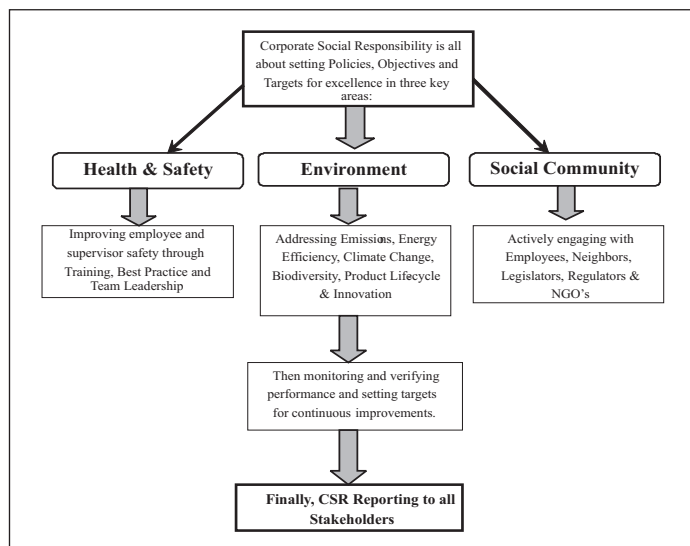


Figure 1.1: Brief overview of Corporate Social Responsibility? (CSR)

Definitions of Corporate Social Responsibility (CSR):

Authors (date)	Definitions
McGuire (1963)	The idea of social responsibility supposes that the corporation has not only economic and legal obligations, but also certain responsibilities to society which extend beyond these obligations.
Davis (1973)	The firm's consideration of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm...to accomplish social benefits along with the traditional economic gains which the firm seeks.
Sethi (1875)	CSR implies bringing corporate behavior upto a level where it is congruent with the prevailing social norms, values and expectations.
Davis and Blomstrom (1975)	CSR is the managerial obligation to take action to protect and to improve both the welfare of society as a whole and the interest of organizations.
Frederick (1978)	Corporate social responsiveness is the capacity of a corporation to respond to social pressure, the literal act of responding; or of achieving a generally responsive posture to society.
Carol (1979)	The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organizations at a give point in time.

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Contd.

Authors (date)	Definitions
Wood (1991)	Corporate Social Performance is a business organization's configuration of principles of social responsibility, processes of social responsiveness, and policies, programs and observable outcomes as they relate to the firm's societal relationships.
Brown and Dacin (1997)	Societal review of CSR= company's status and activities with respect to its perceived societal obligations.
McIntosh et al. (1998)	Corporate citizenship is concerned with the relationship between companies and society-both the local community which surrounds a business, and whose members interact with its employees, and the wider and increasingly worldwide community which touches every business through its products, its supply chain, its dealer network, its advertising and so on.
Marsden and Andriof (1998) quoted in Andriof Marsden (2000)	Good corporate citizenship can be defined as understanding and managing a company's wider influences on society for the benefit of the company and the society as a whole.
Warhurst (2001)	A strategy of CSR is defined as the internationalization by the company of the social and environmental effects of its operations through proactive pollution prevention and social impact assessment so that harm is anticipated and avoided and benefits optimized (...) Contribute in ways that go beyond traditional responsibilities to shareholders, employees and the law, and that internalize indirect socio-economic and biogeophysical effects as well as direct impacts.

SMALL MEDIUM ENTERPRISES

Definition of SME's

SME's are defined in different ways in different parts of the world. Some define them in terms of assets, while others use employment, shareholder funds or sales as criteria. Some others use a combination of revenue and employment as a hybrid criterion. The definition of SME has been a contentious issue in India. In fact, the term, SSI (Small Scale Industry) is more commonly used to refer to SME's. In recent years, the Government of India has sought to provide greater clarity in this sector by specifying a clear definition. In 2005, the definition of a Small enterprise was

expanded to include a two category classification-

- Enterprises engaged in production/Manufacturing of goods for any industry
- Enterprises engaged in rendering/providing of services

Enterprises in the manufacturing sector are defined in terms of investment in plant and Machinery (excluding land & buildings) and further classified into:-

Micro Enterprises	Investment up to Rs. 2.5 million
Small Enterprises	Investment between Rs. 2.5million & Rs. 50 million
Medium Enterprises	Investment between Rs. 50 million & Rs. 100 million

Service Enterprises: defined in terms of their investment in equipment (excluding land & buildings) and further classified into:

Micro Enterprises	Investment up to Rs. 1 million
Small Enterprises	Investment above Rs. 1 million & up to Rs. 20 million
Medium Enterprises	Investment above Rs. 20 million & but below Rs. 50 million

RESEARCH METHODOLOGY

Research Objectives

The objective of the survey was to gather an extensive understanding on the following questions:

- ❖ RQ1. What does CSR mean and what drives the SMEs to engage in CSR activities in the Faridabad region?
- ❖ RQ2. What benefits do they hope to draw from CSR engagement?
- ❖ RQ3.What are the various types and scale of CSR activities that SMEs involve in, both individually as well as collectively?
- ❖ RQ4.What are the main factors that determine the type and scale of their CSR involvement?

RESEARCH PURPOSE

The thesis aims to identify the existence and extent of CSR initiatives and activities in the Micro, Small and Medium enterprises in Faridabad³⁶. The main purpose is Descriptive with little consideration to exploratory study as well.

RESEARCH APPROACH

Since this research tries to gain a deeper understanding of the Corporate Social Responsibility and it questions about the reasons behind the seemingly low level of participation

36. Town near Delhi, Capital of India.

of Micro, Small and Medium Enterprises in the CSR movement a qualitative approach is being used. However, the data has been analysed through the bar diagrams, pie charts etc.

RESEARCH STRATEGY

The research strategies adopted in this research work, for finding out answers of what – questions are Survey and archival analysis. Therefore, a survey will be conducted for getting the results. Archival analysis is also used for both cross checking and for getting the survey results.

DATA COLLECTION METHODOLOGY

In our research on Corporate Social responsibility (CSR) in Faridabad Micro, Small and Medium enterprises (SME's) carried out within the framework, contributes to the knowledge of the actual state of affairs in the SME sector of Faridabad, regarding the CSR activities and foster understanding of developments taking place in this regard.

QUESTIONNAIRE FORMAT

The questionnaire was developed to obtain maximum amount of quantitative as well as qualitative information on Corporate Social Responsibility (CSR) activity. Questions focused not only on the enterprises' exclusive activity, but also on joint efforts between enterprises within the cluster. Following were the eight main sections that were covered:

- I. Basic SME Information
- II. SME's CSR baseline (perceptions about CSR)
- III. Individual Internal CSR
- IV. Individual External CSR
- V. CSR Initiatives-Financial loss
- VI. Individual CSR motivators/Non Motivators
- VII. Collective CSR and Impact
- VIII. Miscellaneous

Software Tools Used for Processing and Analysis

The questionnaire was designed and created in the application MS Word. The application MS Excel was selected as a software tool for analysis and following synthesis of data and information and for creation of tables and charts used in the thesis.

BASIS OF THE RESEARCH

The research was based on a random sample of Micro, Small and Medium enterprises in Faridabad with respect to proportionate representation of micro, small and medium-sized companies in the overall sample. The overall research consisted of the following main stages:

1. Preparation of the questionnaire template: taking into consideration similar surveys, professional literature and the researcher's and the supervisor's personal and professional experience and wit, the questionnaire draft containing a complete set of relevant questions was prepared in easy to distribute MS Word format.

2. Preparation of the sample: The office of Joint Director DIC Faridabad was used as a main source of information for the preparation of the sample. A total of 71 enterprises were selected on a random basis with only respect to proportionate representation of Micro, Small and Medium-sized enterprises in the overall sample. The companies registered with the Jt. Director DIC (Industrial) Office Faridabad were only selected. A brief description of these 71 Micro, Small and Medium Enterprises is as follows:

1.1 Number of the surveyed SME and their division according to investments:

In total 71 Micro, Small and Medium enterprises actively participated in the survey. The distribution according to the size of the enterprise is shown in the Table 1.1:

Size of the enterprise	No. of surveyed enterprise	Relative Value
Micro	13	18%
Small	27	38%
Medium	31	44%
Total	71	100%

Table 1.1: Absolute and relative number of surveyed companies in the analyzed sample, sorted by investments made by the enterprises.

The above table shows that in terms of number of companies, SME's are dominated by medium sized enterprises (44%). Small enterprises make up to 38% of the enterprise population and Micro enterprises account for the rest of the total 71 surveyed enterprises i.e., 18%.

FINDINGS

The paper aims to achieve the two major research objectives:

The first and foremost research objective is sought to describe basic facts about surveyed Micro, Small and Medium enterprises in terms of – Number, Hierarchical Level of Respondents, Line of Business, Total Investments made and the total Turnover.

In a nutshell the demographic structure can be tabulated as under:

Demographic	Explanation
Number	Of the 71 respondents who completed the demographic section, it was found that the majority were Medium Enterprises ($n = 31$; 44%).
Hierarchical Level of respondent	With regards to the respondent's level of hierarchy, it was found that the majority of the respondents were Managers ($n=34$; 48%).
Year of Establishment	As far as the year of establishment is concerned, it was revealed that the majority of the surveyed enterprises were established during the year 1981-1995 ($n=28$; 39%).
Line of Business	The majority of the surveyed enterprises are engaged in the manufacturing of Auto Components ($n=27$; 38%).
Total investment	With regards to total investment done it was found that majority: Micro Enterprises invested a sum of Rs. 21 – 25 Lakhs($n=8$; 62%) Small Enterprises invested a sum of Rs. 01 - 05 Crores ($n=13$; 48%) Medium Enterprises invested a sum of Rs. 8.6 - 10 Crores ($n=16$; 52%)
Total Turnover	With regards to total turnover it was found that majority: Micro Enterprises incurred a sum of Rs. 50 Lakhs - 2 Crores ($n=8$; 62%) Small Enterprises incurred a sum of Rs. 1 - 10 Crores ($n=14$; 52%) Medium Enterprises incurred a sum of Rs. >50 Crores ($n=16$; 52%)

Table 1.2: Demographic structure of surveyed respondents.

The second Research objective is focused to analyze the details about the various questions asked in the questionnaire regarding the analysis of Corporate Social Responsibility programmes undertaken in the Micro, Small & Medium

enterprises. It also seeks to analyze the relationship between the respondent's opinions with reference to level, extent and nature of activities/initiatives undertaken by the Micro, Small & Medium enterprises in the Faridabad region.

Statements	Test Results
❖ Meaning of Social Responsibility to: ● Micro Enterprises ● Small Enterprises ● Micro Enterprises	❖ Care of Labor ❖ Care of Labor ❖ Responsible governance
❖ The strategy for implementing social responsibility in SME can be put into action in: ● Micro ● Small ● Medium	❖ Internally ❖ Internally ❖ Externally
❖ The main driver(s) CSR initiatives	Enterprise Owner
❖ Influence (compulsion or inspiration) of any outside external agency to implement the CSR initiatives	No involvement
❖ Arguments used by external agency for implementation of CSR in SME	To have contracts and agreements
❖ Most prevalent Individual Internal CSR activities undertaken by SME's	Labor Welfare
❖ The main Individual External CSR activities undertaken by SME's	Charity-Welfare
❖ During the period of financial loss, response of SME regarding CSR initiatives	Yes
❖ Individual CSR activities undertaken by SME's during the period of financial losses	Charities

❖ Outside factors influencing the motivating levels to engage in internal & external CSR	Labor Welfare/ Religious Sensitivities
❖ Reasons for Non-implementation in Micro & Small enterprises : <ul style="list-style-type: none"> • Internal CSR • External CSR activities 	❖ Lack of Resources ❖ Not important for business growth
❖ Medium Enterprises <ul style="list-style-type: none"> • Internal CSR • External CSR activities 	❖ Diversion from business activity ❖ Nobody is doing anything why should we?
❖ Willingness to collaborate with other institutions for CSR implementation (Collective):	Religious Institution & NGO's
❖ Criteria to select institutions for implementing collectives CSR initiatives	Trust
❖ Core reasons stating Importance of outside institutions for implementing CSR activities	Indispensible
❖ Reasons for not-associating with external agency for CSR initiatives	Want only money
❖ Preferring type (Individual or collective)CSR	Individual

Table 1.3: Findings

The research survey revealed the following observations with regard to the objectives kept in mind:

I. Meaning of the term Corporate Social Responsibility (CSR):

When we interviewed for a specific definition of CSR, the 71 surveyed Micro, Small and Medium enterprises identified 'taking care of the labor' as the most predominant answer, which was followed closely by the 'Useful guideline for responsible governance'; another popular definition was 'Better goodwill helping to strengthen contacts'.

In all the 71 SME's surveyed, the number of SMEs that viewed CSR as a "requirement for working with global brands" was very minimal.

By the term 'taking care of labor', most small firms referred to making timely wage payment, providing workers with interest free loans, awarding bonus and sometimes just providing basic minimum wages. For the micro units, however, the term would also implies provision of workers with tea and snacks in addition to paying timely wages and personal loans.

While the definition of CSR varies greatly across countries and enterprises, we can also notice that the interviewed SMEs rarely expressed that implementation of CSR was imposed by immediate and remote business environment. Therefore, since these actions are voluntary we continue to look at the motivating factors that entice their implementation.

II. Main Drivers of CSR

The primacy of entrepreneur's personal values over business gains driving the Corporate Social responsibility priorities, especially the external ones, is being emphasized by the motivation to drive any CSR which is perceived as a moral obligation of an individual towards its employees or community often represented by charities.

Only in case of internal Corporate Social responsibility the employees have played a driving role.

To the most part it is the entrepreneur who decides on the type and scope of activity, whose values are nurtured by religious faith. Certain external actions have been encouraged by business organizations such as Rotary or the Lions Club.

The driving force remains in the hands of the entrepreneur, despite the variety of influences, who selects and determines the implementation of Corporate Social responsibility (CSR).

III. Involvement of Outside External Agency and Arguments for it:

The survey brought forth that there was no involvement of any outside external agency which motivated the SME's to involve in Corporate Social responsibility (CSR) initiatives.

However, certain external pressures in ways to have 'larger

contract volume and long agreement duration'; followed by the lucrative incentives to get 'Funding for technology upgrade' motivated/influenced the entrepreneur's to get involved in CSR initiatives.

IV. Types of CSR Initiatives and their preferences:

Based on our demarcation of Corporate Social responsibility (CSR) we will be outlining three categories of activities. SME actions conducted within the enterprise, referred to Internal CSR, as well as actions benefiting the outside environment, referred to here as External CSR. Finally we distinguish activities conducted jointly with either other firms or with the support of various organizations which will be outlined under Collective CSR.

1) Internal

Inward looking CSR activities aim to strengthen the organization mainly for the benefit of its labor force and the working environment. Across all Micro, Small and Medium enterprises the categories and the resources spent on each differ slightly and are influenced by the industrial sector as well as the size of firm, which often implies its position in the products' value chain.

To the most part these activities ride more on the informal relationships between the employer and the labor than any policies or systems.

Broadly outlined internal CSR activities focusing on labor welfare, includes fair and timely payment to workers, bonus and gifts and monetary aids for family events, financial saving schemes and interest free loans, provision of food and accommodation to residential employees, and last but not least uniforms and protective gear. Particularly in terms of labor welfare, medium sized enterprises, often represented by Auto Component Manufacturers, provides such facilities as job contract in local language; fixed working hours, display all policies in visible area to all, job security guarantees, leave encashment, and respect of gender related issues.

In terms of contributions to health care, extends to provide free medical help, subsidized private health insurance, maternity benefits, healthy work environment, protective gear and accessibility to first aid kits, health club membership; as well as substance abuse counseling and training on health related issues. In some cases these services have been extended to employees' children and next of kin, hence despite their internal focus they equally impact the outside community.

Expenditures in respect to the environment such as cleaner production and recycling are nominal particularly across the Faridabad SME's, are noteworthy.

Employee education, constitutes minor portion of total CSR spending, and includes training and upgrading worker skill-level, in terms of their technical and business skills.

Transparency, focusing improvements of record keeping, accounting and financial communication with employees, is only visible in four MSME's.

2) External

Outward looking CSR focus on activities directed towards the benefit of the community at large in which the enterprise operates. Dominated by charity donations, which are strongly influenced by religious sentiment, the contributions take on various forms. Entrepreneurs' are the key drivers and thus want to express their larger responsibility towards the community where these entrepreneurs act as a common/known figure and therefore cannot deny/refuse help from the community.

Charity donations lead and include contributions to religious organizations, hospitals and various homes for children and disabled. Interestingly medium sized enterprises prefer money and in-kind donation and micro enterprises opt for non-monetary contributions in form of food, blankets or time.

In terms of health, enterprises subsidize access to health services, organized blood drives, donated medical aids and equipment to hospitals and clinics. Some Micro, Small and Medium enterprises have also established hospital trusts and even SME-level health plans. Occasionally benefits may extend beyond the close community, particularly during health camps organized in neighboring villages.

As far as the environment issue is concerned the SME's in Faridabad region are to some extent responsive towards the protection and safeguarding of the community environment. They do participate and promote campaigns such as "Say No to Plastics" which also has got legal support and restriction.

Contribution towards education is not apparent in each enterprise. Just too a few these funds flow to skills development institutions or for construction of schools and cultural centers. Frequently enterprise leader establish NGOs to run schools and training institutions, which not only benefit the sector but also the community.

While community welfare is limited to a few SME's.

V. Protracting CSR activity: Financial Losses

Many Corporate Social Responsibility (CSR) activities are closely linked to the economic performance of the enterprise. When questioned if they would continue CSR spending despite their enterprise incurring a loss, they practically unanimously express a strong 'yes'. Reason

being, that many entrepreneurs expressed sense of obligation towards their employees and community, and through their contributions attempt to compensate for external failures. Yet to what extent will the intensity of contributions, even to charities, withstands a test of time is unclear, since it was not tested in the survey.

However we have the evidence that contributions type and their scale will dually change, and vary from enterprise to enterprise even within one SME category.

Firms affirmed that they predominately continue their religious contributions even when their businesses run in loss. Significant number of entrepreneurs confirmed having done so in the past.

Some form of the Corporate Social Responsibility (CSR) activities work despite a loss situation, because of their commitments to orphanages, educational assistance and religious sponsored activities.

The Micro Small and Medium enterprises said that they are savvy business people and can compensate their income from another source, and therefore claimed that their giving will not be affected, since their personal values, religious faith and social behavior will remain unchanged.

Few other entrepreneurs indicated that they would conduct CSR activities and contribute financially regardless of the financial situation of the company, with the justification, that “there are always people who are less fortunate who need assistance”. Entrepreneurs elaborated that they will continue their contribution mainly to charities, development of the social environment, and improvement of employee relations. Still these answers remain mainly hypothetical since enterprises did not face financial decline in the last three years.

VI. Individual CSR Motivator to engage in Internal & External activity:

The Micro Small & Medium Enterprises developed their own approach, and prove that CSR agenda acts as a motivator internally and externally due to the religious sensitivities of the Entrepreneurs and due to the care towards the labor welfare.

VII. Individual CSR –Non-Motivators

Internally the Micro and Small enterprises highlighted that due to Lack of Resources- financial, manpower and other such resources, they couldn’t indulge too much in the CSR initiatives. However, the Medium enterprises which are not insufficient with regard to the resources, it is due to the fact that too much involvement in CSR issues leads to diversion from the main activity.

As far as the external factors are related few SME’s believe

that the CSR issues are not important for business growth. Yet others were of the opinion that “Nobody else is doing, why should we?”

VIII. Return on Investment of CSR activity

Internal CSR seeks to improve business performance or to lock-in orders with international buyers. External charity driven CSR activities seeks emotional returns. Across all Micro Small & Medium Enterprises entrepreneurs rarely associated CSR activities as investments that seek direct business returns, yet when analyzed further, they were clearly apparent.

Internal CSR spending focuses on labor welfare, with which the entrepreneurs seeks a better relationship and increased loyalty. The return from such investment is in form of greater sense of duty, improved work quality as well as increased labor retentions in some Micro Small & Medium Enterprises. External CSR due to the high charity contributions across many of the Micro Small & Medium Enterprises seeks predominantly personal emotional return of “having done well”. Only few entrepreneurs consciously seek to position themselves as community leaders or strengthen the positioning of their company or brand.

To the most part CSR activities are implemented discreetly, we call them silent, particularly when the entrepreneur does not seek directly relatable business benefit in return.

IX. Collective

We consider activities conducted jointly with either cluster firms or support organization as collective. Nevertheless in most Micro Small & Medium Enterprises some collaboration efforts were evident and wherever available the information is provided below.

SME’s are involved in collective CSR activities, and contribute towards their own caste through welfare organizations that assist in girl marriages, education and health care. Similarly in association with NGO’s, social and charitable clubs such as Rotary and Lions Club contribute they organize health drives in the nearby villages or tree plantation initiatives. Household units, following the pattern, prefer to associate with religious organizations, to who they also contribute most of their charitable donations,

Medium size units appear to be most active in collective CSR activities, contributing in terms of volume mostly towards their own caste. Contribution towards the Charitable Trusts and Hospitals, took the majority of their monetary contributions.

However, the type of collective activities performed by the MSMEs at various levels depends on their financial strength. Micro enterprises, to the most part financial weak,

centre their activities mainly on their nearby community, relatives and their religious faith. On the other hand small and medium level enterprise, despite a small percentage contributions of their turnover, in monetary volume afford more collective CSR activities, and focus on giving back to society, religious sentiments, occasionally seeking positive opinion in doing good or even fame.

X. Preference in Behavior

Socially responsible behavior, through the eyes of an entrepreneur is intrinsically inward looking, where most expenditure are directed towards the labor welfare. External CSR implemented individually, as discussed above focuses on charity donations.

Clearly the environment in which the enterprises operate, prevalence of potential partners and existing trust between enterprises, influence the collective CSR agenda as we elaborate in each cluster.

During the survey enterprises were asked to list their partner preferences, who they would consider collaborating with on any future CSR activities, the following results emerged.

SME's showed some appreciation towards the services rendered by the NGO's; few other manufacturing units were largely contributing towards religious organizations.

Preference for local government was minimal.

Many entrepreneurs were found to be members in social clubs i.e. Lions and Rotary, and even if they personally didn't have time to actively involved in these, while their family members, usually wives, and would.

XI. Reasons for the selection of outside agency:

Cooperation between enterprises and local social institutions is conditioned on the existence of trust; therefore in the surveyed Micro Small & Medium Enterprises where successful collective initiatives were launched, trust was present. Some surveys indicated that trust builds on successful precedent cases, and cannot be enforced from the outside. However when initiating collective actions, entrepreneurs' endorsement is required from the very beginning, so that successful outcome can be guaranteed. Trust was only incontestable with religious organization, validating the preference for such organizations as the ideal development partner in 4 out of 7 Micro Small & Medium Enterprises. On the other hand lack of trust was often used an argument not to partner or engage with any external organization.

XII. Enterprises' economic size and CSR activity

Across most Micro Small & Medium Enterprises the CSR contributions are utilized pronominally on enterprise internal activities. Without differentiating between what

types of activities undertaken we can observe that the financial spending on CSR increases with the size of the enterprise. However average spending in terms percentage of turnover or investments, shows a reverse trend, since it is highest with the micro enterprises.

Financial Contribution: Majority of the surveyed Micro enterprises self-reported that their contribution varies from 0.02% - 0.04%; Small enterprises 0.03% - 0.05% and as reported by Medium enterprises 0.03%-0.05% depending on the investments and financial gains of the current year.

In-kind Contribution: The surveyed Micro, Small and Medium enterprises revealed that in terms of in-kind contribution a share of their earnings is spent on distribution of blankets, clothes to the poor, food items etc. However, all the contributions done depend purely on the investments and financial gains of the current year.

Time Contributions: The Micro, Small and Medium enterprises stated that due to prior engagements and due to meeting schedules, their contribution with regard to time spent on CSR activities limits to two hours per week to two hours per month.

CONCLUSION

Through analysis and research, this paper brings forth the following insights: -

There was no homogeneous definition of the term Enterprise Social Responsibility, given by the respondents. Majority distinguishes 'taking care of the labor' as an enterprise internal action and externally infer as 'involving in community welfare';

Implementation of CSR activities is to the most part driven by the personal values of the entrepreneur;

Across all interviewed Micro, Small and Medium Enterprises, Internal CSR activities are discernible by some preferences, such as labor welfare, health care as well as Environment. However, Training and Development and Transparency were least preferred;

Across all interviewed SME's, External CSR activities are dominated by charity donations, and significantly behind health, and environment in the Community in uniform distribution followed by education as well as creation of social environment, which is not that emphasized;

SMEs will continue their CSR activities, despite any negative changes in their company performance. Essentially SMEs will not abandon their CSR agenda, but will change scope, scale and form of implementation;

The Micro Small & Medium Enterprises developed their own approach, and prove that CSR agenda acts as a motivator internally and externally due to the religious sensitivities

of the Entrepreneurs and due to the care towards the labor welfare;

The Micro Small & Medium Enterprises stated that due to lack of resources and due to the diversion from main activity they do not get too involved in the CSR initiatives;

Collective CSR activities were initiated by the financially stronger enterprises in the SME, and cooperated with the NGO/Local Charity institutions in their implementation;

Interviewed Micro Small & Medium Enterprises SMEs focus predominantly on individual and internal CSR activities where they also contribute most of their resources. For numerous reasons collective CSR is rare, and in selecting partners SMEs predominantly choose religious originations;

Level of trust facilitates the implementation of external and collective CSR activities. Trust alone does not guarantee effective implementation of set activities or directly translate into mutual benefits;

Absolute monetary contribution towards CSR tends to increase with the size of the enterprise. However as percentage of turnover/investments, the larger the enterprise the smaller its contribution towards CSR, essentially pegged below 1% of turnover.

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