

Environmental Related CSR Initiatives for Business Strategy: A Case Study on Small and Medium (SME) Industries in Malaysia

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Abstract

The practice of social and environmental responsibility is inevitably vital in the present global scenario. Through Corporate Social Responsibility (CSR) also described as social responsibility (SR), companies are able to contribute to sustainable development while contributing to the protection of the natural environment, which can be achieved by the usage of natural resources in a responsible manner. However in most cases, SR has been regarded as a burden to business operations rather than a significant and direct contributor towards business revenue. Being part of the supply chain and catering their products to larger organisations, or, in some cases catering directly to the end customer, Small and Medium Enterprises (SMEs) hold accountability to ensure their products are suited to present demands of various stakeholders. This study aims to understand the perception on environmentally related initiatives among selected manufacturing SMEs and to further understand the obstacles that hinder the manufacturing SMEs towards taking-up strategically inclined environmentally related SR. The In-depth interview method had been employed to gauge the response from the selected SME representatives. The research would be significant to understand better on the positioning of SMEs taking-up environmentally related SR practices from a strategic perspective which emphasizes on the 'built-in' concept into the organisation strategy. The initial finding is that, SR has been understood as philanthropy with a connotation of giving out of monetary resources usually taken-up by large organizations on a periodical basis, serving as a tool of publicity. Overall, the potentials of SR are not being realized by the SME representatives with shallow understanding that regards SR as a drawback rather than an industrial strength to be pursued for business competitiveness.

Keywords

CSR Corporate Social Responsibility, Supply Chain, Social Responsibility, Business Process, CSR Corporate Social Responsibility Initiative,