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**INVESTIGACIÓN SOBRE FACTORES QUE INFLUYEN EN LA
IMPLEMENTACION DE RESPONSABILIDAD SOCIAL EMPRESARIAL EN
PEQUEÑAS Y MEDIANAS EMPRESAS EN ECUADOR.**

Disertación presentada como requisito parcial para la obtención del Título Magíster en Administración de Empresas de la Universidad del Pacífico bajo la supervisión de Sarah Hudson y revisada por Efrain Bastidas, MBA.

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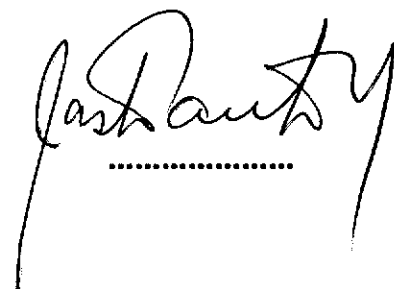
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FACTORES QUE INFLUYEN EN LA IMPLEMENTACIÓN DE RESPONSABILIDAD SOCIAL EN PEQUEÑAS Y MEDIANAS EMPRESAS EN ECUADOR.

RESUMEN EJECUTIVO

La Responsabilidad Social Empresarial (RSE) definida por Carroll " *abarca las expectativas económica, legal, ética y discrecional, que la sociedad tiene de las organizaciones en un momento dado*" (Carroll, 1979:500). Este concepto ha sido tradicionalmente asociado a grandes empresas y la mayor parte de la investigación se ha realizado en compañías multinacionales, al contrario que en las pequeñas y medianas empresas (PYMES) en donde no se ha prestado el interés necesario para entender el porque este sector de la economía actúa o no de una manera responsable.

Las PYMES constituyen una importante parte de la economía y sociedad a nivel mundial, conforman el 90% de las empresas y aportan con el 50% - 60% de plazas de empleo, dependiendo del país (Vives, 2006). En Ecuador se estima que existen 500.000 PYMEs, son fuente de empleo de 1'600.000 personas aproximadamente (Cámara de la pequeña industria de Pichincha, CAPEIPI, 2001), representan el 95% de unidades productivas, con una participación del 5% de Producto Interno Bruto Total, 24% del Producto Interno Bruto Industrial, y 5% de las exportaciones (Cámara de la pequeña industria de Pichincha, CAPEIPI, 2008).

Entre las principales características de las PYMES encontramos: la propiedad, administración y control de la empresa decaen sobre la misma persona, las practicas sociales y ambientales dependen de la motivación, valores, educación del gerente/propietario, falta de estructuras formales de administración, comportamiento social influenciado por la comunidad local, clientes y empleados, falta de recursos financieros, mano de obra no calificada, etc.

En Latinoamérica se han presentado pocos estudios empíricos, en el tema de responsabilidad social realizados por organizaciones como el Banco Interamericano de Desarrollo, y en Ecuador se ha realizado únicamente un estudio en base al análisis de situación de multinacionales y grandes empresas, por este motivo es necesario realizar mas investigación para entender las condiciones y

estrategias que ayudarán a implementar prácticas de responsabilidad social en pequeñas y medianas empresas.

En base a estos antecedentes, el presente estudio busca analizar las prácticas responsables de las pequeñas y medianas empresas en Ecuador. El objetivo principal es definir cuales son los factores que influyen en la implementación de Responsabilidad Social Empresarial en las PYMEs.

El presente estudio ha sido diseñado en cinco partes: empieza con una Introducción, seguido por un Análisis del Marco Teórico de diferentes temas y autores relacionados con Responsabilidad Social a nivel mundial, de Latinoamérica y Ecuador; la tercera parte indica la metodología que ha sido usada para responder el objetivo de la investigación, interrogantes investigativas, hipótesis, etc.; la cuarta parte presenta los resultados y análisis del estudio; y finalmente conclusiones y recomendaciones.

El modelo propuesto en esta investigación es una adaptación del modelo de Hudson and Roloff (2008), estudio que fue realizado en PYMEs de la Región de la Bretagne (Francia) y que será replicado en PYMES Ecuatorianas. Este modelo define a tres grupos de factores que influyen el grado de implementación de responsabilidad social: 1) *Factores Individuales*: valores, principios, educación, y creencias del gerente; 2) *Factores Organizacionales*: tiempo, recursos financieros, actitud de los empleados, grupos de interés; 3) *Factores Macroeconómicos*: legislación, imagen en medios y prensa, expectativas sociales, costo de recursos naturales, redes de negocios.

En cuanto al grado de implementación de responsabilidad social en las empresas, se ha adaptado en base a los índices de desempeño social y medioambiental de Kinder, Lydenberg and Domini (KLD ratings), este mide las siguientes áreas: medio ambiente, relaciones con la comunidad, diversidad en el trabajo, relaciones con los empleados y producto.

Los datos utilizados para este estudio provienen de 158 pequeñas y medianas empresas de Ecuador, las cuales respondieron a un cuestionario on – line que fue distribuido a sus gerentes con una carta de presentación. La información recolectada fue ingresada y analizada en la herramienta estadística SPSS.

Los resultados de la investigación indican que las PYMEs ecuatorianas conocen el concepto de Responsabilidad Empresarial, pero el 50% de estos lo relacionan con buen desempeño y el cumplimiento de objetivos y metas de la empresa, y el 50% demuestran interés por los asuntos sociales y ambientales. Las PYMEs ecuatorianas demuestran su interés por estos temas mediante el apoyo a **empleados**: creando plazas de empleos, asegurando su bienestar, cumpliendo sus derechos

y obligaciones; manteniendo buenas relaciones con sus **clientes**: proveyendo productos de calidad y a precios accesibles; estableciendo buenas relaciones con sus **proveedores**; brindando apoyo a la **comunidad**; y cuidando el **medio ambiente**.

El grado de implementación de Responsabilidad Social se encuentra alrededor de 3/5, correspondiente a "implementación parcial", el valor mas alto se encuentra en "productos" que indica que las empresas proveen productos o servicios innovadores, accesibles y a precios asequibles, en contraste, los puntajes mas bajos "ligeramente implementado" se encuentra en "medio ambiente" indicando que las empresas ecuatorianas no utilizan energía renovable, no reducen el uso combustibles fósiles y contaminación, fabrican productos que pueden ser dañinos para el medio ambiente, y no reciclan sus desperdicios.

Para la medición del grupo de factores y su relación con el grado de implementación, se ha utilizado análisis múltiple de regresión, este indica que la variable independiente factores individuales mantienen una relación fuerte con la variable dependiente de grado de implementación de responsabilidad social, en cuanto que los factores organizacionales y macroeconómicos influyen ligeramente en esta variable.

El análisis indica que los factores individuales: valores y creencias de los gerentes; apoyo de gerente para la reducción del impacto ambiental, ayuda a la comunidad, y aseguramiento de las buenas condiciones labores son las principales factores que influyen en la implementación de responsabilidad social en las PYMES ecuatorianas.

Para terminar se ha presentando un análisis entre sectores, tamaño, ubicación geográfica de las empresas y el grado de implementación, los resultados indicaron que no existe diferencias significativas entre estos grupos.

Las sugerencias para trabajos de investigación posteriores proponen una mejora en el método de muestreo utilizado y técnica de recolección de datos, y expansión del tema de investigación.

ABSTRACT

Purpose: Corporate Social Responsibility (CSR) has traditionally been associated to large companies, but in small and medium-sized enterprises (SMEs) socially responsible behaviour has not received as much attention. This paper seeks to analyse the socially responsible business practices in Ecuadorian SMEs. The basic objective is to define which are the drivers and brakes that influence in the implementation of Corporate Social Responsibility in SMEs. Corporate Social Responsibility theories are used to establish the concepts applied in SMEs. A proposed model of the factors that influence in the implementation of corporate social responsibility in small and medium companies realized by Hudson and Roloff (2008) has been adapted and will be used to test in Ecuadorian SMEs.

Design/Methodology: The paper is divided into five parts. The first part is the introduction, followed by the literature review of different topics related to Corporate Social Responsibility in SMEs, the third part indicates the methodology to be used in order to answer the research objectives and investigative questions, the next chapter comprise the results and analysis, and finally the Findings and discussion will be presented. This study follows a deductive approach. The data collection technique used is an internet – based questionnaire survey distributed to managers in Ecuadorian SMEs from different sectors of the economy and different geographical locations. The analysis of the data will be made with the help of the statistic program SPSS.

Findings: The findings of this study suggest that Individual factors such as director's values and believes, director's support to reduce environment impacts which help to the community, and ensure good working conditions, are the principal drivers in the implementations of CSR in Ecuadorian SMEs. However CSR practices are partially implemented showing the lowest values in the Environment practices.

Originally/Value: The study provides an insight into the actual situation of Ecuadorian SMEs in terms of Social and Environmental Responsibility, and an important tool that will help to managers to implement CSR practices in their companies.

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DISCLAIMER

I, LILIA ELIZABETH ROJAS BARROS, declare that this research work submitted for assessment is my own and expressed in my own words. The main content of this work has not been previously submitted for any course or degree at any other institution. Uses made within this dissertation of works of other authors in any form (e.g. ideas, figures, text, tables, websites, etc.) are properly acknowledged at their point of use in the dissertation. A complete list of the references employed is included.

Signed: -----

Date: -----

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1. INTRODUCTION

1.1 Research Background

Business is increasingly focusing in Corporate Social Responsibility (CSR) in order to maintain competitive. The companies need to be able to adapt their management to the new demands of the market and society in which they operate. CSR relates to the activities of the business in terms of their contribution to produce and overall positive impact on society in terms of economic, social and environmental sustainability. (Jenkins, 2009).

CSR has traditionally been associated with large companies, and most theory and empirical research about Corporate Social Responsibility has been done on multinational companies, 90% (Hudson, 2008), in contrast, little attention has been paid in the literature to understanding why small and medium-sized enterprises (SMEs) act or not in responsible ways (Spence 1999, Campbell 2007).

SMEs constitute a significant part of the economy and society worldwide. They constitute more than 90% of business worldwide and account between 50% - 60% of employment, depending on the country (Vives, 2006). In Ecuador, is estimated that there exist around 500.000 SMEs, they give employment to 1'600.000 people (CAPEIPI, 2001), they represent 95% of productive units, and are responsible for 5% global GDP, 24% industrial GDP, 5% product exportations (CAPEIPI, 2008).

The principal characteristics of this part of the economy are: the owner – managed firm where the ownership and control lie in the same person, the social and environmental practices which are affected by their motivations, values and background of the owners/managers, lack of formal management structures, their social behaviour which is highly influenced by the local community and customers, the

employees who are the most important stakeholder, the lack of financial resources, and the low skilled workforce.

In this regard it is important to highlight that SMEs have different structure, motivation, challenges and engagement from those of large firms, and should be treated differently. Some research has recognized the importance of applying business ethics and social responsibility in SMEs: Quinn 1997, Spence 1999, Spence & Rutherford 2000, Spence & Schmidpeter 2003, Moore & Spence 2006, Perrini 2006a, Perrini et al 2007, Hudson and Roloff, 2008, Russo & Tencani 2008, Jenkins 2009, Murillo and Lozano, 2009, etc.

In Latin America, just a few empirical studies have been made by organizations, an example of this is the Inter – American Development Bank (Vives,2006). In Ecuador just one study, has been made by the Unicef on multinational and big companies. For this reason it is necessary to perform more research to understand conditions and strategies of implementation of CSR practices in SMEs.

Using the data of 158 small and medium- sized enterprises this paper analyzes the factors that influence in the implementation of Corporate Social Responsibility in SMEs in Ecuador. The model presented implies three types of factors that influence the degree of CSR implementation: 1) **Individual factors** related to the *Directors' values*, education background, beliefs, etc., 2) **Organizational factors** such as time, financial resources, employee attitude, and stakeholders, and 3) **Macroeconomic factors** such as legislation, press/media image, societal expectations, cost of natural resources and business network.

This research begins by exploring the literature on the concept of Corporate Social Responsibility, its implication in small and medium – sized companies, followed by the methodology used, results and analysis, and finally findings and conclusions.

1.2 Research Problem and Objective

1.2.1 Research Objective

The overall research objective is to define which are the drivers and brakes that influence in the implementation of Corporate Social Responsibility in small and medium – sized companies in Ecuador.

1.2.2 Investigative Questions

In order to respond the research objective the following investigative questions need to be answered:

- How do Ecuadorian's SMEs define Social and Environment Responsibility?
- How do they implement CSR?
- Which are the drivers in the implementation of CSR?
- Which are the brakes in the implementation of CSR?

1.3 Justification for the Research Project

As is mentioned before, SMEs worldwide constitute a important role in the economies worldwide, their environmental and social practices can not be the same CSR practices incorporated in large firms where the structure and strategies are completely different. There is not much empirical research of CSR in this specific sector, and nothing in Ecuadorian SMEs. Therefore the results of the present study would be beneficial in the following ways:

- Provide an insight of the actual situation of Ecuadorian SMEs in terms of Social and Environment responsibility.

- Provide a vision of the actual situation of the degree of Corporate Social Responsibility implementation.
- Provide an understanding of which are the drivers and brakes that managers have to face in order to implement CSR in their companies.

These elements will help SME managers to overcome their problems and contribute in this way to the development of the country in terms of competitiveness and sustainability.

2. LITERATURE REVIEW

The objective of this section is to give an overview of the academic framework regarding the main concept of Corporate Social Responsibility, Corporate Social Performance and the application of this concept to Small and Medium Enterprises. Previous research is summarized in the Model of Factors that influence the Implementation of Corporate Social Responsibility in Small and Medium Enterprises, and at the end of this section the propositions and Hypotheses to be tested in the present study will be presented.

2.1 DEFINING CORPORATE SOCIAL RESPONSIBILITY

2.1.1 Evolution Of The Concept Of Corporate Social Responsibility

The evolution of concept of Corporate Social Responsibility (CSR) is relatively new. According to **Carroll (1999)** references to CSR appeared in the 1930s with Cherster Barnard's (1938) *The Functions of the Executive*, J.M. Clark's (1939) *Social control of business*, and Theodore Krepes' (1940) *measurement of the social Performance of Business*. The modern period of literature in CSR started in 1950s with the publication of the book *Social Responsibilities of the Businessman* by Howard R. Bowen (1953), he is considered the "Father of Corporate Social Responsibility" by Carroll (1999:270), he believed that the business are centers of decisions and actions that affect the lives of citizens.

Carroll (1999) mentioned that the decade of the 1960s marked an evolution in the concept of CSR, through the articles of the prominent writer Keith Davis, who wrote a number of books, reviews and articles, defining social responsibility as, for instance "Businessmen's decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest" (Davis, 1960:70 in Carroll, 1990:271).

According to **Carroll (1979)** the real debate on CSR starts in 1963 when some authors such as Joseph Mc Guirre (Mc Guirre, 1963 in Carroll, 1979) and Jules Backman (Backman, 1975 in Carroll, 1979), show that companies should see and move beyond economic and

legal considerations, although Henry Manne (Manne & Wallich, 1972 in Carroll 1979) argued that CSR involves just voluntary actions. The first definition that includes economic and non-economic interest is made by the Committee for Economic Development (CED) in 1971, their definition includes "three concentric circles". The inner circle "includes the clear-cut basic responsibilities for the efficient execution of the economic function-products, jobs and economic growth". The intermediate circle encompasses responsibility to exercise this economic function with a sensitive awareness of changing social values and priorities: for example, with respect to environmental conservation, hiring and relations with employees; and more rigorous expectations of customers for information, fair treatment, and protection from injury" and the outer circle "outlines newly emerging and still amorphous responsibilities that business should assume to become more broadly involved in actively improving the social environment" . (Committee for Economic Development, 1971:15 in Carroll, 1979:498).

S.Prakash Sethi (1975) developed the term social responsibility to social responsiveness. In his article "dimensions of corporate social performance" he proposed a three state scheme to clarify corporate behavior in terms of social needs: " Social obligation involves corporate behavior in response to market forces or legal constraints. Social responsibility, "implies bringing corporate behavior up to a level where it is congruent with the prevailing social norms, values, and expectations". Social responsiveness, the third state in his scheme, suggests that what is important is "not how corporations should respond to social pressures, but what should be their long-time role in a dynamic social system". Business, therefore, must be "anticipatory" and "preventive" Sethi, (1975:58-64) in Carroll (1979:498).

A few years later **Carroll (1979)** proposed "The Social Performance Model", this model mentions three aspects that have to be articulated and interrelated: the definition of CSR, the list of the issues included within social responsibility, and the specification of the response according to these issues. He also proposed the following definition: "The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organizations at a given point in time" (Carroll, 1979:500).

The model seeks to be a tool to help academics and managers. For academics the model systematizes the definitions related to social responsibility, and for managers the model helps them to understand that economic performance is just one part of the social responsibility of business and to improve social performance programs, planning and problem-solving tools.

In the 1980s alternative concepts and frameworks related to Corporate Social performance, public policy, business ethics and stakeholder theory began to appear. In the 1990s the major topics analyzed were stakeholder theory, business ethics theory and corporate citizenship. Among the most relevant authors were Donna J. Wood (1991), "Corporate Social Performance revisited" and Archie B. Carroll (1991), "The Pyramid of Corporate Social Responsibility", Carroll (1979).

2.1.2 Conceptual Frameworks In Corporate Social Responsibility

The aim of this section is to give an outline of conceptual Frameworks in Corporate Social Responsibility from different academics: Donna J. Wood, Archie B. Carroll and Mark S. Schwartz and Archie B. Carroll.

Corporate Social Performance Revisited

Donna J. Wood (1991)

The model proposed by Wood (1991) put together a conceptual framework based on the ideas of many academics in the area of Social Responsibility which she called Corporate Social Performance (CSP). The framework comprises three parts: Principles of corporate social responsibility, processes of corporate social responsiveness and Outcomes of corporate behavior.

The principles proposed of CSR are: **Institutional Level: Legitimacy** "Society grants legitimacy and power to business. In the long run, those who do not use power in a manner which society considers responsible will tend to lose it". Davis, (1973:314) in

Wood (1991:695). The society set up a balance of power in the institutions and define their functions, they can sanction when institutions do not accomplish their obligations.

Organizational Level: Responsibility "Business are responsible for outcomes related to their primary and secondary areas of involvement with society". Preston and Post (1975) in Wood (1991:695). The organizations have the responsibility to repair the damage that they cause, to anticipate for future harm and help to resolve social problems.

Individual Level: Managerial Discretion "Managers are moral actors. Within every domain of corporate social responsibility, they are obliged to exercise such discretion as is available to them, toward socially responsible outcomes" Carroll (1979) in Wood (1991:698). The behavior of the managers are established by business and human relationships, ethical education, culture, values, live experience, etc.

The second part of Wood (1991) identified the *Processes of Corporate Social Responsiveness*, this includes three areas of interest in social issues of management:

Environmental Assessment: this includes the different social, political, legal, economic and technological environments that affect the strategies, decisions and performance of companies.

Stakeholder Management: this involves the relationships among the external stakeholders: employees, community, government.

Issues Management: implies the company's management responses to internal and external processes, for example corporate ethics programs and corporate code of ethics.

The third part of the model, *Outcomes of Corporate Behavior*, is divided into three categories, **Social Impacts**, which include the effect of positive and negative social practices (wealth creation, provision of jobs or pollution, dishonest behavior, etc.) and social devices (social indicators, social balance sheet, etc.). **Social Programs**, which are activities, measures, actions, etc., for implementing social responsibility and **Social Policies**, are explicit and pronounced policies, values, beliefs, and goals created to guide decision making and to handle social issues and stakeholder interest.

Pyramid of Corporate Social Responsibility

Archie B. Carroll (1991)

The Pyramid of CSR "is often considered to be one of the most long-standing and widely cited definitions of CSR" Crane et al. (2008:57). **Carroll (1991)** proposed this model composed of four levels categories: Economic, legal, ethical and philanthropic.

Economic Responsibilities: the role of companies is to provide goods and services to the society, therefore their responsibilities include: perform consistent to maximize the earnings per share, be profitable, maintain a strong competitive position, and operate efficiency.

Legal Responsibilities: companies must obey the rules, laws and regulations promulgated by federal, state and local governments within them work, fulfills their legal obligations, provide the goods and service at least with the minimal legal requirements.

Ethical Responsibilities: include the standards, norms, expectations, activities, practices that stakeholders and shareholders perceive as, based in the principles of justice, rights and utilitarianism. The company must reach the expectations of societal mores and ethical and moral norms.

Philanthropic Responsibilities: embrace the corporate actions, activities, programs, in order to be good corporate citizens and reach the society's expectations. These actions are voluntary, the business is expected to help to the community to improve the quality of life, participate in charitable activities, education, etc.

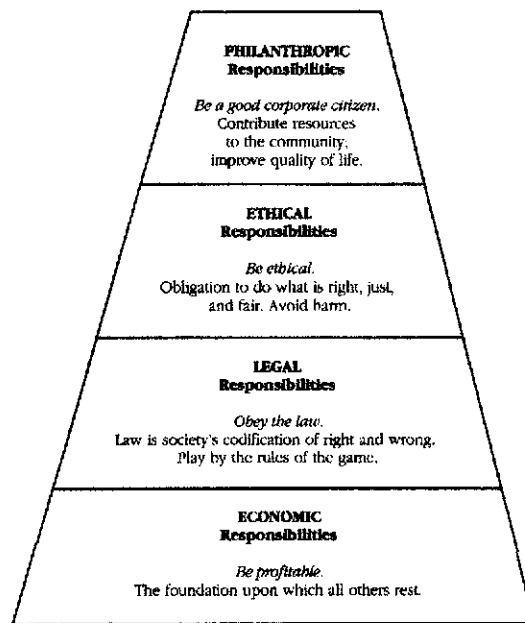


Figure 1

The Pyramid of Corporate Social Responsibility

Archie B. Carroll (1991:42)

The responsibilities of this model vary in the company's implementation; it depends on the firm's size, philosophy of the managers, strategies, industry, state's economy, etc.

A three- domain Approach of Corporate Social Responsibility

Mark S. Schwartz and Archie B. Carroll

Schwartz and Carroll (2003) proposed a new contribution to the theoretical framework focused on Corporate Social Responsibility. This contribution analyzes and discusses the limitations of Carroll's, "*Pyramid of Corporate social Responsibility*", and presents a new model the "Three – Domain Model of CSR".

The issues of Carroll's model that **Schwartz and Carroll (2003)** discuss are: the use of the Pyramid Framework because this suggests a hierarchy of the domains and it does not represent the relationships between them. The separation of the Philanthropic Category, this is considered confusing and not useful, the new model includes it in the ethical and economic responsibilities, and to finalize they argued that the three categories Economic, Legal and Ethical are incomplete for the lack of discussion in the managing of these.

The new model proposed consists in the three categories of Carroll's Model, but uses a Venn diagram format, eliminating in this way the hierarchy among them.

The Economic Domain "captures those activities which are intended to have either a direct or indirect positive economic impact on the corporation question" Schwartz and Carroll (2003:508), they define as positive impacts the maximization of profits and the maximization of share value.

The Legal Domain embraces the company's responsiveness to legal expectations. This category is divided and subdivided into different categories: a) *Compliance*, which includes three types passive, restrictive and opportunistic. b) *Avoidance of civil litigation*, are the actions that the company takes to avoid future damage to the environment; and c) *Anticipation of the law*, the actions that the company takes to anticipate, to adapt and to confront changes or new legislation.

The Ethical domain refers to the ethical responsiveness to the population and stakeholders including three standards: a) *Conventional*, are the standards or norms accepted by the stakeholders and shareholders. b) *The consequentialist* promotes the

good to the society. c) *Deontological* standards are the activities considered as being an obligation, and include the principles of ethics, moral and justice rights.

The model based in a Venn diagram “highlights the overlapping nature of the domains and the resultant creation of seven categories in which CSR may be conceptualized, analyzed and illustrated” Schwartz and Carroll (2003:513)

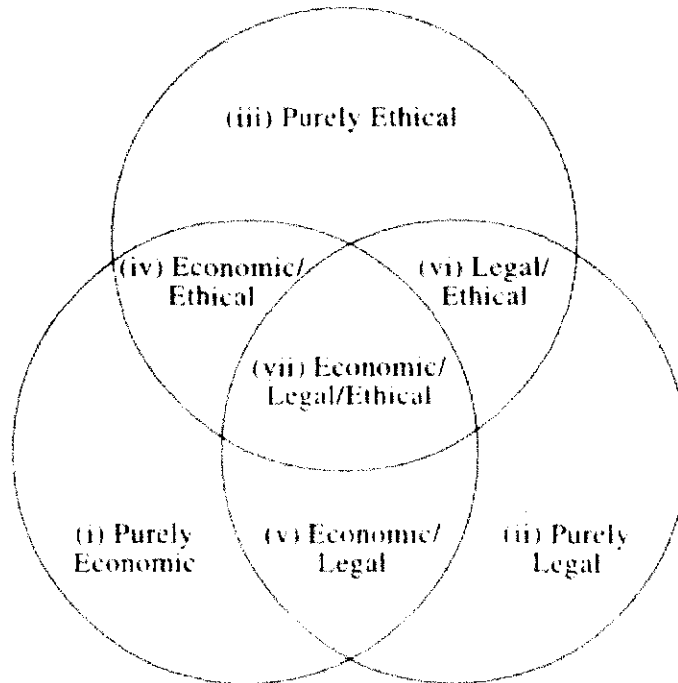


Figure 2

The three-Domain Model of Corporate Social Responsibility

Mark S. Schwartz and Archie B. Carroll (2003:509)

2.1.3 Corporate Social Performance And The Measurement Of Corporate Social Responsibility

The literature on Corporate Social Performance (CSP) shows that there are a number of issues to be dealt with the measurement of CSP. Some research states that the measurement of performance in social and environment issues remains ambiguous and mismatches variables which stakeholders find important at the moment of measurement of CSR (Wood and Jones, 1995), and other research says that the measurement of CSP is not yet showing any strong links with other measures of corporate performance such as Corporate Financial Performance or size of the company. (Wu and Da-Yeh, 2006).

One of the most used definition of Corporate Social Performance is given by Wood (1991), this author says: *“Corporate Social Performance is defined as a business organization’s configuration of principles of social responsibility, processes of social responsiveness and observable outcomes as they relate to the firm’s societal relationships”* Wood (1991:693). It is important to note that CSR relates to the strategy and processes, but CSP focuses on OUTCOMES that ought to be measurable in some way.

Despite the issues outlined above, the literature has contributed with possible measurements of various dimensions of the relationship between business and society. Some measures assess the company responses to particular social issues, or measure the intent to address social problems, there also exist indicators of measures of corporate social Irresponsibility (CSI) and indexes and rating created by executives’ assessments. (Wood and Jones 1995).

Some of these measurements mentioned in the research of Wood and Jones (1995) are:

- **The Fortune Index:** each year the magazine Fortune published a Corporate Reputation Survey in which they create a list of America’s Most admired

corporations. This list include 300 companies in 32 industries. This index is based in the opinion of 8.000 senior executives, and measure in a subjective way attributes like management quality, product quality, innovation, long – term investment value, financial soundness, ability to attract and retained talented people, responsibility to the community and environment and wise use of corporate assess. These rankings have questionable value and validity given that these companies can be admired just by their financial performance and because these indexes does not have theoretical basis. (Wood and Jones, 1995). *“These index can just be use as an indicator of corporate reputation among executives and financial community”* (Wood and Jones 1995:239) In the other hand, the advantage of these index is that the provide information comes from managers outside the focal firm. (Sharfman 2006)

- **Kinder, Lydenberg and Domini Social Performance Ratings Data, KLD ratings:** they are a social choice investment advisory firm that has made available a social performance database that had gained acceptance among investors and investment analysts. The database include 800 large firms that represented the largest and multi-dimensional CSP database. The KLD ratings are classified in 9 areas of CSP: Community Relations, Employee Relations, Environment, Military Contracting, Nuclear Power, Product Liability, South African involvement, women and minority Issues and other CSP relevant dimensions. (Kinder et al. 1993, Wood 1995, Sharfman 1996)

One of the disadvantage of this measure given by Sharman (1996) says that this tool lacks of validity because does not have specific theory to develop this set of criteria, it is only based in collective beliefs of KLD principals, and like advantages the author founds that the data covers different facets of CSP construct, the firms include 800 firms, not 300 like the case of the Fortune Index, and the evaluations are made by people outside the focal firm.

- **The Domini 400 Social index (DSI):** this is an index that mix the 400 common stocks of companies that base their performance in the KLD social performance

screens and the Standard and Poor 500 index. This index belief that the decision of customers and investors towards the election of products and companies is based in favorable social performance ratings. (Wood and Jones, 1995).

Wood and Jones (1995) indicate several challenges according KLD ratings and Domini Social index: 1) the numeric ratings to measure CSP are crude, these go from 1-3 or 0-1 scale, and are based in a qualitative assessment. 2) The scores are un weighted and are included in the overall rating score, there is no conceptual basis that says that the dimensions of CSP have equal importance. 3) There is no explanation about why these categories are included and why others are not, or if these categories reveal social performance.

The researchers Wi and Da-Yeh (2006) use three dimensions and 4 categories to measure CSP.

These dimensions are based in Herremans et al. (1993) model, these are: 1)Extent of Corporate disclosure about matters of social concern. 2) Specific Social Actions: philanthropy, social program, pollution control. 3) Corporate Reputation ratings: KLD, Fortune, Moskowitz, and Business Ethics 100. (Wi and Da- Yeh, 2006)

In the present study in order to determinate the degree to which the company has implemented environmental friendly, social and societal actions, the KLD ratings will be used. The ratings will be adapted to Small and Medium companies in Ecuador. The indicators to take in account are: local communities, diversity, treatment of employees, natural environment, product safety and quality, and corporate governance. These ratings will indicate strengths and weaknesses around these groups of stakeholders according to the assessment of a member of management.

2.2 CORPORATE SOCIAL RESPONSIBILITIES IN SMALL AND MEDIUM-SIZED ENTERPRISES (SMES)

Corporate Social Responsibility has been traditionally associated with large companies but a special recognition should be put in Small and Medium companies (SMEs) given to their economical, social and environmental impact worldwide (Fuller 2003 in Jenkins 2009). SMEs needs a specific approach, to support this, a conceptual framework will be presented to explain their nature, characteristics and factors that influence in the implementation of CSR.

2.2.1 Definition Of Small And Medium-Sized Enterprises (SMEs)

In recent years a lot of attention has been given to the promotion of CSR in large companies, Murillo and Lozano (2006). According to Morsing and Perrini (2009) CSR in Small and Medium Enterprises (SMEs) had the attention just of a few of scholars such as: Spence 1999, Spence & Schmidpeter 2003, Moore & Spence 2006, Perrini 2006a, Perrini et al 2007, Russo & Tencani 2008, etc., SMEs have different motivation, challenges and engagement from those of large firms, and should be treated differently. For this reason it is necessary to perform more research to understand conditions and strategies of implementation of CSR practices in SMEs.

In order to understand the nature of SMEs it is essential to define this term, Spence (2007) stated:

“Small and medium-sized enterprises are by far the most common form of private business in both developed and developing economies. There are many varied definitions but the most standard one is the European Union Version, which defines SMEs as having fewer than 250 employees”, Spence (2007:534).

Morsing and Perrini (2009) use the term “the grandness of small business” to indicate the social and economic contribution to the European economy, they highlighted these facts:

99% of all European Companies are SMES, they are located in different industries, provide, around 76 millions of jobs and represent 80%, influence in the labor market, have more labor intensive production processes, dominate the contribution to GDP, constant innovation, flexibility and customized products. Luetkenshorst (2004) in Morsing and Perrini (2009) indicates that countries with vast percentage of SMES have a relatively equal distribution of income and high social stability; they serve as “growth labs” for innovation, product development, and long term growth of companies. Spence (2007) points out that they represent the 99% of employers in United States and employ 52% of private sector workers.

In an attempt to investigate the nature and behavior of Small and Medium companies some researchers have created different models that contribute CSR in SMEs’ literature.

Murillo and Lozano (2009) present a Project with SMEs in Catalonia, “An Account from the Catalan Model” in which they establish the construction of a network to promote CSR in SMEs. This project was initially created by the ESADE Business School, and subsequently put together in 4 different phases (*Preparatory, Theoretical, Applied, Analytical*) and subdivided into six research Projects. The Project created a tangible output that are the tools generated by the network: Employer’s Associations, Economy and Finances Department, Environmental Department, Trade Unions, Employment and Industry Department, also an intangible output that are the knowledge in relation to the process from a public policy perspective about how to work with intermediate organizations to promote CSR in SMEs.

The researchers, Nielsen and Thomsen (2009) investigate how strategic is CSR in SMEs. Their analysis based on a qualitative study of three middle managers in two Danish SMEs, and a quantitative study that included 1071 internet – based questionnaire survey. The study shows that the decision making and communication are informal and based in personal relations, and the model presented implied four challenges that influence

managers in SMEs' communication: 1) **Organizational Challenges**: organizational culture, values, attitudes, ideas and way of thinking of the manager; 2) **Role of the society**: people, planet, profit; 3) **Relations to Stakeholders** and 4) **The company's CSR ambition level**. The study indicates that for managers of SMEs the following issues are important: corporate identity, reputation management, and integrated communication. To conclude, the study says that *"SME managers clearly have an inside – out approach to CSR a strong emphasis on the internal (corporate culture) dimension. However, SMEs and/or SME managers tend no to communicate externally about the CSR activities of the company"* (Nielsen and Thomsen, 2009:91), SMEs have a long way to act strategically, CSR is not formally implemented, and companies "should keep acting locally but forcing themselves to think globally" (Nielsen and Thomsen, 2009:92).

In a study with German Companies, the researchers Hammann, Habich and Pechlaner (2009) focus their attention on SME entrepreneurs or owner managers in Germany. They assess the way that social responsibility is linked to specific management practices towards different stakeholders, and how this practices cause positive reactions in the firm's financial performance. The authors create a model that tries to test the proposition that the values of SMEs' managers or entrepreneurs have positive impact on employees, customers and social environment. In each stakeholder they set up categories of indicators for socially responsible management classified in the following way:

Employees: employee-oriented design of work, participation in decision-making, support and gratification of employees, these groups of indicators leads to increase employees' satisfaction, motivation and reduction of absenteeism.

Customers: Compliance with quality standards, provision of honest information, proper dealing with complaints, and fair price/performance ration leads to customers' satisfaction lower price sensitivity and constructive feedback for the company.

Society: Social Engagement of entrepreneur, donations, partnerships, and integration of fringe groups. The creation of these supports will lead to a positive image of the company.

The model says that the effects of the implementation of CSR are to reduce costs and to increase profits and long-term value creation of the company.

The findings of the study of Hammann et al. (2009) supports the model indicating that SMEs' managers express their values easily to internal stakeholders and closer external interest groups (employees and customers) rather than abstract group, society. The employees are rated as the most important stakeholder in the company. The study concludes saying that *"there is a significant relationship between the value-based instruments and the proposed organizational effects with regard to the three stakeholders"* (Hammann et al. 2009:49). This proposed relationship between being socially responsible and value creation was a subjective perception for this reason the authors suggest that future research should include objective data.

Other topic arising recently around CSR in SMEs is Corporate Social Opportunity (CSO) the researcher Jenkins (2009) adapted his model to SMEs based in the book of Grayson and Hodges (2004) that indicates that *there are three dimensions to CSO: innovation in products and services, serving un served markets and building new business models; and seven steps to integrate CSR into business strategy: Identifying the triggers, scoping what matters, making the business case, committing to action, integrating and gathering resources, engaging stakeholders and measuring and reporting.* (Grayson and Hodges 2004 in Jenkins 2009)

Jenkins (2009) realized their study based on 24 case studies on SMEs in United Kingdom from different sectors, and he proposed five steps to develop a "Business Opportunity Model". 1) **Set of Values:** the company should develop CSR and translate it into business principles and values. 2) **Scoping:** the SMEs should develop CSR aspects of stakeholders

important to the company. 3) and 4) CSO and **Strategy**: the achievement of Competitive advantage through CSR, this includes innovation in products and services, serving unserved markets and building new business models. 5) **Benchmark**: this step includes the measurement, and report of performance, learn from experiences and using continuous feedback.

The author Jenkins (2009) concludes their study suggesting future investigation about Corporate Social Opportunity across all markets and how this works in developing countries.

2.2.2 Characteristics Of Corporate Social Responsibility In Small And Medium-Sized Enterprises (SMEs)

Spence (2007) presents a summary of different authors explaining the principal characteristics of CSR in SMEs that demonstrate the different nature from large companies, these are:

- Small business are typically managed and owned by the same individuals, they work on a personal basis and they do not devote resources to strategic, marketing and public relations issues. (Jenkins 2004; Spence 2000).
- Lack of codification, SMEs do not sign up to CSR agreements, organizations, standards, codes of conduct, vision statements, (Moore and Spence 2006). The officers or committees of Ethics are focused on the operational business of the company, and it is difficult to measure according to the measures of large companies, (Moore and Spence 2006). They do not use the same language of "CSR", (Murillo and Lozano 2006; Spence and Lozano 2000).
- The SMEs activities have a direct impact in the Firm's Corporate responsibility. This activities are the reflect of the values, character, attitudes, education, background, etc., of the owner or family owned firm. (Vives, 2006).

- The company's responsibilities are held by the primary owner, they spend the money as they see fit, they do not answer to shareholders' interest of maximizing profit (Spence and Rutherford 2001).
- The SMEs are implanted in the local communities where they work, the moral proximity with community and customers influences in their socially responsible behavior (Spence 2004).
- SMEs can differentiate themselves for the flexibility and personal service based in personal relationships. The owner's managers usually look for "companionship" with external business partners, cooperation with social capital networks, (Spence 2004). The relationships are informal, and are linked with the reputation at the local and personal level, the close contact with the different shareholders make possible the building of relationship based in trust, honestly and integrity. (Spence 1999, 2004).
- Although SMEs have informal structures (Longenecker et al. 1989 in Fassin 2008) the employees are very important, they respond to their necessities given them charity support health and welfare. In most of the cases the employees are familiars this influence in making them more Social Responsible (Spence 2000). On the other hand the lack of codification of human resources management may not protect the employees rights (Spence, 2004).
- Some firms are family business; therefore family commitments are linked with business values (Janjuhajivraj 2000, Jenkins 2004, and Spence et al 2004).
- In a negative aspect, according to Jenkins (2006) small companies perform poorly in terms of CSR and business ethics. The possible reason is that the owner managers use their entrepreneurial drive to look for new markets, innovate, take risks, and are not driven to maximize the profits, the reason to have their business is to have a challenge and independence (Goffee and Scase 1995, Spence 2000).

2.2.3 Corporate Social Responsibility In Small And Medium-Sized Enterprises (SMEs) In Latin America And Ecuador

After of reviewing the concept, implications and characteristics of Small and Medium Companies in a European and United States context, an analysis of Latin America and Ecuador context will be presented.

The meaning of Corporate Social Responsibility and the factors that influence its implementation differ significantly from one country to another. It is essential to understand the regional and national situation in which the company is working, this is the case of developing countries that are characterized by *low standards of working conditions, environmental protection, high levels of corruption, violation of human rights, bad systems of human health and education, low net capital income and foreign investment.* (Crane et al., 2007). Maginan & Ralston (2002) in Campbell (2007) indicates that is necessary to realize more research on this topic to understand the reasons for this behaviour toward social responsibility.

The small and medium companies in Latin America play an important role in the economy of a region, they make up more than 95% of business, they provide the 40% - 60% of jobs and contribute 30 – 50% of GDP, depending on the country . Some of their characteristics are: low capacity intensity, low skilled workforce, low investment, and their interest in CSR is given by the motivation, education and values of the owners/managers. (Vives, 2006)

This situation now, however, seems to be changing. A new generation of entrepreneurs is appearing characterized by their high education and motivation for developing new products and services according to the world demands, incrementing in this way the employment and sales growth (Kantis et al. 2004 in Vives 2006). This generation is more

aware of the community problems, environmental sustainability, employee's satisfaction and wealth distribution. (Vives 2006)

Furthermore this new generation of entrepreneurs, Latin American companies are becoming conscious that their activities have a direct impact on society and the environment, the countries that are recognized for their interest in implementing CSR practices are: Colombia, Peru, Ecuador, Brazil, Chile, Argentina, Uruguay, Costa Rica and others. These countries have put their efforts mainly into implementing programs for the employee satisfaction in order to increase the welfare of their inhabitants; they also know that they have to start support SMEs to contribute the economy of their countries and be competitive worldwide. (Cardozo, 2003).

In an attempt to investigate how SMEs in Latin America implement CSR practices the researcher Antonio Vives (2006) from the Inter-American Development Bank, carried out a study that covered 1.300 firms in eight countries (Argentina, Brazil, Chile, Colombia, El Salvador, Mexico, Peru, and Venezuela).

In his study, Vives (2006) classified the components of CSR in SMEs in:

- **Internal Responsibility:** responsible behaviour towards the health and wellbeing of workers, training and participation in the business, equality of opportunities, work – family Relationship and corporate governance practices.
- **External Responsibility:** include the activities to support social and cultural communities' development and related issues.
- **Environmental Responsibility:** refers to activities to reduce the environmental impact of the companies' operation as reducing waste and consumption of natural resources, recycling and implementing environmental management systems.

The degree of implementation of CSR are based in the level of commitment: *high level*, CSR activities are part of business 'strategy; *medium level*, CSR activities are routine; and *low level* , CSR activities are occasionally.

The results of the study shows that that the internal practices are most common, this is because the internal activities include common actions, the external and environmental activities are less frequent because are terms relatively new, and because they take actions depending of the economic situation. According to the size of the companies, small companies shows a low level of commitment , and Medium sized companies are more involved in socially responsible activities. In terms of sector of economy, the companies dedicated to commerce are less committed than manufacturing and services sectors. (Vives, 2006)

The study also reflects the motivations and obstacles that SMEs have to face in order to implement CSR practise, the author Vives (2006) indicate that the ethics and religious values, welfare of employees, relationships with the community and public sector, relationship with clients and suppliers, and increase the profits are the driving forces. The obstacles mentioned are: lack of knowledge and resources, and perception of no environmental impact . The results also show that in the future the SMEs will be more involved in CSR practices.

Besides the initiative of SMEs implementing CSR practices, two organizations in Latin America work independently to contribute to the development of the principles, and promotion of CSR and have created a regional network, these are: The World Business Council for Sustainable Development (WBCSD) and EMPRESA (Company).

The WBCSD comprises 11 organizations in the region, is interested in keeping high standards to operate in globalized markets through the implementation of tools to promote CSR such as: values-governance, regulation-control, business operations, accountability and exposure, human rights, labour rights-work conditions, product impact,

social impact of the investment, environmental impact, responsible marketing and linkages with the community. (Nuñez, 2003)

EMPRESA is made up of 8 organizations and has the mission to promote the practices of CSR adapting cultural realities and operational structures to develop in the companies a social agenda that maximises financial profits. They are focused on Business Ethics, labour rights-work conditions, environment, responsible marketing, and linkages with the community. (Nuñez, 2003)

Another initiative related with CSR and Sustainable development is known as "*the equator principles*", and is promoted by the International Finance Corporation of the World Bank and the transnational bank. They introduce the concept of social and environmental sustainability to financial investment projects. This initiative has been signed by 20 world banks in Latin America, these banks finance just projects that assure the sustainable development of the region where they are involve. (Nuñez, 2003)

The World Bank and Bank American of Development, BID (2002) recognize the need to build a CSR concept affording the general principles and taking into account the specific characteristics of each country, this concept should fulfil the necessities of each country, and should have the continuous support of the international institutions, stakeholders and civil society. (Nuñez, 2003)

In Ecuador the CSR concept is new but in recent years it has been widely diffused by the Ecuadorian Consortium for the Social Responsibility (CERES). This institution is the first network of companies, universities, non governmental institutions and other organizations that work together to develop CSR practices in Ecuador. (CERES, 2008)

The Ecuadorian Center of Ambiental Law (CEDA) defines CSR as a strategy to drive sustainable development, their CSR program is focused on developing strong links with

companies, organizations and civil society to promote the integration of Ecuadorian managers in activities that contribute the conservation of the environment and quality of life in Ecuador. (Badii, 2007).

In this context, The Consortium for the Social Responsibility (CERES) defines CSR as a way of management defined by the capacity of a business to respond to consequences of its actions to different groups and natural spaces to which it is related. The organization can be called socially responsible when it provides a commitment to the social, political and economic environment. (Badii, 2007)

A few companies and organizations have realized CSR activities, projects and programs, some of them have started with philanthropy, donating money, goods and/o services to specific groups need them. As philanthropy does not establish any formal relation between the company and the community, the relationship between business and society remains weak or unsuccessful. Some others give economic resources to promote an image of friendship and responsibility towards the community. For Ecuadorian companies, it is important to be efficient, productive and profitable, but at the same time they know they should contribute to the community and society. (CERES, 2008)

In the first of publication CERES (2008) have defined the following characteristics of CSR in Ecuador:

- Non-existence of a strategy and public policy in CSR.
- Insufficient legal framework of the concept's explanation of CSR.
- Lack of instruments and national mechanisms for the evaluation/regulation of CSR.
- Lack of information about the benefits of CSR.
- Lack of knowledge about mechanisms to obtain economic resources to finance CSR projects, non-existence of projects, limited support of the international community.

- Low levels of education of the human capital, no postgraduate programs about CSR.
- Low participation of companies, governmental and non - governmental organizations, civil society, and other institutions in the development of CSR.

In the Economic and Social Context, Small and Medium firms are very important in Ecuador, the Chamber of Small and Medium Companies of Pichincha (CAPEIPI) estimate that there exist around 500.000 SMEs, they give employment to 1'600.000 people (CAPEIPI, 2001), they represent 95% of productive units, and are responsible for 5% global GDP, 24% industrial GDP, 5% product exportations (CAPEIPI, 2008). The principal characteristics of this part of the economy are the capacity to generate employment, great capacity to adapt and be flexible to change, flat organizational structures. They also presents different weaknesses: insufficient technology and machinery for the elaboration of products, lack of training of employees, lack of financial tools, low productive capacity, low quality standards.

In this context, it is necessary to understand the environment in which Ecuadorian's SMEs act and how they define CSR, regarding to the literature explained previously, the first investigative question in the present study are: **How do Ecuadorian's SMEs define Social and Environment Responsibility?**

SME's in Ecuador have a lot of challenges to face in order to be Social Responsible, in order to understand these challenges, in the next section the factors that influence the implementation of CSR in SMEs will be presented. This also leads us to the second investigative question of the present study: **How do Ecuadorian's SMEs implement CSR?**

2.2.4 Factors Influencing The Implementation Of Csr In SMEs

A recent qualitative study Hudson and Roloff (2008) has been done about the factors that influence in the *practice of CSR and its implementation in SMEs*. The study was carried out

in the region of Brittany in France, it summarizes the interviews of 72 managers and concludes indicating that the factors that influence CSR practices are “multiple and complex”, the drivers come from beliefs and values of top managers, societal expectations, governmental policies and the local community. The companies adapt their model according to their specific activity and environment.

Hudson and Roloff (2008) show the drivers and brakes to the implementation of CSR in Brittany’s SMEs in three levels: Individual, Organizational and Macro Factors.

Individual Factors

A key factor in the practice of CSR in SMEs is the values represented by the owner manager of the company (Spence and Rutherford 2003 in Murillo and Lozano 2006).

The study shows that the Directors’ values, education background, beliefs, etc., are a potential agent to implement CSR in SMEs. This leads us to the first Proposition of this research project:

P1: Individual Factors influence the degree of implementation of Corporate Social Responsibility in Small and Medium companies.

Organizational Factors

Internal organizational factors such as: time, financial resources, cost risk, organizational processes, size or knowledge, are mentioned as a brake to move towards CSR and external organizational factors such: as client demand, market opportunities, competitiveness, stakeholders expectations, shareholders relationship, are seen as potential drivers (Hudson and Roloff 2008).

Murillo and Lozano (2006) argued that close relationships with the workers and social or business environment establish expectations in social relationships and create “confidence” and “security” with suppliers and even competitors, this fact is supported by Vyakarnam et al (1997) who indicate that social involvement will result in an improvement

of the reputation and professional image, increase of confidence and loyalty. The pressure from clients constitutes an element that forces the implementation of social policies (Spence 2000).

The second proposition of this study is to test the influence of organizational factors in the degree of Corporate Social Responsibility implementation in small and medium companies.

P2: Organizational Factors influence the degree of implementation of CSR activities in SMEs.

Macroeconomic Factors

Hudson and Roloff (2008) stated that macroeconomic issues such as the environment, legislation, global competition, societal expectations, press/media, societal expectations, social change, CSR instruments, cost of natural resources, global competition, are perceived almost exclusively like drivers in the implementation of CSR.

Other study made by the Chamber of Commerce of Bilbao made a diagnosis for CSR in SMEs indicating that there is insufficient awareness concerning to CSR, lack of resources to start up with CSR instruments, lack of information in the relationship between CSR and economic results, and confusion in the propagation of CSR instruments (Murillo and Lozano 2006).

To conclude Morsing and Perrino (2009) argued that public authorities, policy makers and researches have the challenge to investigate, give clarity and support the development of CSR in SMEs.

These studies lead us to the third proposition:

P3: Macroeconomic factors influence the degree of implementation of Corporate Social Responsibility activities in Small and Medium companies.

2.3 PROPOSED MODEL OF THE FACTORS THAT INFLUENCE IN THE IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY IN SMALL AND MEDIUM COMPANIES IN ECUADOR

The following model is based on the framework proposed by Hudson and Roloff (2008) in their study on SMEs in Brittany France, and summarizes the findings in the Literature Review. This model will be tested in SMEs in Ecuador.

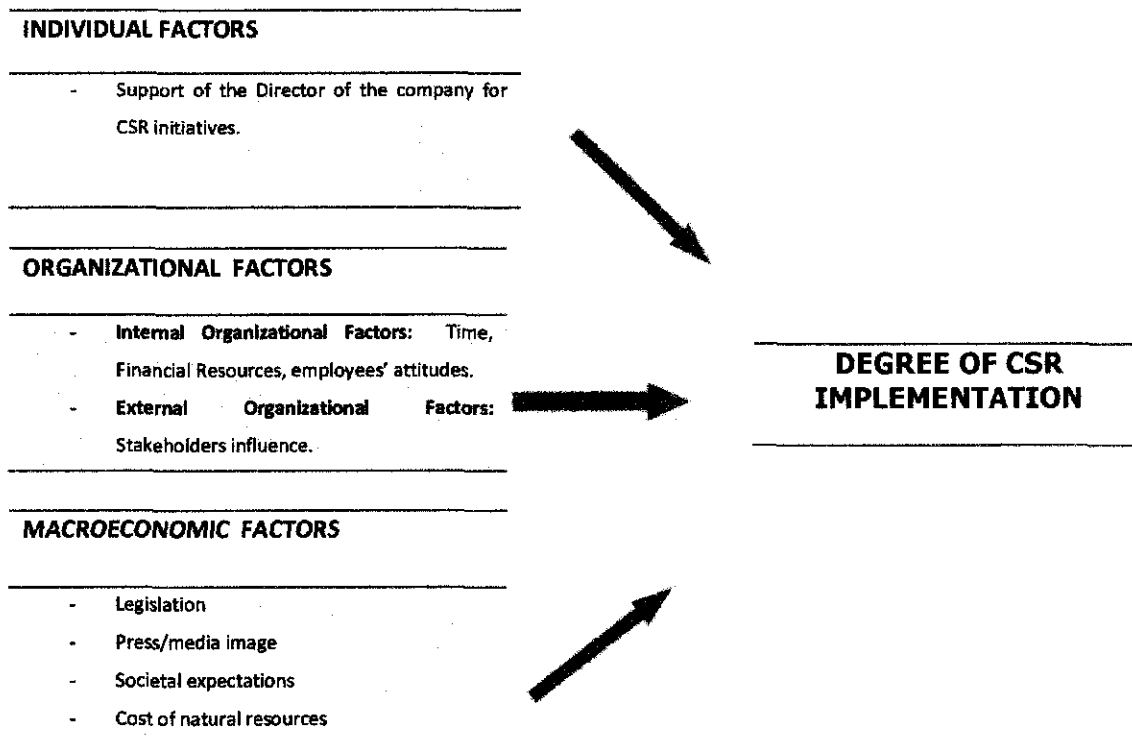


Figure 3

Model of Factors that Influence in the Implementation of Corporate Social Responsibility in Small and Medium Enterprises

Hudson and Roloff (2008)

2.4 THE PROPOSITIONS AND HYPOTHESES TO BE TESTED

The following table represents the synthesis of the propositions and hypotheses that look for research the drivers and brakes that influence in the implementation of Corporate Social Responsibility in Small and medium- sized enterprises in Ecuador.

| PROPOSITION | HYPOTHESES |
|--|---|
| <p>Individual factors influence the degree of CSR implementation in SMEs.</p> | <p>H1A. The degree of support of the Director of the company for Social Responsibility initiatives is positively correlated to the degree of CSR implementation in SMEs.</p> <p>H1o. The degree of support of the Director of the company for Social Responsibility initiatives are not correlated to the degree of CSR implementation in SMEs.</p> |
| <p>Organizational factors influence the degree of CSR implementation in SMEs.</p> | <p>H2A. The perception of "Lack of time" is negatively correlated to degree of CSR implementation.</p> <p>H2O The perception of "Lack of time" is not correlated to degree of CSR implementation</p> <p>H3A. The perception of "Adequate Financial resources" is positively correlated to degree of CSR implementation.</p> <p>H3O The perception of "Adequate Financial resources" is not correlated to degree of CSR implementation</p> <p>H4A. The employees' attitude to Social Responsibility initiatives is positively correlated to the degree of CSR implementation in SMEs.</p> <p>H4o. The employees' attitude to Social Responsibility initiatives is not correlated to the degree of CSR implementation in SMEs.</p> <p>H5A. The degree of the influence of Stakeholder for Social Responsibility initiatives is positively correlated to the degree of CSR implementation in SMEs.</p> <p>H5o. The degree of the influence of Stakeholder for Social Responsibility initiatives is not correlated to the degree of CSR implementation in SMEs.</p> |

| | |
|---|---|
| <p>Macroeconomic factors influence the degree of CSR implementation in SMEs.</p> | <p>H6A. The degree of Legislation for Social Responsibility initiatives is positively correlated to the degree of CSR implementation in SMEs.</p> <p>H6o. The degree of Legislation for Social Responsibility initiatives is not correlated to the degree of CSR implementation in SMEs.</p> <p>H7A. The perceived Press image of Social Responsibility initiatives is positively correlated to the degree of CSR implementation in SMEs.</p> <p>H7o. The perceived Press image of Social Responsibility initiatives is not correlated to the degree of CSR implementation in SMEs.</p> <p>H8A. The degree of societal expectations perceived for Social Responsibility initiatives are positively correlated to the degree of CSR implementation in SMEs.</p> <p>H8o. The degree of societal expectations perceived for Social Responsibility initiatives are not correlated to the degree of CSR implementation in SMEs.</p> <p>H9A. The perceived cost of natural resources is positively correlated to the degree of CSR implementation in SMEs.</p> <p>H9o. The perceived cost of natural resources is not correlated to the degree of CSR implementation in SMEs.</p> |
|---|---|

Figure 4

Synthesis of the propositions and hypotheses of Factors that influence in the implementation of Corporate Social Responsibility in Small and medium- sized enterprises in Ecuador

The next section, Methodology, shows how the present study attempt to approach and answer the research question and investigative questions.

3. METHODOLOGY

This chapter seeks to describe the Methodology used in order to answer the research question and investigative questions of the present study. Firstly a justification of the research design will be presented explaining why this is the most appropriate, secondly we will describe the data collection method, followed by the sampling technique, credibility of the research and finally the data analysis technique.

3.1 RESEARCH DESIGN

The research design is the general plan for the collection and analysis of data (Bryman and Bell, 2003). This plan will help to answer the research question of the present research project also to specify and justify different elements that will be used.

3.1.1 Research Approach and Purpose of the Research

There exist two main approaches in business research: Deductive and Inductive. The deductive approach deduces a hypothesis from the Theory, and Inductive built a hypothesis based in the observation of an event.

The present research will follow the *deductive approach*, the hypothesis to be tested and relations between variables are build from the literature review. The data generated will be *quantitative*.

According to the Purpose of the Research, we need to define in which way we will answer the research question, this can be descriptive, descriptive and exploratory, or explanatory answers. The aim of the descriptive research is to provide a clear picture of an event or situation, and the explanatory research looks to establish causal relationships between variables. (Saunders at al., 2007)

The present research project starts with a Conceptual framework of Corporate Social Responsibility and the application and adaptation of this concept in Small and Medium Companies in Ecuador, different variables will be tested in order to determine the link between the drivers and brakes at the individual, organizational and macroeconomic level on the one hand and the implementation of CSR in SMEs on the other; for this reason a *descriptive study* is appropriate to answer the research question.

The research project study one sample of a particular phenomenon in a particular time, for this reason the time horizon of the present study will be *Single Cross-sectional Design*.

3.1.2 Research Strategy

There exist different strategies that can be used depending on the research approach and purpose: experiment, survey, case study, action research, grounded theory, ethnography, archival research, etc. (Saunders at al., 2007)

In the present study the strategy choose is the *Survey* for the following reasons: is associated with the deductive approach, is the most popular used in business and management research, allow us to collect a large amount of quantitative data of comparison between variables, etc. (Saunders at al., 2007)

3.2 THE DATA COLLECTION TECHNIQUE

In the survey strategy we have different data collection techniques such as the questionnaire, structured observation and semi –structured, structured or unstructured interviews. (Saunders et al., 2007)

In the present study the affordable technique given to the nature of our data, time and money available, is the *questionnaire*.

The design of questionnaire can vary depending in how they are going to be administered and the amount of contact with the respondents, some examples are: self-administrated questionnaires, internet or mail questionnaires, delivery and collection questionnaires, interviewer – administered questionnaires, telephone questionnaires, structured interviews. (Saunders et al., 2007)

The *Internet-mediated questionnaires* is the best option in the present research, also we will complement the study with two *structured interviews* with students with professional experience.

These two structured interviews will help to determine the time of response, also to determine if the questionnaire is made in an understandable, and clear vocabulary.

The advantages of using the *Internet-mediated questionnaires* are:

- **Characteristics of the respondents:** the questionnaire will be directed to managers of person in charge of small and medium companies in Ecuador, most of professionals use internet in their daily activities, and this fact will increment the rate of responses.
- **Geographical situation:** the internet – mediated questionnaire will allow us to contact managers of the main cities of Ecuador.
- **Time and Financial cost:** due to the time established for the administration of the questionnaire and the fact that the researcher lives in a specific place, the time and financial cost will decrease significantly with the use of this tool.

3.2.1 The Questionnaire Design

As it was mentioned in the last section, the tool to be used to collect the data is the Internet-mediated structured questionnaire.

The questionnaire to apply will be an adaptation of the questionnaire of the study conducted by Sarah Hudson and Marie-Charlotte Guyot in France, "Factors Influencing Responsible Behavior in Small and Medium Enterprises".

The questionnaire will be administrated to professionals in Small and Medium Companies in Ecuador, for this reason it has been translated to Spanish, also it has been adapted to the legal terms and cultural expressions used in this country. The time to answer the questionnaire is between 8 to 10 minutes.

The questionnaire starts with a little explanation of the aim of the research and general information, afterwards it has been divided in 4 sections:

Section 1: In this section the questionnaire begins with an open question "Responsibility for our company means". This question looks that the managers answer in their own words their perception, opinion or point of view in relation with "Responsibility", this will provide a lot of information that we can not get it with a closed question. The aim to this section is to answer the first investigative question of the study: How do Ecuadorian's SMEs define Social and Environment Responsibility.

Section 2: This section use likert scale questions asking to the responders the degree of action taken in the company according to CSR Implementation. The respond have 5 options that goes from 1 Not implemented to 5 Fully implemented.

Section 3: This section use question using a likert scale, the respondents have to indicate their level of agreement from 1 Strongly disagree to 5 Strongly Agree. In this section we measure the independent variables of the research: Individual Factors, Organizational factors and Macroeconomic Factors.

Section 4: This section is used for demographics and general information about the interviewed and information about the company. Dichotomous questions are used to answer the gender of the interviewed, categorical to answer the range of age, and open question to answer the position of the company, number of employees, and sector in which the organization function.

The questionnaire is design in an internet web page specialized in this area, www.surveymonkey.com. This tool has been choose because is very professional, easy to read and attractive to the view on the interviewed. In order to facilitate the answer of the questions, automatic boxes are used, also in the superior part of the page the user can see an image that indicate the percentage of advance filling out the questionnaire.

3.2.2 Measurement of Items

In order to measure the variables there exist five categories that can be used: Nominal (the attributes are named, and are separate in different categories), Ordinal (ranks are used, the intervals are not equal), Interval (a continues scale is used, zero does have value), and ratio (continuous scale is used but zero has a value). (Blumberg et al., 2006)

The Following measurements were used (Please see questionnaire in **Appendix No. 1**)

Section 1: this is a open question and the responses will be placed in categories, matching the data to the theoretical categories of CSR.

Please complete the following statement according to YOUR opinion: "Responsibility" for our company means.....

Section 2: this section is built with interval scale likert scale questions: *Please assess the degree of action taken for the following in your company*

The scales were designed to assess the dependent variable: the degree of Corporate Social Responsibility implementation.

- 1 Not implemented: no plan currently exist to CSR implementation.
- 2 Slightly Implemented : implementation of 30% or less.
- 3 Partially implemented: implementation in process 30 to 79%
- 4 Implemented: 80% or more.
- 5 Fully implemented: 100% plan implemented.

Section 3: This section use interval scale using a likert style rating scale questions: *Please indicate your level of agreement with the following statements:*

The following scales in this section were used to measure the different independent variables of the proposed model:

- 1 Strongly Disagree
- 2 Disagree
- 3 Not Disagree/ Not Agree
- 4 Agree
- 5 Strongly Agree

Section 4: this section is developed with different scales, nominal scale using dichotomous questions, indication of the gender; categorical questions, indication of the age; and open questions to specify the position in the company, number of employees, an economic sector of the organization.

3.2.3 Distribution of the questionnaire

To begin with the distribution of the Internet- mediated questionnaire is essential the building of a database with the e-mails of the companies.

This database was built with the information of different chambers of commerce of Ecuador which specifies the name of the company, person of contact and e-mail.

The link of the survey will be insert in a letter direct to the manager, or person in charge of the company. This tools will help to increase the rate of response. (Please see the Letter in *Appendix No. 2*)

3.2.4 Pilot testing

Before the distribution of the questionnaire to collect the data, it is essential to carry out a pilot testing. The purpose of this is to improve the questionnaire to avoid problems in the understanding of the questions and recording of the data, also, this helps to obtain assessment of the questions' validity and reliability, and make sure that the data answers our investigative questions. (Saunders et al., 2007).

In the present research the pilot testing was done to 20 people who have working experience in Ecuador. They were also asked to give feedback about the clarity of the instructions and questions, the length of the questionnaire, if they find some ambiguous or confusing questions, terms used, and if they find the layout attractive and clear.

Besides the pilot testing using the Internet- mediated questionnaire , two structured interviews were made to personal contacts in order to see if they have problems filling the questionnaire, if the recording of the answers was correct, the time that they spend, the experience filling it and suggestions to improve the questionnaire. (Please see pilot testing and the interviews Feedback in *Appendix No. 3*)

The final questionnaire was improve taking into account the feedback of the pilot testing and the suggestions of my supervisor Sarah Hudson.

3.3 THE SAMPLING

For some research projects it is possible to collect data from an entire population but this will not necessarily provide more useful results than collecting data from a sample which represents the entire population (Saunders et al., 2007)

In the present study a sample is chosen to try to be as representative as possible while reducing costs and time.

3.3.1 Sampling Technique Choice

The samples technique available are two: **Probability** samples in which the probability of a case being selected from the population is known and usually equal, and **non – probability samples**, the probability of each case to be selected from the total population is not know. (Saunders et al., 2007).

In the present research the technique more suitable is **Probability Sampling**. However, access to a complete sampling frame of SMEs in Ecuador was not possible, so a quota

sample selected on the basis of geographical location and size was used. The identification of the sample is appropriate to reach the research questions and objectives.

3.3.2 Sample And Size Origin

The sampling method use consists of selecting a representative number managers of person in charge of the company from small and medium enterprises in Ecuador of different sectors of the economy.

In Ecuador, there is not a clear definition of Small and Medium Enterprises (SMEs) and there has not been realized an Economic recent Census, and the universe is not known.

The minister of small industry proposed the SMEs classification according to the following table:

| CLASIFICACION PROPOSED | EMPLOYEES (#) | Annual Incomes (US) | Total Assets (US) |
|------------------------|---------------|-----------------------|---------------------|
| Micro Company | 1 - 9 | ≤ 100.000 | ≤ 100.000 |
| Small Company | 10 - 49 | 100.001 - 999.999 | 100.001 - 750.000 |
| Medium Company | 50 - 199 | 1.000.000 - 5.000.000 | 750.001 - 4.000.000 |
| Big Company | > 200 | > 5.000.000 | > 4.000.000 |

Table No. 1

Classification of Ecuadorian Companies.

According with information of the Minister of Economy (MICIP, 2002) is estimated that the SMEs constitute the 90% of companies and are located in the provinces of: Azuay, Guayas, Manabí, Pichincha y Tungurahua.

The economical activity in Ecuador according with the Central Bank (BCE) is divided in 16 categories, for the academic purposes of the research the sectors consider are: Industry, Commerce and Services.

The number of companies consider for this study are taken from the database of the "Superintendencia de Compañías" (unique organism responsible for record of constituted companies), It is supposed that the 90% of the global date are SMEs, and will be consider the provinces of Azuay, Guayas and Pichincha.

| REGION | | | | | % QUOTA | | | NO. QUOTA | | | |
|-----------|--------------|--------------|--------------|---------------|---------|--------|---------|-----------|------------|-----------|------------|
| | INDUSTR | COMMER | SERVICE | TOTAL | INDUSTR | COMMER | SERVICE | INDUSTR | COMMER | SERVICE | TOTAL |
| AZUAY | 174 | 404 | 432 | 1,010 | 6% | 5% | 11% | 4 | 10 | 10 | 24 |
| PICHINCHA | 1319 | 3576 | 2012 | 6,907 | 46% | 40% | 52% | 31 | 85 | 48 | 164 |
| GUAYAS | 1357 | 4908 | 1420 | 7,685 | 48% | 55% | 37% | 32 | 117 | 34 | 183 |
| | 2,849 | 8,887 | 3,865 | 15,601 | | | | 68 | 211 | 92 | 371 |
| % | 18% | 57% | 25% | | | | | | | | |

Table No. 2

Sample Size and Origin

Considering the sample and the data base available, the link of the Internet- mediated questionnaires was send to 2193 Companies. This link was send attached to a letter direct to SMEs managers in order to have a good rate response.

The Internet- mediated questionnaires link was available for three months, and 2 reminder mails were send to increase the response rate, the number or participants that responded the questionnaire was 187, corresponding a response rate of 8.5%, which is fairly typical for company based surveys on-line and acceptable number to realize the analysis.

After collecting the questionnaires, the data was cleaned in order to eliminate non response bias, unreliable, and inconsistency data. The final rate response to be considered

in the present study is 158 responses, and it is composed of executives from companies of varying sectors and position, range of age, and gender. This findings will be presented in the Results and Analysis section.

3.4 CREDIBILITY OF THE RESEARCH STUDY

The credibility of the research is to reduce the possibility of getting not useful information to the study, for this reason two themes have to be taking in account in the research project: Reliability and Validity. (Saunders et al., 2007).

Reliability *“ refers to the extent to which your data collection techniques or analysis procedures will yield consistent findings”*. (Saunders et al., 2007:149)

Validity *“ is concern with whether the findings are really about what they appear to be about”*. (Saunders et al., 2007:149)

Following the assessment of these two themes in the present research will be presented.

3.4.1 Validity Assessment

In order to measure what we intend to measure in the study, the validity assessment was made thought the following tools:

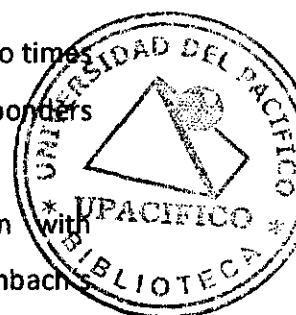
- **Triangulation:** two structured interview and the pilot testing of 20 people was used to increase validity of the questionnaire. The final questionnaire takes in account the feedback of the respondents.
- **Back Translation and Parallel translation:** due to the original questionnaire is in English and the distribution of this is made to professional people in Ecuador

where the official language is Spanish, back translation had been used from Spanish to English and English to Spanish, also a parallel translation to Spanish have been made. These results did not contribute significant differences but helped to clarify some terms.

3.4.2 Reliability Testing

According to Mitchell (1996) in Saunders et al., (2007) the reliability gives consistency to the questionnaire and produce consistent findings at different times and under different conditions using different methods:

- **Test re test:** is obtained by correlating the data from the questionnaire two times to respondents, this tool will take more time and is difficult to ask the respondents to answer twice the questionnaire.
- **Internal consistency:** consist in correlate the responses on each question with other questions in the questionnaire. One of the method used is the Cronbach's Alpha.
- **Alternative Form:** this involves the comparison of responses to alternative forms of the similar question.



This research uses internal consistency, multiple questions for each factor is used to increase reliability. This is measured with the statistic indicator Cronbach's alpha, with a coefficient of 0.6 the reliability is acceptable.

This test was applied to all groups of variables of each factor, the results of the indicator Cronbach's alpha were analyzed and the variables with low score were not considered to the building of the constructs in order to increase reliability.

In addition, one final test was made to the final constructs; the results all were above 0,6 indicating that the reliability is acceptable for the present study.

The Results of the reliability testing to the different variables are in the ***Appendix No.4***

To conclude, the following table indicates the operational definitions of all variables. These variables were computed in order to obtain the total variables, codes, and the variables not considered in the construct variables. (Please see table of variables registered in SPSS in ***Appendix No. 5***)

Table No. 3

Table of variables

| CONSTRUCT | Operational Definition of the Construct Variable | Operational Definition of the Sub Variables | CODE | TAG | COMMENTS |
|--|---|---|---------------------------------------|-------------------------------------|----------------|
| DEGREE OF CORPORATE SOCIAL RESPONSIBILITY IMPLEMENTATION (CSP) | CSP = ENVV + COMV + DIVV + HRT + PRT | TOTAL ENVIRONMENT (ENVV)= ENV1+ENV2+ENV4+ENV5+ENV6 | ENV1 | ENV Energy | |
| | | | ENV2 | ENV Fossil Fuels | |
| | | | ENV3 | ENV | |
| | | | ENV3RC | ENV Products RC | Not considered |
| | | | ENV4 | ENV Pollution | |
| | | | ENV5 | ENV Recycling | |
| | | ENV6 | ENV Mgt Standards | | |
| | | TOTAL COMMUNITY (COMV)= COM1+COM2+COM3 | COM1 | COM Local Community | |
| | | | COM2 | COM Charitable Causes | |
| | | | COM3 | COM Relations with Neighbours | |
| | | TOTAL DIVERSITY (DIVV)= DIV1+DIV2+DIV3 | DIV1 | DIV Disabled Workers | |
| | | | DIV2 | DIV Women | |
| | | | DIV3 | DIV Flexible hours for mothers | |
| | | TOTAL EMPLOYEE RELATIONS (HRT)= HR1+HR2+HR3+HR4+HR5+HR7RC+HR8 | HR1 | HR Health and Safety | |
| | | | HR2 | HR Retired workers | |
| | | | HR3 | HR Worker Unions | |
| | | | HR4 | HR Suggestions from Emp. | |
| | | | HR5 | HR Share Profits | |
| | | | HR6 | HR | |
| | | | HR6RC | HR Reductions RC | |
| | | | HR7 | HR | |
| | | TOTAL PRODUCT (PRT)=PR1+PR2+PR3 | HR7RC | HR Bad Relationships RC | |
| | | | HR8 | HR Suppliers treatment | |
| | | | PR1 | PR Quality Products | |
| | PR2 | PR Quality Programs | | | |
| | PR3 | PR Innovative Products | | | |
| INDIVIDUAL FACTORS (INDT) | INDT = IND1+IND2+IND3+IND4 | TOTAL INDIVIDUAL (INDT) = IND1+IND2+IND3+IND4 | IND1 | IND Strong Beliefs | |
| | | | IND2 | IND Environmental Impacts | |
| | | | IND3 | IND Help Community | |
| | | | IND4 | IND Good Working Conditions | |
| ORGANIZATIONAL FACTORS (ORGT) | Internal Organizational Factors (IOF) = TIMT + FINV + EMPV | TOTAL TIME (TIMT) = TIME1+TIME2+TIME3+TIME4 | TIME1 | TIM Lack of Time | |
| | | | TIME2 | TIM Time to Charitable work | |
| | | | TIME3 | TIM Workloads | |
| | | | TIME4 | TIM Extra Time | |
| | | TOTAL FINANCIAL RESOURCES (FINV)= FIN1RC+FIN2RC+FIN4RC | FIN1 | FIN | |
| | | | FIN2 | FIN | Not considered |
| | | | FIN3 | FIN Savings generate benefits | |
| | | | FIN4 | FIN | Not considered |
| | | TOTAL EMPLOYEES' ATTITUDES (EMPV)= EMP1+EMP2+EMP3+EMP4 | FIN1RC | FIN Ignore Ethical Concerns RC | |
| | | | FIN2RC | FIN Not Financial Resources RC | |
| | | | FIN4RC | FIN Finacies uses in urgent m. RC | |
| | | | EMP1 | EMP Work extra hours for Charitable | |
| | EMP2 | | EMP Work extra hours for Environm. | | |
| | EMP3 | | EMP Participation with Financial Inc. | | |
| | EMP4 | | EMP Social Care | | |
| | EMP5 | | EMP | | |
| | External Organization Factors (EOF) = SUPP+CLIENT+MKT+SHA+COMMUNI+LGOV+NGOV | EMP5RC | EMP Not convinced new plans R | Not considered | |
| | | SUPP | Suppliers | | |
| | | CLIENT | Clients | | |
| | | MKT | Market | | |
| | | SHA | Shareholders | | |
| | | COMMUNITY | Local Community | | |
| | | LGOV | Local Government | | |
| | | NGOV | National Government | | |
| | OTHER | Other | Not considered | | |
| MACROECONOMIC FACTORS (MACT) | MACT = LEGT+PREST+SOCT+RES+NET | TOTAL LEGISLATION (LEGT)= LEG1+LEG2+LEG3 | LEG1 | LEG Reduce Impact | |
| | | | LEG2 | LEG Labor Rights | |
| | | | LEG3 | LEG Change in Legislation | |
| | | TOTAL PRESS/MEDIA IMAGE (PREST)= PRES1+PRES2 | PRES1 | PRES Image | |
| | | | PRES2 | PRES | |
| | | | PRES2RC | PRES "Fashion" effect not mot. RC | |
| | | TOTAL SOCIETAL EXPECTATIONS (SOCT)= SOC1+SOC2+SOC3RC | SOC1 | SOC Expectation towards Environm. | |
| | | | SOC2 | SOC Expectation towards Communi. | |
| | | | SOC3 | SOC | |
| | | COST OF NATURAL RESOURCES | SOC3RC | SOC Firs Financial Health RC | |
| | | | RES | Cost of Natural Resources | |
| | | TOTAL BUSINESS NETWORK (NETV)=NET1+NET2RC+NET3 | NET1 | NET Behaviour other companies | |
| NET2 | NET | | | | |
| NET2RC | NET Prevents to Resp. Behaviour RC | | | | |
| | NET3 | NET Part of Business Network | | | |

3.5 DATA ANALYSIS STRATEGY

The analysis of the data will be made with the help of the statistic program SPSS. The program will be used to calculate the variables, analyze reliability, test the hypotheses with correlation analysis, regression and non- parametric T-tests.

After explaining the methodology used in the present study in the next chapter the results and analysis of the data will be presented.

4. RESULTS AND ANALYSIS

This chapter presents the results of the statistical process used to analyzed the collected data. The first point is to present a description of the final sample, followed by the statistic methods used in the present analysis, and finally the results found from the hypotheses of the research.

4.1 SPSS Statistical Software

The Statistical tool SPSS is the most widely used computer software for the analysis of the quantitative data. This tool was created in the mid – 1960s and it has been improved through several versions, for the present study the version used is the number 15.0 for Windows.

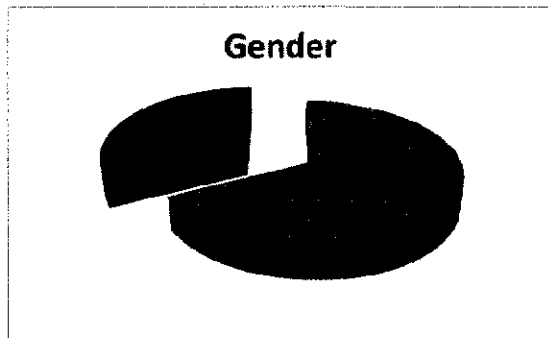
SPSS allows the analysis of different types of data through different test and methods. The technique to be used is chosen depending on the nature of the data and variables. If it is normally distributed the approach used will be parametric, and if is not normally distributed the best option is to use non-parametrical approach.

4.2 General Statistics

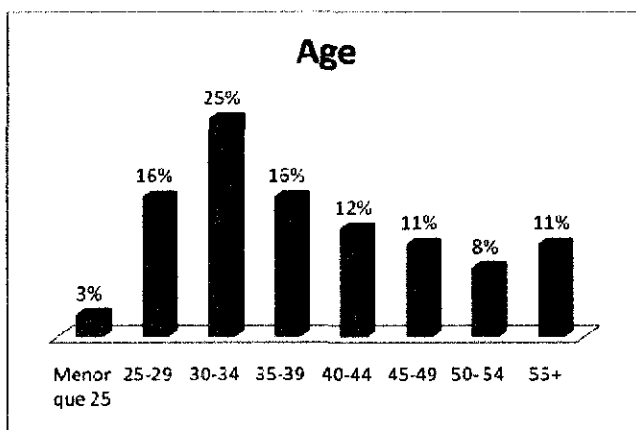
The General Statistics (descriptive statistics) are used to organize and describe the characteristics of the collected data. Also it is used to find out the frequencies, standard error, variance, standard deviation, skewness, mean of the different variables.

The present study presents the following characteristics of the sample:

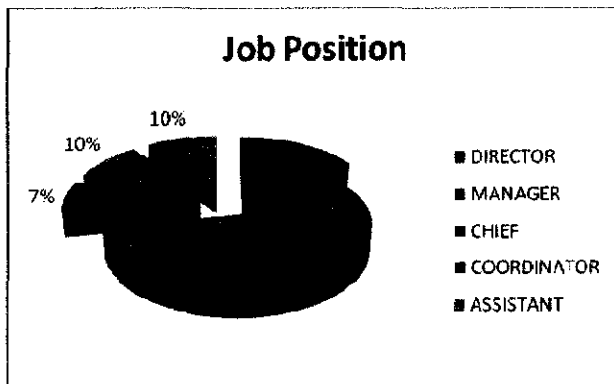
- **Gender:** the distribution of population according to the gender is 68% of Male and 32% of Female.



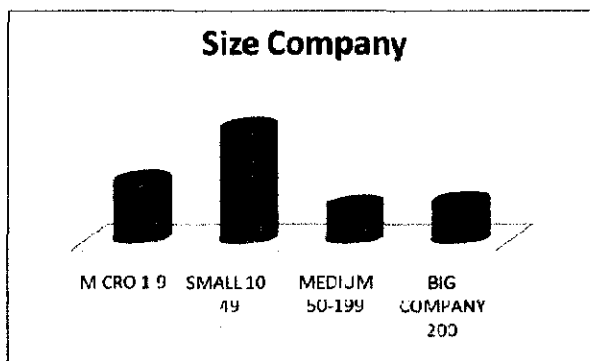
- **Age:** the distribution of the age of the final population is mostly 30 – 34 years with the 25%, followed by the 35 – 39 and 25 – 29 range with 16%, 40 – 44 12%, 45 – 49 and more than 55 years old 11%, 50 – 54 8%, and finally less than 25 with 3%.



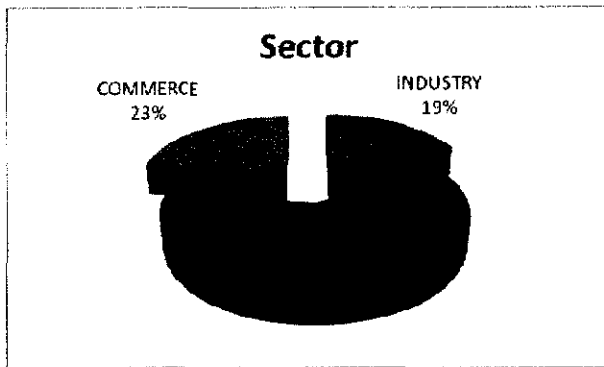
- **Job Position:** as we can see in the following chart, the responders are mostly categorized in Manager 55% and Director 18% positions, this indicate that the questionnaire was correctly directed to the sample selected.



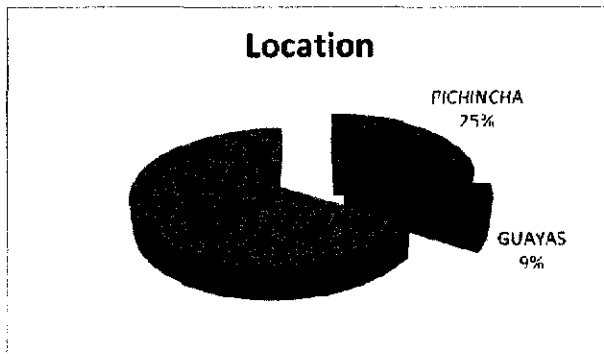
- **Size of the Company:** the 84% of the population correspond to small and medium companies, due that the study was directed to this specific sector of the economy, the 16% of the data from big companies was not considered in the present study.



- **Sector:** 58% of companies correspond to the service sector, followed by commerce 23% and industry 19%, as we can see the quotas obtained are not the expected, commerce 57%, service 25% and industry 18%. These results can affect the representative of the sample.



- **Geographical Location:** 65% of companies correspond to the region of Azuay, 25% to Pichincha and 9% to Guayas.



4.3 STATISTICAL METHODS TO ANALYZE THE DATA

4.3.1 Descriptive Statistics

We felt it would be of interest to get a general idea of which issues SMEs in Ecuador were being implemented the most. The following graphs illustrate the average scores Corporate Social Performance of SMEs assessed by the respondents.

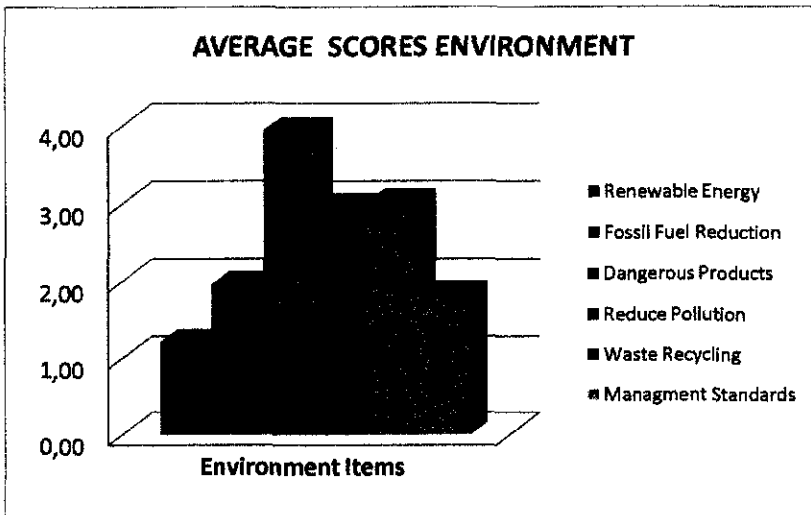


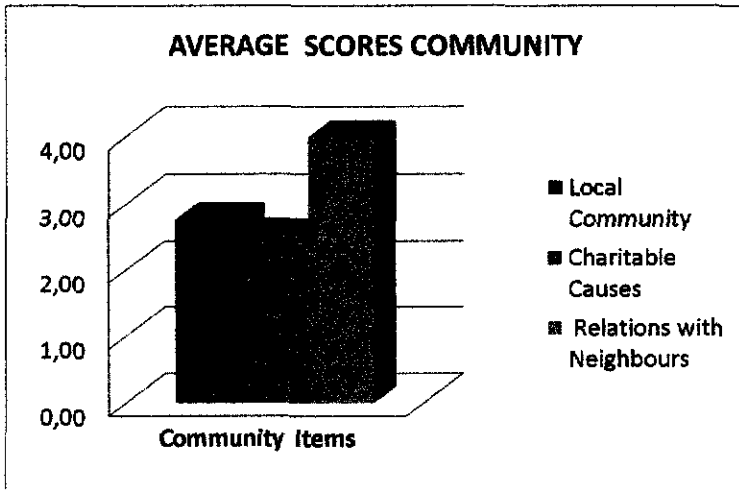
Figure No. 5

Average Scores for Environmental Performance

As we can see in the graph, most of the companies have not implemented plans to use renewable energy showing an average score of 1.22; have slightly implemented actions to reduce the use of fossil fuels, and follow management standards as ISO 14001 and ISO 9001. Companies have partially implemented actions to reduce pollution and recycles their waste; and have implemented plans to not produce products that are dangerous for the Environment.

Figure No. 6

Average Scores for Community Performance



The graph above indicates that companies have partially implemented projects to help the local community, given resources to charitable causes, implemented actions to maintain good relations with neighbors.

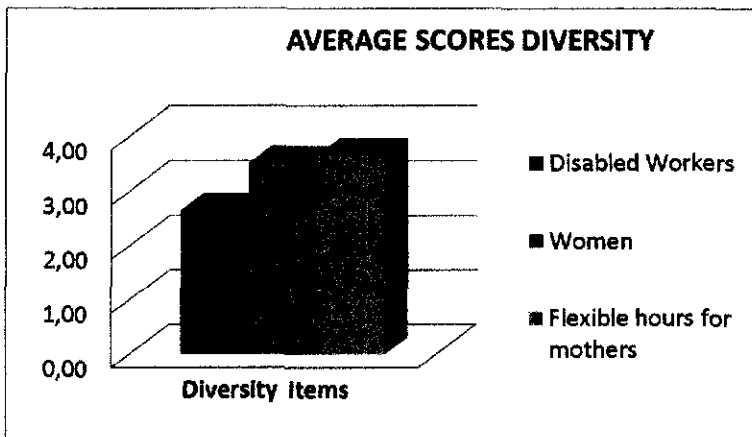


Figure No. 7

Average Scores for Diversity Performance

The graph shows that companies have implemented actions to hire disabled workers, and hired women or minorities in senior positions and allows flexible hours for mothers.

In the following graphs we can see employee relations performance. The values are located between 3 and 4 indicating that companies have implemented actions to improve safe and health of their employees, received suggestions from employees, shared their profits, kept their people and works with suppliers who treat their workers well. The companies should work in the implementation of economic plans for retired workers and should improve the relations with the workers. These two items present average values of 2.

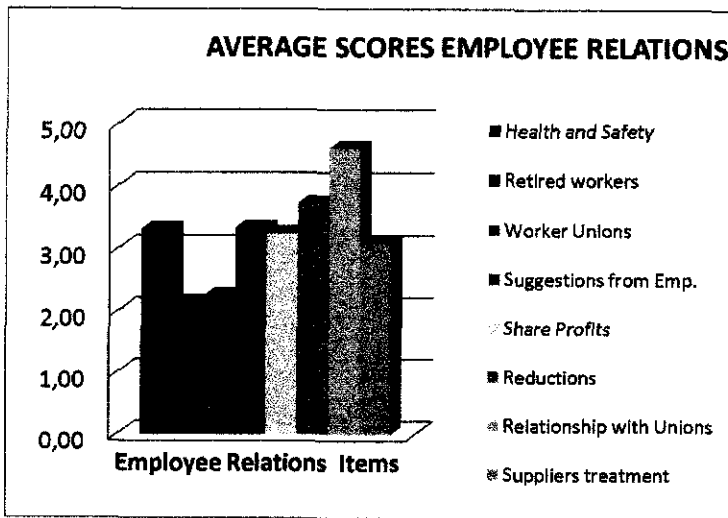


Figure No. 8

Average Scores for Employee Relations Performance

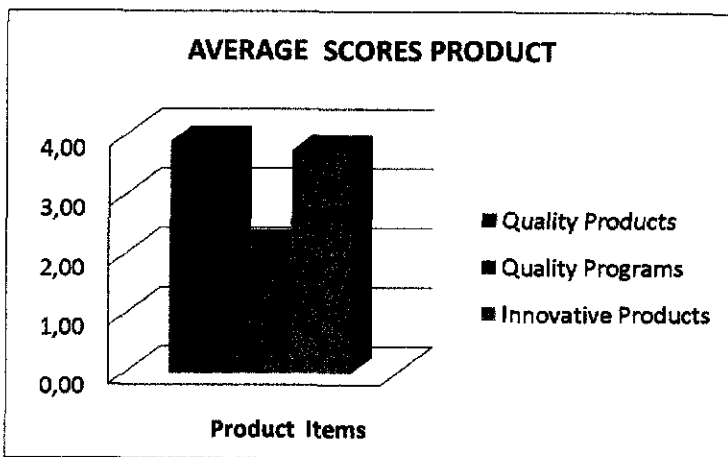


Figure No.9

Average Scores for Products Performance

This graph shows significant scores of Products Performance. Companies have implemented actions to produce innovative, accessible products or services at affordable prices but have not developed quality programs for their products or services.

To conclude, Ecuadorian SMEs have partially implemented social and environmental actions, but it is not enough in order to be socially responsible. They should take special attention to environmental performance. These items present the lowest values. It is interesting to note that the higher scores relate to employee relations, and relations with close neighbors.

4.3.2 Testing variables for Normal Distribution

In the present analysis, all variables were tested for normality. The test allows to know the maximum and minimum numbers, standard deviation, variance, mean and mode. The skewness and Kurtosis values show the symmetry of the distribution. The values will be close to 0 if the data is normally distributed, if the Kurtosis value is negative the distribution is rather flat indicating that much of the values are in the extreme of the distribution, and if the Skewness is positive, the values are skewed on the left of the graph and if the value is negative, it is skewed to the right.

The Table No. 4 shows the results of the descriptive analysis of the principal constructs: Individual, Organizational, Macroeconomic Factors and CSR Implementation. As we can see the three constructs of Factors are not normally distributed, and are negatively skewed (skewed to the right). In the Construct CSR Implementation the results show that are is not normally distributed, and it is positively skewed (skewed to the left).

| | INDIVIDUAL FACTORS | | ORGANIZATIONAL FACTORS | | MACROECONOMIC FACTORS | | CSR IMPLEMENTATION | |
|------------------------|--------------------|------------|------------------------|------------|-----------------------|------------|--------------------|------------|
| | Statistic | Std. Error | Statistic | Std. Error | Statistic | Std. Error | Statistic | Std. Error |
| Mean | 4,0688 | 0,10179 | 3,4821 | 0,06395 | 3,3971 | 0,06964 | 3,0594 | 0,07181 |
| 95% Lower Bound | 3,8657 | | 3,3545 | | 3,2581 | | 2,9161 | |
| Confidence Upper Bound | 4,2720 | | 3,6097 | | 3,5361 | | 3,2027 | |
| 5% Trimmed Mean | 4,1361 | | 3,4936 | | 3,4122 | | 3,0596 | |
| Median | 4,2500 | | 3,4653 | | 3,4000 | | 2,9810 | |
| Variance | 0,715 | | 0,282 | | 0,335 | | 0,356 | |
| Std. Deviation | 0,84549 | | 0,53124 | | 0,57845 | | 0,59646 | |
| Minimum | 1,75 | | 2,15 | | 1,57 | | 1,64 | |
| Maximum | 5,00 | | 4,63 | | 4,60 | | 4,31 | |
| Range | 3,25 | | 2,47 | | 3,03 | | 2,67 | |
| Interquartile Range | 1,38 | | 0,74 | | 0,72 | | 0,82 | |
| Skewness | -0,886 | 0,289 | -0,255 | 0,289 | -0,413 | 0,289 | 0,207 | 0,289 |
| Kurtosis | 0,376 | 0,570 | -0,072 | 0,570 | 0,687 | 0,570 | -0,297 | 0,570 |

Table No. 4

Testing Variables for Normal Distribution

Other test used to is the Kolmogorov-Smirnof, A Sig of over 0.05 indicates that the normality hypothesis is accepted, and if it is not, the hypothesis is rejected. In the case of the principal constructs the values indicate that the hypothesis is rejected, the results are in the Table No. 5

Tests of Normality

| | Kolmogorov-Smirnov ^a | | | Shapiro-Wilk | | |
|------------------------|---------------------------------|----|-------|--------------|----|------|
| | Statistic | df | Sig. | Statistic | df | Sig. |
| INDIVIDUAL FACTORS | ,135 | 69 | ,003 | ,897 | 69 | ,000 |
| ORGANIZATIONAL FACTORS | ,052 | 69 | ,200* | ,988 | 69 | ,778 |
| MACROECONOMIC FACTORS | ,077 | 69 | ,200* | ,981 | 69 | ,372 |
| CSR IMPLEMENTATION | ,096 | 69 | ,190 | ,976 | 69 | ,202 |

*. This is a lower bound of the true significance.

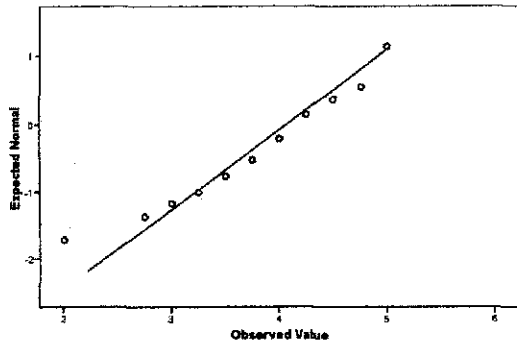
a. Lilliefors Significance Correction

Table No. 5

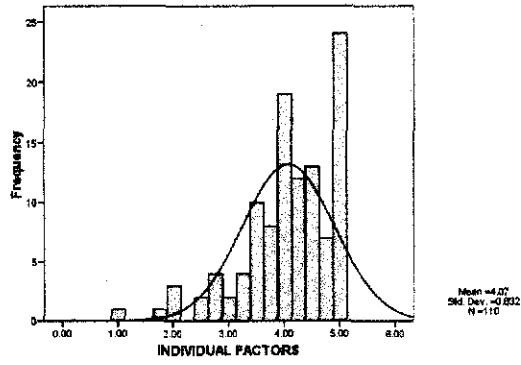
Test of Normality Kolmogorov-Smirnof.

Finally, the use of charts and graphs are a very useful and easy way to analyze the data. If the values are normally distributed they are located on the straight line. As we can see in the next line graphs and histograms the data is not normally distributed.

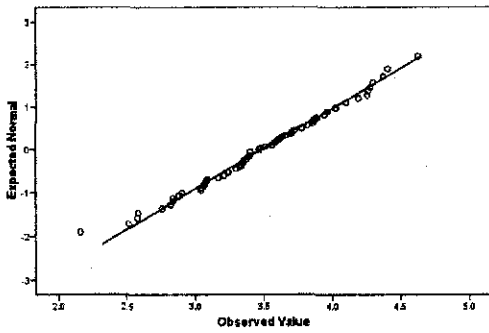
Normal Q-Q Plot of INDIVIDUAL FACTORS



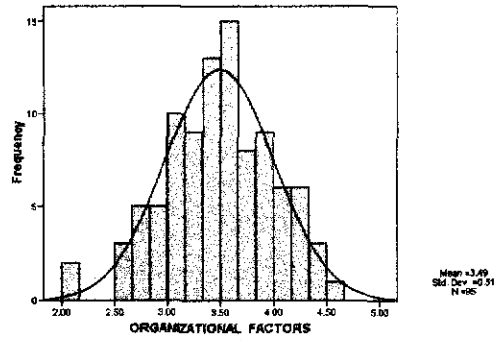
INDIVIDUAL FACTORS



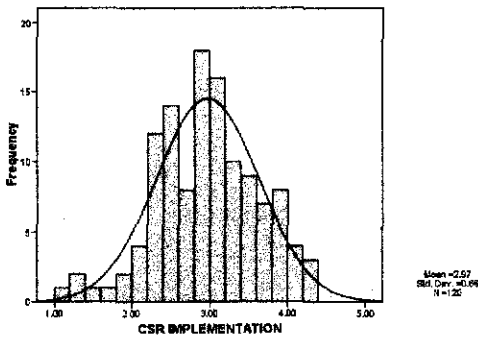
Normal Q-Q Plot of ORGANIZATIONAL FACTORS



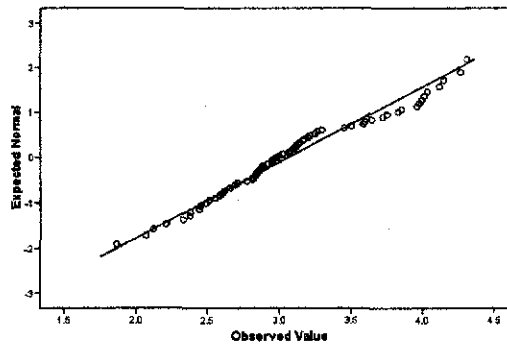
ORGANIZATIONAL FACTORS



CSR IMPLEMENTATION



Normal Q-Q Plot of CSR IMPLEMENTATION



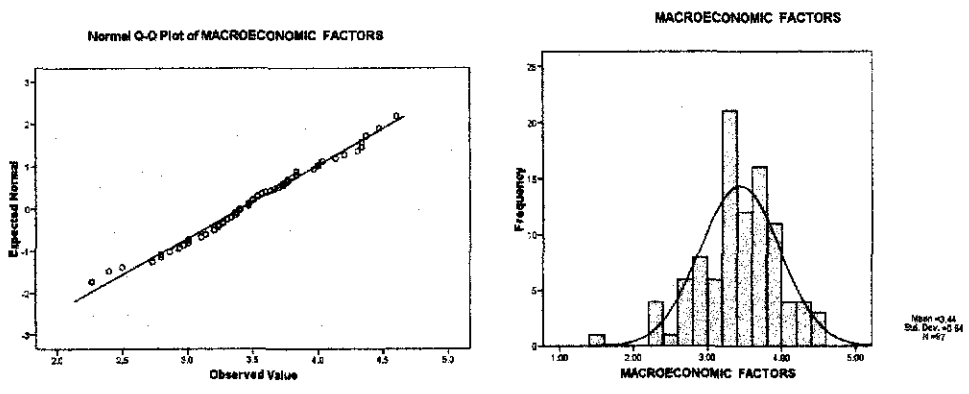


Figure No. 10

Graphs and histograms to test normality.

As we can see in the analysis of the data to test normality, the data for all constructs is normally distributed, except for INDIVIDUAL drivers, for this reason parametric tests can be used, with exceptions of some cases where non – parametric tests will be employed.

Please see results of the testing of all variables for normal distribution in **Appendix No. 6**

4.3.3 Model Testing

Multiple Regression Analysis

“The regression coefficient enables you to assess the strength of relationship between a quantifiable dependent variable and one or more quantifiable independent variable” (Saunders et al., 2007:451)

The coefficient of determination or multiple regression coefficient, r^2 can take values between 0 and +1, this measures the percentage of the variation in a dependent variable that can be explained by the independent variable or group of variables. A significance value of <0,05 means that the coefficient is unlikely to have occurred by chance alone, if the value is > 0,05 means that the coefficient could have occurred by chance alone.

The *t* Test indicates the probability of the relationship between each independent variables and the dependent variable occurring by chance. The *F* test shows the overall probability relationship between the dependent and all independent variables occurring by chance. (Saunders et al., 2007)

In the present study the independent variables are: Individual, Organizational and Macroeconomic Factors and the dependent variable is Degree of Corporate Social Responsibility (CSR) Implementation.

The following table summarizes the multiple regression analysis:

| Model | R | R Square | Adjusted R Square | Estimate |
|-------|---------|----------|-------------------|----------|
| 1 | .411(a) | 0,169 | 0,130 | 0,55622 |

a. Predictors: (Constant), MACROECONOMIC FACTORS, INDIVIDUAL FACTORS, ORGANIZATIONAL FACTORS

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|-------|---------|
| 1 | Regression | 4,082 | 3 | 1,361 | 4,398 | ,007(a) |
| | Residual | 20,110 | 65 | 0,309 | | |
| | Total | 24,192 | 68 | | | |

a. Predictors: (Constant), MACROECONOMIC FACTORS, INDIVIDUAL FACTORS, ORGANIZATIONAL FACTORS

b. Dependent Variable: CSR IMPLEMENTATION

| Model | | Unstandardized Coefficients | | Coefficients | t | Sig. |
|-------|------------------------|-----------------------------|------------|--------------|-------|-------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1,346 | 0,519 | | 2,592 | 0,012 |
| | INDIVIDUAL FACTORS | 0,187 | 0,091 | 0,265 | 2,065 | 0,043 |
| | ORGANIZATIONAL FACTORS | 0,178 | 0,153 | 0,159 | 1,164 | 0,249 |
| | MACROECONOMIC FACTORS | 0,098 | 0,128 | 0,095 | 0,764 | 0,448 |

a. Dependent Variable: CSR IMPLEMENTATION

Table No. 6

Multiple regression Analysis.

The value of r^2 0,411 indicates that there was a 40% of variance in the dependent variable, the degree of Corporate Social Responsibility (CSR) Implementation can be explained by the regression model. The *F* test 4,398 with the significance of 0,007 means

that there is a significant relationship between the dependent variable degree of CSR Implementation and independent variables Individual, Organizational and Macroeconomic Factors. The *beta values* show the relative contribution of the independent variables: Individual Factors 0.2, Organizational Factors 0.159 and Macroeconomic Factors 0.095, the significance of the first independent variable 0,043 indicates that it is statistically significant while the other independent variables Organizational factors 0,249 and 0,448 do not contribute significantly to corporate social performance.

To conclude, in this model the Individual factors have the highest value. This means that this variable has strong positive contribution to Degree of CSR Implementation. The independent variables Organizational Factors and Macroeconomic Factors have no influence on the degree of CSR Implementation.

Although it is interesting to look at overall results of the factors leading to improved CSP, the multidimensional nature of each of these categories makes it more likely that there are specific issues within each category of individual, organizational and macroeconomic drivers which are more likely to influence CSP than others in the particular context of Ecuador. The following section studies the relationship between these factors in more detail.

4.4 RESPONSE TO THE PROPOSITIONS AND HYPOTHESES

Correlation Analysis

“The correlation coefficient enables you to quantify the strength of the linear relation between two ranked or quantifiable variables” (Saunders et al., 2007:448)

The coefficient is represented by the letter r , this can take any value between -1 and $+1$. A value of $+1$ means a perfect positive correlation, the two variables are precisely related and if the value of one variable increase, the value of the other variable will increase too. In the opposite site, a value of -1 means a perfect negative correlation, the two variables are related, but if one variable increase the other variable decrease. If the values are between -1 and $+1$ means a positive or negative weak correlation, if it is 0 means that the variables are perfectly independent, is unusual to obtain perfect correlations. (Saunders et al., 2007) The values will be interpreted according to the following figure:

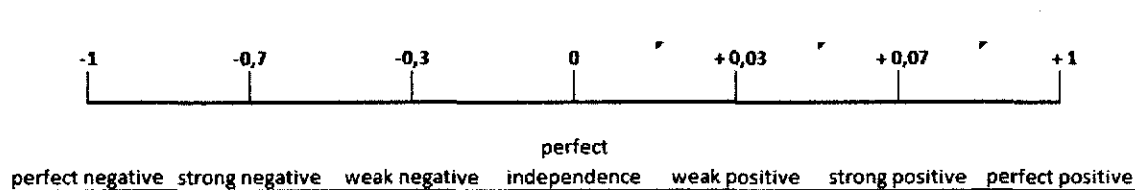


Figure No.11

Values of the correlation coefficient

Saunders et al. (2007:449)

It is important to know the probability of the correlation coefficient having occurred by chance alone, if this probability is very low, less than 0.05 is considered statistically significant, and if it is superior than 0.05 the relation is not statistically significant.

In the present study given the distribution of the data (not normally distributed) and ranked data, in order to analyze the different variables that constitute main constructs, the coefficient used to assess the strength of the relations is the Spearman's (Spearman's rho) or Kendall's (Kendall's tau) . (Please see results of Analysis of Correlations of group of variables in **Appendix No. 7**)

In order to test the Hypotheses the most suitable method to use given the nature of the data (continuous and not normally distributed) is Pearson's product moment correlation coefficient (PMCC). This test helps to determine the direction of the relationship between the two variables. The values will be interpreted according to the *figure No. 11* explained before in the correlation Analysis.

The probability of the correlation coefficient will help to determinate which variables are the strongest in the present model.

As we can see in the following table of results the highest coefficient is "The degree of support of the Director of the company for Social Responsibility Initiatives is positive correlated to the degree of CSR implementation in SMEs" with 0,368 and sig. 0,001. This means that Individual Factors influence in the Degree of CSR Implementation. On the other hand, Organizational and Macroeconomic Factors influence very weak in the degree of CSR Implementation. This supports the results obtained from regression analysis showed before.

Table No. 7

Results of the Hypotheses and Proposition tested.

| PROPOSITION | No. H. | HYPOTHESES | Result of Pearson's Non-parametric Correlation Test | Probability - Sig. | Interpretation of Results |
|--|--------|---|---|--------------------|--|
| Individual factors influence the degree of CSR implementation in SMEs. | 1 | H1A. The degree of support of the Director of the company for Social Responsibility initiatives is positively correlated to the degree of CSR implementation in SMEs. H1o. The degree of support of the Director of the company for Social Responsibility initiatives are not correlated to the degree of CSR implementation in SMEs. | 0,368 | 0,001 | There is a statistically significant weak positive relationship between the Degree of Support of the Director and the degree of CSR implementation. H1A is accepted. |
| | 2 | H2A. The perception of "Lack of time" is negatively correlated to degree of CSR implementation. | 0,182 | 0,104 | The relationship between "Lack of Time" and the degree of CSR implementation is a very weak positive relationship, is not statistically significant. |
| Organizational factors influence the degree of CSR implementation in SMEs. | 3 | H2O The perception of "Lack of time" is not correlated to degree of CSR implementation H3A. The perception of "Adequate Financial resources" is positively correlated to degree of CSR implementation. | 0,294 | 0,008 | There is a statistically significant weak positive relationship between the "Adequate Financial Resources" and the degree of CSR implementation. H3A is accepted |
| | 4 | H3O The perception of "Adequate Financial resources" is not correlated to degree of CSR implementation H4A. The employees' attitude to Social Responsibility initiatives is positively correlated to the degree of CSR implementation in SMEs. | 0,177 | 0,116 | The relationship between the Employees' attitude and the degree of CSR implementation is a very weak positive relationship, is not statistically significant. |
| | 5 | H4o. The employees' attitude to Social Responsibility initiatives is not correlated to the degree of CSR implementation in SMEs. H5A. The degree of the influence of Stakeholder for Social Responsibility initiatives is positively correlated to the degree of CSR implementation in SMEs. | 0,181 | 0,114 | The relationship between the degree of influence of Stakeholder and the degree of CSR implementation is a very weak positive relationship, is not statistically significant. |
| Macroeconomic factors influence the degree of CSR implementation in SMEs. | 6 | H5o. The degree of the influence of Stakeholder for Social Responsibility initiatives is not correlated to the degree of CSR implementation in SMEs. H6A. The degree of legislation for Social Responsibility initiatives is positively correlated to the degree of CSR implementation in SMEs. H6o. The degree of legislation for Social Responsibility initiatives is not correlated to the degree of CSR implementation in SMEs. | 0,005 | 0,963 | The relationship between the degree of legislation and the degree of CSR implementation is almost perfect independent, is not statistically significant. |
| | 7 | H7A. The perceived Press image of Social Responsibility initiatives is positively correlated to the degree of CSR implementation in SMEs. H7o. The perceived Press image of Social Responsibility initiatives is not correlated to the degree of CSR implementation in SMEs. | -0,020 | 0,857 | The relationship between the press image and the degree of CSR implementation is a very weak negative relationship, is not statistically significant. |
| | 8 | H8A. The degree of societal expectations perceived for Social Responsibility initiatives are positively correlated to the degree of CSR implementation in SMEs. H8o. The degree of societal expectations perceived for Social Responsibility initiatives are not correlated to the degree of CSR implementation in SMEs. | 0,011 | 0,920 | The relationship between the degree of legislation and the degree of CSR implementation is almost perfect independent, is not statistically significant. |
| | 9 | H9A. The perceived cost of natural resources is positively correlated to the degree of CSR implementation in SMEs. H9o. The perceived cost of natural resources is not correlated to the degree of CSR implementation in SMEs. | 0,264 | 0,018 | There is a statistically significant weak positive relationship between the cost of natural resources and the degree of CSR implementation. H9o is accepted |

The results of the table above indicate that 3 hypotheses have positives results meaning that these are accepted, therefore the degree of support of the director of the company for social responsibility initiatives, the perception of “Adequate Financial Resources” and the perceived cost of natural resources *are positively correlated to the degree of CSR Implementation in SMEs*

4.4.1 New group of Propositions and Hypotheses

To conclude the analysis a new group of propositions are presented to assess if there are differences between sectors, size, geographical location, and the degree of CSR implementation.

The independent variables (sectors, size, geographical location) are categorical, while the dependent variable is continuous. For this reason the use of Anova is the most suitable for this analysis. The following table shows the propositions, hypotheses and test that will be used.

| PROPOSITION | | HYPOTHESES | Type of Analysis |
|--|---|--|------------------|
| There is significant difference in the degree of CSR implementation according to the size of the company. | 1 | H1A. There is significant difference in the degree of CSR implementation according to the size of the company | One way ANOVA |
| | | H10. There is no significant difference in the degree of CSR implementation according to the size of the company | |
| There is significant difference in the degree of CSR implementation according to the sector of the company. | 2 | H2A. There is significant difference in the degree of CSR implementation according to the sector of the company | One way ANOVA |
| | | H10. There is no significant difference in the degree of CSR implementation according to the sector of the company | |
| There is significant difference in the degree of CSR implementation according to the geographical location of the company. | 3 | H3A. There is significant difference in the degree of CSR implementation according to the geographical location | One way ANOVA |
| | | H3. There is no significant difference in the degree of CSR implementation according to the geographical location | |

Table No.8

New propositions and hypotheses of differences in the implementation of Corporate Social Responsibility in Small and medium- sized enterprises in Ecuador

4.4.2 ANOVA Test

The way ANOVA or analysis of variance compares the difference between 2 or more groups is by assessing the effect of an independent variable on a dependent variable. The results will indicate if there is a significant difference between means of the groups.

The **F-ratio** shows whether group means on the Dependent variable differ significantly from each other. In order to be significant from each other this value has to be >1. A significance value of <0,05 as in the test realized before, means that is statistically significant.

- **Difference in the degree of CSR implementation according to the size of the company**

As is shown in the following Table, the F ratio between the groups is **F= 1,565**, it is > 1 meaning that there is a difference between groups but the Sig = 0,216 means that is not statistically significant.

We can conclude therefore that size does not play a role in the social and environmental performance of SMEs.

ANOVA

| CSR IMPLEMENTATION | | | | | |
|--------------------|----------------|----|-------------|-------|------|
| | Sum of Squares | df | Mean Square | F | Sig. |
| Between Groups | 1,158 | 2 | ,579 | 1,565 | ,216 |
| Within Groups | 26,991 | 73 | ,370 | | |
| Total | 28,149 | 75 | | | |

Multiple Comparisons

Dependent Variable: CSR IMPLEMENTATION

Tukey HSD

| (I) Company's Size | (J) Company's Size | Mean Difference (I-J) | Std. Error | Sig. | 95% Confidence Interval | |
|--------------------|--------------------|-----------------------|------------|-------|-------------------------|-------------|
| | | | | | Lower Bound | Upper Bound |
| Micro 1 - 9 | Small 10 - 49 | -.27091 | .16003 | .215 | -.6538 | .1120 |
| | Medium 50 - 199 | -.27622 | .21822 | .419 | -.7983 | .2459 |
| Small 10 - 49 | Micro 1 - 9 | .27091 | .16003 | .215 | -.1120 | .6538 |
| | Medium 50 - 199 | -.00531 | .19904 | 1.000 | -.4815 | .4709 |
| Medium 50 - 199 | Micro 1 - 9 | .27622 | .21822 | .419 | -.2459 | .7983 |
| | Small 10 - 49 | .00531 | .19904 | 1.000 | -.4709 | .4815 |

Table No. 9

Anova Analysis between groups of variables: Company's Size

- **Difference in the degree of CSR implementation according to the sector of the company**

As it is show in the following Table, the F ratio between the group is **F= 0,768**, it is < 1 meaning that there is not difference between groups, the Sig = 0,468 means that is not statistically significant.

We can conclude then that the sector is not playing a role in CSP.

ANOVA

CSR IMPLEMENTATION

| | Sum of Squares | df | Mean Square | F | Sig. |
|----------------|----------------|----|-------------|------|------|
| Between Groups | ,480 | 2 | ,240 | ,768 | ,468 |
| Within Groups | 21,553 | 69 | ,312 | | |
| Total | 22,034 | 71 | | | |

Multiple Comparisons

Dependent Variable: CSR IMPLEMENTATION

Tukey HSD

| (i) Company's Sector | (j) Company's Sector | Mean Difference (i-j) | Std. Error | Sig. | 95% Confidence Interval | |
|----------------------|----------------------|-----------------------|------------|------|-------------------------|-------------|
| | | | | | Lower Bound | Upper Bound |
| Industry | Service | -.18341 | ,20371 | ,642 | -.6714 | ,3045 |
| | Commerce | -.28555 | ,23040 | ,434 | -.8374 | ,2663 |
| Service | Industry | ,18341 | ,20371 | ,642 | -.3045 | ,6714 |
| | Commerce | -.10214 | ,15864 | ,796 | -.4821 | ,2778 |
| Commerce | Industry | ,28555 | ,23040 | ,434 | -.2663 | ,8374 |
| | Service | ,10214 | ,15864 | ,796 | -.2778 | ,4821 |

Table No. 10

Anova Analysis between groups of variables: Company's Sector

- **Difference in the degree of CSR implementation according to the geographical location of the company**

As it is show in the following Table, the F ratio between the group is **F= 0,468**, it is < 1 meaning that there is no difference between groups, the Sig = 0,617 means that is not statistically significant.

ANOVA

CSR IMPLEMENTATION

| | Sum of Squares | df | Mean Square | F | Sig. |
|----------------|----------------|----|-------------|------|------|
| Between Groups | ,377 | 2 | ,189 | ,486 | ,617 |
| Within Groups | 25,609 | 66 | ,388 | | |
| Total | 25,986 | 68 | | | |

Multiple Comparisons

Dependent Variable: CSR IMPLEMENTATION
Tukey HSD

| (I) Geographical Location | (J) Geographical Location | Mean Difference (I-J) | Std. Error | Sig. | 95% Confidence Interval | |
|---------------------------|---------------------------|-----------------------|------------|------|-------------------------|-------------|
| | | | | | Lower Bound | Upper Bound |
| Azulay | Pichincha | -.00951 | .17100 | .998 | -.4195 | .4005 |
| | Guayas | -.26488 | .27108 | .594 | -.9149 | .3851 |
| Pichincha | Azulay | .00951 | .17100 | .998 | -.4005 | .4195 |
| | Guayas | -.25537 | .29170 | .658 | -.9548 | .4440 |
| Guayas | Azulay | .26488 | .27108 | .594 | -.3851 | .9149 |
| | Pichincha | .25537 | .29170 | .658 | -.4440 | .9548 |

Table No. 11

Anova Analysis between groups of variables: Geographical Location

So we can see that location plays no part in CSR Performance.

With the analysis of the significant difference between variables the present section is conclude, in the following chapter the findings and limitations will be presented.

5. FINDINGS AND CONCLUSION

In this final chapter a summary of the descriptive and qualitative findings will be presented, and a short discussion of the results presented in Chapter 4 will take place, followed by an explanation of the limitations of the research project, suggestions for future research and finally conclusions of the present study.

5.1 FINDINGS

As it was mentioned in the literature review, it is necessary to do more research in the area of Corporate Social Responsibility in SMEs, to answer this question Ecuadorian SMEs were asked to define the meaning of "Responsibility". Although half of the managers focus their answers in the good performance of their companies to reach the goals and objectives, *half of them show awareness about environmental and social topics.*

A closer look, at their responses indicates that Ecuadorian SMEs felt that they are being socially responsible firstly supporting their *employees* with the creation of new jobs, assuring their welfare, rights and obligations; followed by the commitment with their *clients* providing them with quality and affordable products; maintaining good relations with *suppliers*; supporting to the local *community* and taking care of the *environment*. These findings support previous research that employees and clients are most important in the case of SMEs. (Hamman et al., 2009, Longenecker et al. 1989 in Fassin 2008, Spence, 2000, Jenkins, 2004 Vives 2006). It is also supported by the quantitative data analysis which showed higher levels of CSP in the "Human" side of CSR than the environmental side.

The SMEs also mention their responsibility being **Ethical** practicing values as honesty, commitment, solidarity, integrity, etc. and with the obedience to the national and international **Legislation**. This finding is clearly supported by previous research realized by Carroll (1991), The Pyramid of Corporate Social Responsibility.

An important fact to mention is that some of the SMEs mention the term “sustainable development”, this is a big step in this country because this term had not been used before in the local business environment.

As we could see in the characteristics of the sample, most of respondent are located in the range of age between 25 – 39 years old (57%), they represent a new generation of entrepreneurs, this confirms the assumption of Vives (2006) indicating that their motivation is to develop new products, incrementing the employment and sales income, they are also aware of community problems, environment sustainability, employees’ satisfaction and wealth distribution (Vives, 2006)

The degree of Corporate Social Responsibility implementation in Ecuadorian SMEs is around 3,00 indicating a “partially implementation” , the highest values are presented in the group of variables of product, this means that companies provide innovative, accessible and with affordable prices in products and services, this group is follow by the support of diversity in the job, in contrast the lowest values “slightly implemented” are presented in the group of variables “Environment” indicating that Ecuadorian SMEs do not use renewable energy, do not reduce the use of fossil fuels and pollution, they manufacture products that can be dangerous for the environment, and do not recycle their waste.

In comparison with Vives’ Classification, (Vives, 2006) we can see that this research presents similar results. Ecuadorian SMEs present an average score of 3,22 in internal responsibility (health and wellbeing of workers, training and participation in the business, equality of opportunities, work – family relationship and corporate governance practices), external responsibility (activities to support community) shows slightly lower score, and environmental responsibility the lowest scores.

This situation may be changing in the future for some new initiatives given by the government such as: The Yasuní Project that looks to stop exploitation of petroleum in the Ecuadorian jungle looking for economic benefits given by the developed countries. This project has been presented to the Organization of United Nations and hopes to have big

acceptation in order to contribute the reduction of global warming. Another project is the use of renewable energy in the Galapagos Islands.

In order to answer the research question: How do Ecuadorian SMEs implement CSR? Which are the drivers and brakes in the implementation? The Model of Factors that influence in the Implementation of Corporate Social Responsibility in SMEs was presented. This model assumes that the degree of CSR Implementation is influenced by Individual, Organizational and Macroeconomic Factors (Hudson and Roloff, 2008)

To test the proposed model a multiple regression analysis was done. In this model, 40% of the variance in the degree of Corporate Social Responsibility Implementation could be explained by the regression model, the results indicate that there is a significant relationship between the dependent variable degree of CSR Implementation and independent variables Individual, Organizational and Macroeconomic Factors.

A closer look at the results, however, reveal only Individual factors have contributed significantly to CSP, meaning that this variable has a strong relationship causing the dependent variable Degree of CSR Implementation. The independent variables Organizational Factors and Macroeconomic Factors have no influence in the degree of CSR Implementation. This result should be treated with caution, as the independent variables are multidimensional in nature, and a simple cumulative score for "organizational" or "macroeconomic" factors may not be the best way to calculate this model.

The findings suggest that individual factors: Director's values and beliefs, director's support to reduce environment impacts, help to the community, and ensuring good working conditions, are the drivers in the implementations of CSR in Ecuadorian SMEs. These findings support earlier research found by Janjuhajivraj (2000), Spence and Rutherford (2003) in Murillo and Lozano (2006), Jenkins 2004, Spence et al., (2004), Vives (2006) and Hudson and Roloff (2008).

To conclude the analysis, a comparison of sectors, size and geographical location and the degree of CSR implementation is presented. The results did not show significant differences

between groups, showing that Corporate Social Responsibility can be implemented by any company in any sector or location, as long as the director is behind it.

5.2 RESEARCH LIMITATION

The present research presented the following limitations:

- **Limited sample size:** the sample and size origin proposed at the beginning of the study could not be reached which could affect in the results of the present study. An assumption of the low rate response could be the research culture in the country, the companies do not present interest in research topics, almost most of the universities do not have research centers, and this situation may change with the present government which is proposing new education laws that will change the role of the universities.
- **Incomplete responses in the questionnaire:** a lot of responders did not answer all the questions, which means there was missing data. We could see that most of them stopped after section 1, for this reason the degree of Corporate Social Implementation could be more significant than the factors influencing it.
- **Geographical Location of the responders:** a fact to take in consideration is that most of the responders are located in the Azuay Region (third region of business importance), they may not be representative of the other regions.
- **Position of the responders:** the responders may be biased because the responders are mostly managers or directors of the companies and the answers represent their personal opinions.

5.3 SUGGESTION FOR FUTURE RESEARCH

Some suggestions to improve the model or to expand the research are:

- **Improvement of the sampling method:** it will be very interesting to replicate the research with a higher sample size and location. The Regions of Pichincha and Guayas can reflect better results due the business concentration and company's development.
- **Change in the data collection technique:** if there are the financial resources for the research, a structured interview would be the most suitable method in order to increase the response rate and avoid missing data.
- **Expansion in the research topic:** there are some interesting topics to research in order to contribute the Corporate Social Responsibility in SMEs topic: how does SMEs communicate CSR?, the relation of CSR implementation and financial results, the relation between CSR and employee satisfaction, the development of a *Corporate Social Responsibility manual for small and medium companies*, etc.

5.4 CONCLUSION: CSR IN ECUATORIAN SMEs

Social and environmental activities in Ecuadorian SMEs are partially implemented; the reason for this might be because they do not know the benefits and impact that their actions cause in different stakeholders as employees, suppliers, customers, community and environment.

The social responsible activities implemented in the companies are initiatives of the director of the company as we can see in the quantitative analysis presented. These initiatives are not formal, most of these companies do not have codes of conduct, quality systems, or formal implementation systems for CSR practices. Ecuadorian SMEs do not know mechanisms to finance their projects, they do not have sufficient information, and lack of knowledge of the governmental support in order to implement these practices.

The legal framework in Ecuador is supportive to employees, and this may be the reason that in the study this presents the highest values. Another issue that contributes to this emphasis on employee relations is that most of them are family enterprises. One weakness in the legal system is that work unions are not allowed in Ecuador to companies that have less than 25 employees, they are just implemented in big companies and society do not see that they contribute for good performance of the business. This is also reflected in the present research.

Although companies know about the environmental impact that their activities cause, they have not implemented actions to reduce their fossil fuel reduction, pollution or to develop recycling facilities. This situation may be changing in the future with the new legislation of the country that looks to increase the renewable energy consumption, and reduce considerably global warming.

CSR practices have a immediate impact in the employees' loyalty and satisfaction, improvement of the company's image, they give an added value their products, increase number of clients and sales, increase efficiency, improve relations with suppliers, community wealth and welfare, cost savings, etc., for this reason Ecuadorian SMEs have an important role in society to become change agents for sustainable development.

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FACTORES QUE INFLUYEN EN EL COMPORTAMIENTO RESPONSABLE DE PEQUEÑAS Y MEDIANAS EMPRESAS
FACTORS INFLUENCING RESPONSIBLE BEHAVIOUR IN SMALL AND MEDIUM ENTERPRISES

Sus datos permanecerán confidenciales y serán utilizados únicamente para investigación académica. Muchas Gracias por su participación.
Your information will remain confidential and it will be used only for academic investigation. Thank you very much for your participation.

Este estudio busca descubrir los desafíos que las pequeñas y medianas empresas afrontan cuando desean hacer negocios de una manera responsable. Dos estudiantes de ESC Rennes School of Business, Francia, están involucradas en la conceptualización y ejecución de este proyecto. El estudio incluirá empresas en Francia y Ecuador, y un reporte de los resultados será enviado, en el caso que usted lo requiera en Septiembre 2009, (si lo desea, por favor completar la pregunta "Dirección" al final del cuestionario).

This study tries to discover the challenges that the small and medium companies confront when they want to carry on business in a responsible way. Two students of ESC Rennes School of Business, France, are involved in the conceptualization and execution of this project. The study will include companies in France and Ecuador, and a report of the results will be sent, in the case that you need it in September, 2009, (if you wish this report, please complete the question "Direction" at the end of the questionnaire).

Sección 1.

Por favor complete el siguiente de acuerdo a SU opinión: "Responsabilidad" para nuestra empresa significa :

Please complete the following statement in accordance with your opinion: "Responsibility" for our company it means

Sección 2.

Por favor evalúe el grado de acción tomado en su empresa en relación con los siguiente:

Please assess the degree of action taken for the following in your company:

| | No Implementado | Poco Implementado | Parcialmente Implementado | Implementado | Completamente Implementado |
|---|-----------------|----------------------|---------------------------|--------------|----------------------------|
| | Not Implemented | Slightly Implemented | Partially Implemented | Implemented | Fully Implemented |
| 2. Mi empresa utiliza algún tipo de energía renovable (solar, eólica, bio combustibles) My company uses some renewable energy (solar, wind, bio fuels) | | | | | |
| 3. Mi empresa a reducido el uso de combustibles fósiles (gasolina). My company has reduced the use of fossil fuels (petrol gas) | | | | | |
| 4. Mi empresa produce productos que pueden ser peligrosos para el medio ambiente. My company manufactures products that may be dangerous for the environment | | | | | |
| 5. Mi empresa toma medidas para reducir la contaminación de la tierra, agua o aire. My company takes into account actions to reduce the pollution of land, water or air. | | | | | |
| 6. Mi empresa reduce o recicla sus desperdicios. My company minimizes or recycles its waste its waste. | | | | | |
| 7. Mi empresa participa en proyectos en su comunidad local (ej. patrocina escuelas, comparte su experiencia con emprendedores). My company participates in projects for the local community (e.g. sponsoring schools, sharing expertise with entrepreneurs). | | | | | |
| 8. Mi empresa dona dinero u otros recursos para causas caritativas. My company gives money or other resources to charitable causes | | | | | |
| 9. Mi empresa mantiene buenas relaciones con sus vecinos. My company keep good relations with its neighbours | | | | | |
| 10. Mi empresa emplea personal discapacitado o coopera con instituciones de ayuda a ellos. My company hires disabled workers or cooperate with institutions that help them. | | | | | |
| 11. Mi empresa tiene mujeres o grupos minoritarios en mandos medios o gerenciales. My company has of women or minorities in senior positions. | | | | | |
| 12. Mi empresa permite horas flexibles de trabajo para madres. My company allows flexible work hours for mothers | | | | | |
| 13. Mi empresa invierte en el mejoramiento de salud y seguridad. My company invests in the improvement of health and safety. | | | | | |
| 14. Mi empresa provee de planes de jubilación para los trabajadores retirados. (programas económicos, sociales, etc) My company provides jubilation plans for retired workers | | | | | |
| 15. Mi empresa mantiene buenas relaciones con los sindicatos. My company cooperates with worker unions | | | | | |
| 16. Mi empresa frecuentemente implementa sugerencias para mejoramientos sugerida por sus empleados. My company often implements suggestions from employees. | | | | | |
| 17. Mi empresa distribuye sus utilidades en forma de bonos u otros incentivos económicos. My company shares profits with its employees by giving away bonuses. | | | | | |
| 18. Mi empresa ha realizado reducciones significativas de personal en los años recientes. My company has made significant reductions in its workforce in recent years | | | | | |
| 19. Mi empresa tiene historia de malas relaciones con los sindicatos. My company has a history of bad relationship with unions. | | | | | |
| 20. Mi empresa trabaja solo con proveedores que tratan bien a sus empleados. My company works only with suppliers who treat their workers well. | | | | | |
| 21. Nuestros productos son accesibles a consumidores a un precio asequible. Our products are accessible to consumers at affordable prices. | | | | | |
| 22. Mi empresa tiene un sistema de calidad bien desarrollado a largo plazo (ej. ISO9001) | | | | | |

| | | | | | |
|--|--|--|--|--|--|
| My company has a long-term, well developed quality program (eg ISO9001) 23. Mi empresa proporciona productos y servicios innovadores. My company provides innovative products or services | | | | | |
| 24. Mi empresa utiliza sistemas como ISO14001 u otras. Por favor indicar el nombre del sistema utilizado _____ My company follows management standards such as ISO14001 or others. Please indicate the name of the management standard your company follows | | | | | |

Sección 3

Por favor indique su nivel de acuerdo con lo siguiente:

Please indicate your level of agreement with the following statements.

Fuertemente en Desacuerdo

| | Totamente en Desacuerdo | En Desacuerdo | Ni en Desac. Ni de Acuerd. | De Acuerdo | Totamente de Acuerdo |
|--|-------------------------|---------------|----------------------------|------------|----------------------|
| | Strongly Disagree | Disagree | Not Disagree/Not Agree | Agree | Strongly Agree |
| 25. El Gerente de la empresa es un fuerte partidario de la importancia de responsabilidad social en nuestra empresa. The director strongly believes in the importance of social responsibility in our company. | | | | | |
| 26. El Gerente de esta empresa brinda soporte a los esfuerzos para reducir el impacto ambiental de la actividad de nuestra empresa. The director of this company supports efforts to reduce the environmental impacts of our company activity. | | | | | |
| 27. El Gerente de esta empresa da soporte a las acciones para ayudar a la comunidad. The director of this company supports efforts to help the community. | | | | | |
| 28. El Gerente de esta empresa respalda las acciones para asegurar las buenas condiciones para los empleados. The director of this company supports efforts to ensure good working conditions for the employees. | | | | | |
| 29. Nos gustaría cambiar algunos procesos social y medio ambiental responsables pero no encontramos el tiempo suficiente para empezarlo. We would like to change some of the processes but we never find time to get started. | | | | | |
| 30. Nos tomamos el tiempo para realizar actividades de caridad adicionales a nuestro negocio. We take time to do charitable work in addition to our business. | | | | | |
| 31. Es posible introducir actividades amigables para el medio ambiente en nuestro negocio sin interrumpir nuestra normal carga laboral. It is possible to start doing environmentally friendly activities in our business activity without too much disruption to our normal workloads. | | | | | |
| 32. Necesitamos utilizar tiempo extra si quisiéramos participar mas en proyectos de la comunidad local. We need to use extra time if we want to participate more in local community projects. | | | | | |
| 33. Algunas veces ignoramos algunas preocupaciones éticas porque necesitamos mantener nuestra empresa. Sometimes we ignore some ethical concerns because we need the business. | | | | | |
| 34. Nuestra empresa no tiene los recursos financieros necesarios para adoptar practicas mas responsables. Our company does not have the necessary financial resources to implement more responsible practices. | | | | | |
| 35. Los ahorros generados por los beneficios de practicas responsables compensarían el costo incurrido en su implementación. The savings generated from the benefits of more responsible practices would compensate for the costs incurred in its implementation. | | | | | |
| 36. Nuestros recursos financieros ahora son necesarios para temas más urgentes que "hacer de manera ética". Our financial resources are needed for more urgent matters than "doing good" right now. | | | | | |
| 37. Los empleados aquí están dispuestos a trabajar tiempo extra si el trabajo beneficia a causas caritativas. The employees of this company are willing to work extra hours if the work benefits a charitable cause. | | | | | |
| 38. Los empleados aquí están dispuestos a donar su tiempo si el trabajo beneficia al medio ambiente. The employees of this company are willing to work extra hours if the work benefits the environment. | | | | | |
| 39. Los empleados aquí participarían mas en actividades sociales y de medio ambiente si se ofreciera incentivos economicos. The employees of this company would participate more in social or environmental activities if a financial incentive was offered. | | | | | |
| 40. Los empleados aquí se preocupan por temas sociales. The employees of this company care about social issues. | | | | | |
| 41. Los empleados aquí no están convencidos de nuevos planes que pretenden ser mas responsables. The employees of this company are not convinced that new plans are supposed to be more responsible. | | | | | |

En la escala de 1 a 5, Por favor indiquenos cuanto influyen los siguientes grupos de interés en la implementación de mejores prácticas responsables en su empresa?

In a scale from 1 to 5, Please answer How strongly would the following groups influence you in the implementation of more responsible practices in the company?

| | NO INFLUYEN | | | | INFLUYEN FUERTEMENTE |
|---------------------------------------|-------------|---|---|---|----------------------|
| | NOT AT ALL | 2 | 3 | 4 | VERY STRONGLY |
| 42. Sus proveedores Your suppliers | | | | | |
| Sus clientes Your clients | | | | | |
| El mercado The market | | | | | |
| Los Accionistas Your shareholders | | | | | |
| La comunidad local | | | | | |

| | | | | | |
|------------------------------|--|--|--|--|--|
| The local community | | | | | |
| El gobierno local | | | | | |
| Local government | | | | | |
| El gobierno nacional | | | | | |
| National government | | | | | |
| Otra (por favor especificar) | | | | | |
| Other (please indicate) | | | | | |

Por favor indiquenos su grado de acuerdo con el siguiente:

Please indicate your level of agreement with the following statement:

| | Totalmente en Desacuerdo Strongly Disagree | En Desacuerdo Disagree | Ni en Desac. Ni de Acuerdo. | De Acuerdo | Totalmente de Acuerdo Strongly Agree |
|--|--|---------------------------|--------------------------------|------------|--|
| 43. Las acciones en nuestra empresa siempre reflejan que es bueno para los clientes, empleados y otras personas involucradas. The way we do things in our company always reflects that what they do is good for customers, employees and other people concerned. | | | | | |
| 44. La legislación del país incita a pequeñas y medianas empresas a reducir su impacto en el medio ambiente. The legislation country incites small and medium enterprises to reduce their impact on the environment. | | | | | |
| 45. La legislación y las autoridades locales en nuestro país aseguran que los derechos laborales sean respetados. The legislation and local authorities in our country make sure that labor rights are respected. | | | | | |
| 46. Algunas actividades amigables con el medio ambiente y sociales de nuestra empresa han sido consideradas antes de cambios en la legislación. Some socially and environmentally friendly activities in our company were considered before changes in the legislation. | | | | | |
| 47. La imagen de empresas social y medio ambiente responsables en la prensa incita a otras empresas a comportarse responsablemente. The image of social and environmental responsibility in companies in the press incites companies to behave responsibly. | | | | | |
| 48. La tendencia hacia el desarrollo sustentable no nos motiva a tomar acciones. The "fashion" effect of sustainable development does not motivate us to take action. | | | | | |
| 49. La sociedad espera que las empresas se comporten responsablemente con el medio ambiente. Society expects companies to behave responsibly towards the environment. | | | | | |
| 50. La sociedad espera que las empresas se comporten responsablemente con la comunidad. Society expects companies to behave responsibly towards the community. | | | | | |
| 51. La sociedad espera que las empresas consideren primero el buen estado financiero. Society expects companies to first look after their financial health. | | | | | |
| 52. Dado el incremento de los costos de los recursos naturales (Ej. El combustible), nosotros estamos buscando por fuentes alternativas de energía y materias primas. Due to the rising cost of natural resources (e.g. petrol) we are searching for alternative sources of energy and raw materials. | | | | | |
| 53. El comportamiento de otras empresas nos incita a comportarnos responsablemente. The behaviour of other companies incites us to behave responsibly. | | | | | |
| 54. El comportamiento de otras empresas no nos incita a comportarnos responsablemente. The behaviour of other companies prevents us from behaving responsibly. | | | | | |
| 55. Participamos con otras empresas para reflexionar sobre temas de medio ambiente y sociales. We are part of a business network that is reflected on environmental and/or social issues in business. | | | | | |

Section 4

56 - 60

| | | | | |
|---|--|--|--|--|
| > Por favor indiquenos su genero. Please indicate your gender. | | | | |
| > Por favor indiquenos su edad Please indicate your age | | | | |
| > Cual es su posición en la empresa? What is your position in the company? | | | | |
| > Cuantos empleados laboran en su empresa? > What size is your company in number of employees? | | | | |
| > En que sector económico funciona su empresa? In which economic sector does your organization function? | | | | |

Muchas Gracias por su participación en esta investigación!
Thank you for your participation in this research!

APPENDIX No. 2

LETTER SEND TO MANAGERS (SPANISH VERSION)

Señor

.....

Ciudad

De nuestras consideraciones:

Dos estudiantes y un profesor investigador de la Escuela de Negocios ESC RENNES (Francia) están llevando a cabo un estudio con el fin de conocer mejor las prácticas de responsabilidad social y medio ambiental en las pequeñas y medianas Empresas del Ecuador.

Quisiéramos solicitar su ayuda para contestar el siguiente cuestionario, tiene una duración aproximada de 8 minutos. La información proporcionada se mantendrá estrictamente confidencial y será únicamente utilizada para investigación académica. Le anticipamos nuestros agradecimientos por su participación.

Para responder el cuestionario haga clic o copie en el siguiente link.

http://www.surveymonkey.com/s.aspx?sm=4oRCymk1hwsIXfd_2f8VTYRA_3d_3d

Estaremos gustosos de compartir los resultados de este estudio en septiembre 2009, bastaría con dejarnos su información al final del cuestionario.

Si usted considera que un colega se encuentra interesado en este encuesta le agradecemos de transmitirle este mail o el link hacia el cuestionario.

Muy Cordialmente,

Sarah Hudson, Marie-Charlotte Guyot, Lilia Elizabeth Rojas.

LETTER SEND TO MANAGERS (ENGLISH VERSION)

Dear Mister

.....

Two students and a researcher teacher from the school of Business ESC Rennes (France) are making a study in order to have better knowledge about the social responsibility and environmental practices in the small and medium companies in Ecuador (SMEs).

We would like to ask you to help us by answering the next questionnaire; it will only take 8 minutes approximately of your time. The information will be strictly confidential and will only be used for academic research. We anticipate you our thanks for your help.

To answer the questionnaire please click or copy the next link.

http://www.surveymonkey.com/s.aspx?sm=4oRCymk1hwsIXfd_2f8VTYRA_3d_3d

We will be very happy to share the results of the study in September 2009, if you wish, leave us your information at the end of the questionnaire.

If you consider that a colleague is interested in this research we will be very thankful for transmitting this mail or link to the questionnaire.

Best regards,

Sarah Hudson, Marie-Charlotte Guyot, Lilia Elizabeth Rojas.

APPENDIX NO. 3 RESULTS OF THE PILOT TEST

FACTORS THAT INFLUENCE IN THE IMPLEMENTATION OF CORPORATE SOCIAL RESPONSABILITY IN SMALL AND MEDIUM COMPANIES IN ECUADOR

| | | |
|--|-------------------|----|
| 1. Por favor complete el siguiente de acuerdo a SU opinión: "Responsabilidad" para nuestra empresa significa : | | |
| | answered question | 17 |
| | skipped question | 3 |

| | |
|-------------------------|----------|
| Total Started Survey: | 20 |
| Total Completed Survey: | 14 (70%) |

Sección 1 Por favor evalúe el grado de acción tomado en su empresa en relación con los siguiente:

| CODIGO | | | | | | | answered question | | Response |
|--------|---|-----------------|-----------|---------------------------|-----------|----------------------------|-------------------|-------|----------|
| | | No Implementado | | Parcialmente Implementado | | Completamente Implementado | Rating | Count | |
| IMP1 | Mi empresa utiliza algún tipo de energía renovable (solar, eólica, bio combustibles) | 61.1% (11) | 22.2% (4) | 16.7% (3) | 0.0% (0) | 0.0% (0) | 1,56 | 18 | |
| IMP2 | Mi empresa ha reducido el uso de combustibles fósiles (gasolina) | 56.3% (9) | 5.3% (1) | 37.5% (6) | 0.0% (0) | 0.0% (0) | 1,81 | 16 | |
| IMP3 | Mi empresa produce productos que pueden ser peligrosos para el medio ambiente | 63.2% (12) | 5.3% (1) | 21.1% (4) | 5.3% (1) | 5.3% (1) | 1,84 | 19 | |
| IMP4 | Mi empresa toma medidas para reducir la contaminación de la tierra, agua o aire | 33.3% (6) | 0.0% (0) | 33.3% (6) | 22.2% (4) | 11.1% (2) | 2,78 | 18 | |
| IMP5 | Mi empresa reduce o recicla sus desperdicios | 11.8% (2) | 5.9% (1) | 29.4% (5) | 17.6% (3) | 35.3% (6) | 3,59 | 17 | |
| IMP6 | Mi empresa participa en proyectos en su comunidad local (ej: patrocina escuelas, comparte su experiencia con emprendedores) | 16.7% (3) | 0.0% (0) | 38.9% (7) | 11.1% (2) | 33.3% (6) | 3,44 | 18 | |
| IMP7 | Mi empresa da dinero u otros recursos para causas caritativas | 43.8% (7) | 0.0% (0) | 25.0% (4) | 12.5% (2) | 18.8% (3) | 2,63 | 16 | |
| IMP8 | Mi empresa es desconfiada por sus vecinos | 53.8% (7) | 7.7% (1) | 23.1% (3) | 7.7% (1) | 7.7% (1) | 2,08 | 13 | |
| IMP9 | Mi empresa emplea personal discapacitado o encuentra trabajo a empleados discapacitados luego de accidentes | 58.8% (10) | 5.9% (1) | 5.9% (1) | 5.9% (1) | 23.5% (4) | 2,29 | 17 | |
| IMP10 | Mi empresa tiene mujeres o grupos minoritarios en posiciones superiores | 0.0% (0) | 0.0% (0) | 41.2% (7) | 5.9% (1) | 52.9% (9) | 4,12 | 17 | |
| IMP11 | Mi empresa permite horas flexibles de trabajo para madres | 17.6% (3) | 17.6% (3) | 5.9% (1) | 11.8% (2) | 47.1% (8) | 3,53 | 17 | |
| IMP12 | Mi empresa invierte en el mejoramiento de salud y seguridad | 11.8% (2) | 5.9% (1) | 17.6% (3) | 17.6% (3) | 47.1% (8) | 3,52 | 17 | |
| IMP13 | Mi empresa provee de planes de jubilación para los trabajadores retirados | 35.3% (6) | 0.0% (0) | 23.5% (4) | 17.6% (3) | 23.5% (4) | 2,94 | 17 | |
| IMP14 | Mi empresa coopera con los sindicatos | 46.7% (7) | 6.7% (1) | 20.0% (3) | 6.7% (1) | 20.0% (3) | 2,47 | 16 | |
| IMP15 | Mi empresa frecuentemente implementa sugerencias de los empleados | 11.8% (2) | 5.9% (1) | 35.3% (6) | 11.8% (2) | 35.3% (6) | 3,53 | 17 | |
| IMP16 | Mi empresa comparte sus beneficios con los empleados en forma de Bonos | 31.3% (5) | 6.3% (1) | 18.8% (3) | 12.5% (2) | 31.3% (5) | 3,06 | 16 | |
| IMP17 | Mi empresa ha realizado reducciones significativas de personal en los años recientes | 40.0% (6) | 13.3% (2) | 20.0% (3) | 6.7% (1) | 20.0% (3) | 2,53 | 15 | |
| IMP18 | Mi empresa tiene historia de malas relaciones con los sindicatos | 60.0% (9) | 6.7% (1) | 20.0% (3) | 0.0% (0) | 13.3% (2) | 2 | 15 | |
| IMP19 | Mi empresa trabaja solo con proveedores que tratan bien a sus empleados | 29.4% (5) | 0.0% (0) | 29.4% (5) | 11.8% (2) | 28.4% (5) | 3,12 | 17 | |
| IMP20 | Nuestros productos son accesibles a consumidores a un precio asequible | 11.8% (2) | 5.9% (1) | 17.6% (3) | 11.8% (2) | 52.9% (9) | 3,88 | 17 | |
| IMP21 | Mi empresa tiene un sistema de calidad bien desarrollado a largo plazo (ej. ISO9001) | 37.5% (6) | 6.3% (1) | 37.5% (6) | 0.0% (0) | 18.8% (3) | 2,56 | 16 | |
| IMP22 | Mi empresa proporciona productos y servicios innovadores | 16.7% (3) | 0.0% (0) | 27.8% (5) | 11.1% (2) | 44.4% (8) | 3,67 | 16 | |
| IMP23 | Mi empresa utiliza sistemas como ISO14001 u otros. | 56.3% (9) | 0.0% (0) | 18.8% (3) | 0.0% (0) | 25.0% (4) | 2,38 | 16 | |

Page: Sección 3

1. Por favor indique su grado de acuerdo con lo siguiente

| | | | | | | | answered question | | Response |
|------|--|--------------------------|----------|-----------------------------|-----------|-----------------------|-------------------|-------|----------|
| | | Totalmente en Desacuerdo | | Ni en Desac. Ni de Acuerdo. | | Totalmente de Acuerdo | Rating | Count | |
| IND1 | El Gerente de la empresa es un fuerte partidario de la importancia de responsabilidad social en nuestra empresa | 6.7% (1) | 0.0% (0) | 33.3% (5) | 6.7% (1) | 53.3% (8) | 4 | 15 | |
| IND2 | El Gerente de esta empresa brinda soporte a los esfuerzos para reducir el impacto ambiental de la actividad de nuestra empresa | 6.7% (1) | 0.0% (0) | 20.0% (3) | 33.3% (5) | 40.0% (6) | 4 | 15 | |
| IND3 | El Gerente de esta empresa da soporte a las acciones para ayudar a la comunidad | 6.7% (1) | 0.0% (0) | 26.7% (4) | 20.0% (3) | 46.7% (7) | 4 | 15 | |
| IND4 | El Gerente de esta empresa da soporte a los esfuerzos para asegurar las buenas condiciones para los empleados | 13.3% (2) | 0.0% (0) | 13.3% (2) | 33.3% (5) | 40.0% (6) | 3,87 | 15 | |
| TIM1 | Nos gustaría cambiar algunos procesos pero no encontramos el tiempo suficiente para empezarlo | 20.0% (3) | 6.7% (1) | 26.7% (4) | 26.7% (4) | 20.0% (3) | 3,2 | 15 | |
| TIM2 | Nos tomamos el tiempo para realizar actividades de caridad adicionales a nuestro negocio | 28.6% (4) | 7.1% (1) | 14.3% (2) | 21.4% (3) | 28.6% (4) | 3,14 | 14 | |
| TIM3 | Es posible introducir actividades amigables para el medio ambiente en nuestro negocio sin interrumpir nuestra normal carga laboral | 6.7% (1) | 0.0% (0) | 13.3% (2) | 26.7% (4) | 53.3% (8) | 4,2 | 15 | |
| TIM4 | Necesitamos utilizar tiempo extra si quisiéramos participar mas en proyectos de la comunidad local | 20.0% (3) | 0.0% (0) | 13.3% (2) | 33.3% (5) | 33.3% (5) | 3,6 | 16 | |
| RES1 | Algunas veces ignoramos algunas preocupaciones éticas porque necesitamos mantener el negocio | 46.7% (7) | 0.0% (0) | 20.0% (3) | 26.7% (4) | 6.7% (1) | 2,47 | 15 | |
| RES2 | Nuestra empresa no tiene los recursos financieros necesarios para adoptar practicas mas responsables | 46.7% (7) | 0.0% (0) | 26.7% (4) | 13.3% (2) | 13.3% (2) | 2,47 | 15 | |
| RES3 | Los ahorros generados por los beneficios de practicas responsables compensarían el costo incurrido en su implementación | 6.7% (1) | 0.0% (0) | 20.0% (3) | 33.3% (5) | 40.0% (6) | 4 | 15 | |
| RES4 | Nuestros recursos financieros ahora son necesarios para temas más urgentes que "actuar de manera ética" | 46.7% (7) | 6.7% (1) | 13.3% (2) | 20.0% (3) | 13.3% (2) | 2,47 | 15 | |
| EMP1 | Los empleados aquí están dispuestos a trabajar tiempo extra si el trabajo beneficia a causas caritativas | 26.7% (4) | 6.7% (1) | 13.3% (2) | 20.0% (3) | 33.3% (5) | 3,27 | 15 | |
| EMP2 | Los empleados aquí están dispuestos a trabajar tiempo extra si el trabajo beneficia al medio ambiente | 26.7% (4) | 6.7% (1) | 13.3% (2) | 20.0% (3) | 33.3% (5) | 3,27 | 15 | |
| EMP3 | Los empleados aquí participarían mas en actividades sociales y de medio ambiente si se ofreciera incentivos financieros | 6.7% (1) | 0.0% (0) | 13.3% (2) | 40.0% (6) | 40.0% (6) | 4,07 | 15 | |
| EMP4 | Los empleados aquí se preocupan por temas sociales | 20.0% (3) | 6.7% (1) | 26.7% (4) | 20.0% (3) | 26.7% (4) | 3,27 | 15 | |

| | | | | | | | | |
|---|---|-------------|-----------|-----------|-----------|----------------------|-------------------|----------------|
| EMP5 | Los empleados aquí no están convencidos de nuevos planes que pretenden ser más responsables | 26.7% (4) | 6.7% (1) | 33.3% (5) | 6.7% (1) | 26.7% (4) | 3 | 15 |
| 2. Por favor indiquen cuanto influyen los siguientes grupos de interés en la implementación de mejores prácticas responsables en su empresa? | | | | | | | | |
| | | | | | | | answered question | 14 |
| | | | | | | | skipped question | 6 |
| | | No Influyen | | | | Influyen Fuertemente | Rating Average | Response Count |
| STR1 | Sus proveedores | 35.7% (5) | 14.3% (2) | 14.3% (2) | 21.4% (3) | 14.3% (2) | 2.64 | 14 |
| STR2 | Sus clientes | 7.1% (1) | 0.0% (0) | 21.4% (3) | 7.1% (1) | 64.3% (9) | 4.21 | 14 |
| STR3 | El mercado | 7.1% (1) | 7.1% (1) | 14.3% (2) | 28.6% (4) | 42.9% (6) | 3.93 | 14 |
| STR4 | Los Accionistas | 14.3% (2) | 7.1% (1) | 21.4% (3) | 7.1% (1) | 50.0% (7) | 3.71 | 14 |
| STR5 | La comunidad local | 7.1% (1) | 28.6% (4) | 14.3% (2) | 21.4% (3) | 28.6% (4) | 3.36 | 14 |
| STR6 | El gobierno local | 0.0% (0) | 7.1% (1) | 35.7% (5) | 28.6% (4) | 28.6% (4) | 3.79 | 14 |
| STR7 | El gobierno nacional | 0.0% (0) | 7.1% (1) | 15.4% (2) | 30.8% (4) | 48.2% (6) | 4.15 | 13 |
| STR8 | Otra | 33.3% (5) | 33.3% (5) | 33.3% (5) | 0.0% (0) | 0.0% (0) | 2 | 3 |
| (Por favor especificar) | | | | | | | | |
| | | | | | | | | |
| 3. Por favor indique su grado de acuerdo con lo siguiente: | | | | | | | | |
| | | | | | | | answered question | 15 |
| | | | | | | | skipped question | |

| | | | | | | | | |
|---|--|--------------------------|-----------|-----------------------------|-----------|-----------------------|-------------------|----------------|
| 3. Por favor indique su grado de acuerdo con lo siguiente: | | | | | | | | |
| | | | | | | | answered question | 15 |
| | | | | | | | skipped question | 5 |
| | | Totalmente en Desacuerdo | | Ni en Desac. Ni de Acuerdo. | | Totalmente de Acuerdo | Rating Average | Response Count |
| STK9 | Las acciones en nuestra empresa siempre reflejan que es bueno para los clientes, empleados y otras personas involucradas | 13.3% (2) | 0.0% (0) | 20.0% (3) | 6.7% (1) | 60.0% (9) | 4 | 15 |
| LEG1 | La legislación del país incita a pequeñas y medianas empresas a reducir su impacto en el medio ambiente | 28.6% (4) | 14.3% (2) | 42.9% (6) | 0.0% (0) | 14.3% (2) | 2.57 | 14 |
| LEG2 | La legislación y las autoridades locales en nuestro país aseguran que los derechos laborales sean respetados | 13.3% (2) | 6.7% (1) | 33.3% (5) | 6.7% (1) | 40.0% (6) | 3.53 | 15 |
| LEG3 | Algunas actividades amigables con el medio ambiente y sociales de nuestra empresa han sido consideradas para prepararnos a cambios en nuestra legislación | 28.6% (4) | 0.0% (0) | 35.7% (5) | 21.4% (3) | 14.3% (2) | 2.93 | 14 |
| MED1 | La imagen de empresas social y medio ambiente responsables en la prensa incita a otras empresas a comportarse responsablemente | 14.3% (2) | 14.3% (2) | 14.3% (2) | 21.4% (3) | 35.7% (5) | 3.5 | 14 |
| MED2 | La tendencia hacia el desarrollo sustentable no nos motiva a tomar acciones | 64.3% (9) | 7.1% (1) | 14.3% (2) | 7.1% (1) | 7.1% (1) | 1.86 | 14 |
| SOE1 | La sociedad espera que las empresas se comporten responsablemente con el medio ambiente | 6.7% (1) | 8.7% (1) | 13.3% (2) | 13.3% (2) | 60.0% (9) | 4.13 | 15 |
| SOE2 | La sociedad espera que las empresas se comporten responsablemente con la comunidad | 6.7% (1) | 0.0% (0) | 26.7% (4) | 13.3% (2) | 53.3% (8) | 4.07 | 15 |
| SOE3 | La sociedad espera que las empresas consideren primero el buen estado financiero | 26.7% (4) | 6.7% (1) | 33.3% (5) | 20.0% (3) | 13.3% (2) | 2.87 | 15 |
| CNR1 | Dado el incremento de los costos de los recursos naturales (Ej. El combustible), nosotros estamos buscando por fuentes alternativas de energía y materias primas | 13.3% (2) | 0.0% (0) | 46.7% (7) | 26.7% (4) | 13.3% (2) | 3.27 | 15 |
| SDC1 | El comportamiento de otras empresas nos incita a comportarnos responsablemente | 6.7% (1) | 6.7% (1) | 40.0% (6) | 20.0% (3) | 26.7% (4) | 3.53 | 15 |
| SDC2 | El comportamiento de otras empresas nos desmotiva de comportarnos responsablemente | 28.6% (4) | 14.3% (2) | 28.6% (4) | 14.3% (2) | 14.3% (2) | 2.71 | 14 |
| SOC3 | Participamos con otras empresas para reflexionar sobre temas de medio ambiente y sociales | 6.7% (1) | 13.3% (2) | 53.3% (8) | 13.3% (2) | 13.3% (2) | 3.13 | 15 |

Page: Sección 4

| | | | | | | | | |
|---|--|--|--|------------------|--|----------------|-------------------|----|
| 1. Por favor indiquen su genero | | | | | | | | |
| | | | | | | | answered question | 15 |
| | | | | | | | skipped question | 5 |
| | | | | Response Percent | | Response Count | | |
| 1 | Masculino | | | 80.00% | | 12 | | |
| 2 | Femenino | | | 20.00% | | 3 | | |
| 2. Por favor indiquen su edad | | | | | | | | |
| | | | | | | | answered question | 14 |
| | | | | | | | skipped question | 5 |
| | | | | Response Percent | | Response Count | | |
| | Menor que 25 | | | 14.30% | | 2 | | |
| | 25-29 | | | 28.60% | | 4 | | |
| | 30-34 | | | 35.70% | | 5 | | |
| | 35-39 | | | 7.10% | | 1 | | |
| | 40-44 | | | 7.10% | | 1 | | |
| | 45-49 | | | 0.00% | | 0 | | |
| | 50-54 | | | 7.10% | | 1 | | |
| | 55+ | | | 0.00% | | 0 | | |
| 3. Por favor indiquen | | | | | | | | |
| | | | | | | | answered question | 15 |
| | | | | | | | skipped question | 5 |
| | | | | Response Percent | | Response Count | | |
| | viewCual es su posición en la empresa? | | | 100.00% | | 15 | | |
| | viewCuantos empleados laboran en su empresa? | | | 100.00% | | 15 | | |
| | viewEn que sector económico funciona su empresa? | | | 100.00% | | 15 | | |
| 4. Si desea recibir un reporte de los resultados por favor indicar la siguiente información: | | | | | | | | |
| | | | | | | | answered question | 12 |
| | | | | | | | skipped question | 3 |

APPENDIX No. 4

RELIABILITY TESTING

1. ENVIRONMENT

Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| 0,417 | 5 |

Item Total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|--------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| ENV1 | 13,8596 | 12,630 | 218 | 383 |
| ENV2 | 13,1594 | 10,967 | 221 | 350 |
| ENV4 | 12,1158 | 10,118 | 302 | 306 |
| ENV5 | 11,9710 | 9,576 | 407 | 237 |
| ENV6 | 13,2174 | 11,326 | 130 | 419 |
| ENV3RC | 11,1739 | 11,765 | 025 | 501 |

Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| 0,514 | 5 |

Item Total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| ENV1 | 9,85 | 10,542 | 233 | 496 |
| ENV2 | 9,15 | 8,555 | 265 | 470 |
| ENV4 | 8,11 | 7,167 | 449 | 335 |
| ENV5 | 7,99 | 7,450 | 414 | 364 |
| ENV6 | 9,21 | 9,254 | 114 | 575 |

- Cronbach's Alpha 0,417 very low, in order to increase the scale's reliability, the variable ENV3RC will be eliminated.

2. COMMUNITY

Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .666 | 3 |

Item-Total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| COM1 | 6.53 | 4.289 | .534 | .494 |
| COM2 | 6.75 | 4.302 | .571 | .435 |
| COM3 | 5.31 | 5.483 | .356 | .712 |

- Cronbach's Alpha 0,666, the scale is Reliable.

3. DIVERSITY

Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .597 | 3 |

Item-Total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| Div1 | 7.17 | 5.582 | .302 | .657 |
| Div2 | 6.32 | 5.049 | .473 | .396 |
| Div3 | 6.17 | 5.166 | .452 | .427 |

- Cronbach's Alpha 0, 597 the scale is Reliable.

4. EMPLOYEE RELATIONS

- Cronbach's Alpha 0,654 the scale is Reliable.

Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .654 | 8 |

Item-Total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|-------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| HR1 | 22.5630 | 25.099 | .520 | .578 |
| HR2 | 23.6963 | 25.019 | .475 | .588 |
| HR3 | 23.6667 | 26.119 | .359 | .620 |
| HR4 | 22.6370 | 24.099 | .640 | .548 |
| HR5 | 22.6815 | 24.607 | .479 | .586 |
| HR8 | 22.8667 | 27.833 | .219 | .660 |
| HR6RC | 22.1037 | 31.482 | .004 | .710 |
| HR7RC | 21.2148 | 31.588 | .152 | .660 |

5. PRODUCT

Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .309 | 3 |

Item-Total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|------------------------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| PR Quality Products | 5.88 | 4.398 | .171 | .236 |
| PR Quality Programs | 7.61 | 3.578 | .168 | .248 |
| PR Innovative Products | 8.02 | 4.186 | .184 | .208 |

- Cronbach's Alpha 0,309 very low, not reliable.

6. TIME

Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .543 | 4 |

Item-Total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|-----------------------------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| TIM Lack of Time | 10.90 | 5.549 | .323 | .475 |
| TIM Time to Charitable work | 11.05 | 5.623 | .268 | .522 |
| TIM Workloads | 10.76 | 4.933 | .438 | .372 |
| TIM Extra Time | 10.83 | 5.643 | .291 | .502 |

- Cronbach's Alpha 0,543 scale reliable.

7. FINANCIAL RESOURCES

Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .524 | 4 |

Item-Total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|--------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| FIN1RC | 10,0374 | 6,225 | ,553 | ,222 |
| FIN2RC | 10,6916 | 7,555 | ,270 | ,491 |
| FIN4RC | 10,2336 | 6,011 | ,483 | ,274 |
| FIN3 | 10,1963 | 10,405 | -,008 | ,664 |

- To increase Cronbach's Alpha 0,524 to 0,665 the the variable FIN3 will be eliminated.

Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| ,665 | 3 |

Item-Total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|--------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| FIN1RC | 6,4907 | 4,963 | ,638 | ,358 |
| FIN2RC | 7,1574 | 6,396 | ,286 | ,806 |
| FIN4RC | 6,6852 | 4,835 | ,543 | ,474 |

8. EMPLOYEES' ATTITUDES

Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .569 | 5 |

Item-Total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|--------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| EMP1 | 13.5146 | 6.703 | .703 | .264 |
| EMP2 | 13.4272 | 7.129 | .598 | .337 |
| EMP3 | 12.9223 | 11.504 | -.021 | .679 |
| EMP4 | 13.2621 | 7.333 | .636 | .327 |
| EMP5RC | 13.6699 | 11.733 | -.077 | .719 |

Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .736 | 4 |

Item-Total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| EMP1 | 10.57 | 6.324 | .729 | .549 |
| EMP2 | 10.49 | 6.464 | .682 | .579 |
| EMP3 | 9.99 | 10.490 | .084 | .884 |
| EMP4 | 10.32 | 6.740 | .709 | .569 |

- To increase Cronbach's Alpha 0,569 to 0,736 the variable EMP5RC will be eliminated.

9. EXTERNAL ORGANIZATION FACTORS

Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .767 | 7 |

Item-Total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|-----------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| SUPP | 20,61 | 27,765 | .465 | .746 |
| CLIENT | 19,72 | 29,077 | .517 | .733 |
| MKT | 19,93 | 28,659 | .534 | .729 |
| SHA | 20,19 | 31,896 | .248 | .788 |
| COMMUNITY | 20,45 | 29,240 | .598 | .721 |
| LGOV | 20,52 | 27,915 | .568 | .722 |
| NGOV | 20,41 | 28,007 | .541 | .727 |

- Cronbach's Alpha 0,767 the scale is reliable.

10. LEGISLATION

Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .686 | 3 |

Item-Total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| LEG1 | 6,79 | 3,646 | .489 | .616 |
| LEG2 | 6,17 | 3,801 | .598 | .468 |
| LEG3 | 6,19 | 4,534 | .428 | .679 |

- Cronbach's Alpha 0,686 the scale is reliable.

11. SOCIETAL EXPECTATIONS

Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .569 | 3 |

Item-Total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| SOC1 | 7.42 | 2,363 | .596 | .158 |
| SOC2 | 7.37 | 2,451 | .575 | .201 |
| SOC3 | 8.38 | 2,924 | .106 | .944 |

- Cronbach's Alpha 0,569 the scale is reliable.

12. DEGREE OF CSR IMPLEMENTATION

Item-Total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|--------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| ENV1 | 65,1157 | 154,703 | .072 | .796 |
| ENV2 | 64,5124 | 148,885 | .203 | .794 |
| ENV4 | 63,4132 | 143,344 | .370 | .785 |
| ENV5 | 63,2562 | 140,675 | .473 | .780 |
| ENV6 | 64,5289 | 147,418 | .226 | .793 |
| COM1 | 63,6198 | 142,204 | .346 | .787 |
| COM2 | 63,8595 | 138,372 | .500 | .777 |
| COM3 | 62,3884 | 141,940 | .501 | .779 |
| DIV1 | 63,6694 | 138,673 | .446 | .780 |
| DIV2 | 62,8843 | 139,387 | .447 | .780 |
| DIV3 | 62,7355 | 137,096 | .530 | .775 |
| HR1 | 63,0000 | 138,233 | .538 | .776 |
| HR2 | 64,1570 | 139,433 | .466 | .779 |
| HR3 | 64,0992 | 140,123 | .401 | .783 |
| HR4 | 63,0413 | 139,407 | .506 | .778 |
| HR5 | 63,1653 | 137,839 | .493 | .778 |
| PR1 | 62,4545 | 146,083 | .294 | .789 |
| PR2 | 64,2893 | 146,041 | .239 | .793 |
| PR3 | 62,5455 | 140,733 | .471 | .780 |
| ENV3RC | 62,4215 | 152,313 | .047 | .805 |
| HR6RC | 62,6198 | 155,604 | -.040 | .810 |
| HR7RC | 61,6860 | 155,567 | .000 | .800 |

Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .794 | 22 |

13. INDIVIDUAL FACTORS

Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .859 | 4 |

Item-Total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| IND1 | 12,01 | 6,633 | ,708 | ,819 |
| IND2 | 12,34 | 6,225 | ,724 | ,813 |
| IND3 | 12,25 | 6,485 | ,722 | ,813 |
| IND4 | 12,22 | 6,759 | ,685 | ,837 |

14. FINAL CONSTRUCTS

Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .657 | 4 |

Item-Total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|------------------------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| INDIVIDUAL FACTORS | 9,9386 | 1,582 | ,484 | ,578 |
| ORGANIZATIONAL FACTORS | 10,5254 | 2,166 | ,561 | ,527 |
| MACROECONOMIC FACTORS | 10,6104 | 2,346 | ,364 | ,635 |
| CSR IMPLEMENTATION | 10,9480 | 2,245 | ,406 | ,610 |

- Cronbach's Alpha 0,657 the scale is reliable.

APPENDIX NO. 5

TABLE OF VARIABLES REGISTERED IN SPSS

| NAME | TYPE | WIDTH | DECIMAL | TAG | VALUES | COLUMNS | ALIGNMENT | MEASURE |
|--------|---------|-------|---------|-----------------------------------|-------------------|---------|-----------|---------|
| V1 | Numeric | 11 | 0 | | None | 11 | Right | Scale |
| ENV1 | Numeric | 11 | 0 | ENV Energy | 1, Not Implement | 11 | Right | Scale |
| ENV2 | Numeric | 11 | 0 | ENV Fossil Fuels | 1, Not Implement | 11 | Right | Scale |
| ENV3 | Numeric | 11 | 0 | ENV | 1, Not Implement | 11 | Right | Scale |
| ENV3RC | Numeric | 8 | 0 | ENV Products RC | 1, Not Implement | 10 | Right | Scale |
| ENV4 | Numeric | 11 | 0 | ENV Pollution | 1, Not Implement | 11 | Right | Scale |
| ENV5 | Numeric | 11 | 0 | ENV Recycling | 1, Not Implement | 11 | Right | Scale |
| ENV6 | Numeric | 11 | 0 | ENV Mg Standars | 1, Not Implement | 11 | Right | Scale |
| COM1 | Numeric | 11 | 0 | COM Local Community | 1, Not Implement | 11 | Right | Scale |
| COM2 | Numeric | 11 | 0 | COM Charitable Causes | 1, Not Implement | 11 | Right | Scale |
| COM3 | Numeric | 11 | 0 | COM Relations with Neighbours | 1, Not Implement | 11 | Right | Scale |
| DIV1 | Numeric | 11 | 0 | DIV Disabled Workers | 1, Not Implement | 11 | Right | Scale |
| DIV2 | Numeric | 11 | 0 | DIV Women | 1, Not Implement | 11 | Right | Scale |
| DIV3 | Numeric | 11 | 0 | DIV Flexible hours for mothers | 1, Not Implement | 11 | Right | Scale |
| HR1 | Numeric | 11 | 0 | HR Health and Safety | 1, Not Implement | 11 | Right | Scale |
| HR2 | Numeric | 11 | 0 | HR Retired workers | 1, Not Implement | 11 | Right | Scale |
| HR3 | Numeric | 11 | 0 | HR Worker Unions | 1, Not Implement | 11 | Right | Scale |
| HR4 | Numeric | 11 | 0 | HR Suggestions from Emp. | 1, Not Implement | 11 | Right | Scale |
| HR5 | Numeric | 11 | 0 | HR Share Profits | 1, Not Implement | 11 | Right | Scale |
| HR6 | Numeric | 11 | 0 | HR | 1, Not Implement | 11 | Right | Scale |
| HR6RC | Numeric | 8 | 0 | HR Reductions RC | 1, Not Implement | 10 | Right | Scale |
| HR7RC | Numeric | 8 | 0 | HR Bad Relationships RC | 1, Not Implement | 10 | Right | Scale |
| HR7 | Numeric | 11 | 0 | HR Bad | 1, Not Implement | 11 | Right | Scale |
| HR8 | Numeric | 11 | 0 | HR Suppliers treatment | 1, Not Implement | 11 | Right | Scale |
| PR1 | Numeric | 11 | 0 | PR Quality Products | 1, Not Implement | 11 | Right | Scale |
| PR2 | Numeric | 11 | 0 | PR Quality Programs | 1, Not Implement | 11 | Right | Scale |
| PR3 | Numeric | 11 | 0 | PR Innovative Products | 1, Not Implement | 11 | Right | Scale |
| IND1 | Numeric | 11 | 0 | IND Strong Believes | 1, Strongly Disag | 11 | Right | Scale |
| IND2 | Numeric | 11 | 0 | IND Environmental Impacts | 1, Strongly Disag | 11 | Right | Scale |
| IND3 | Numeric | 11 | 0 | IND Help Community | 1, Strongly Disag | 11 | Right | Scale |
| IND4 | Numeric | 11 | 0 | IND Good Working Conditions | 1, Strongly Disag | 11 | Right | Scale |
| TIME1 | Numeric | 11 | 0 | TIM Lack of Time | 1, Strongly Disag | 11 | Right | Scale |
| TIME2 | Numeric | 11 | 0 | TIM Time to Charitable work | 1, Strongly Disag | 11 | Right | Scale |
| TIME3 | Numeric | 11 | 0 | TIM Workloads | 1, Strongly Disag | 11 | Right | Scale |
| TIME4 | Numeric | 11 | 0 | TIM Extra Time | 1, Strongly Disag | 11 | Right | Scale |
| FIN1 | Numeric | 11 | 0 | FIN | 1, Strongly Disag | 11 | Right | Scale |
| FIN2 | Numeric | 11 | 0 | FIN | 1, Strongly Disag | 11 | Right | Scale |
| FIN3 | Numeric | 11 | 0 | FIN Savings generate benefits | 1, Strongly Disag | 11 | Right | Scale |
| FIN4 | Numeric | 11 | 0 | FIN | 1, Strongly Disag | 11 | Right | Scale |
| FIN1RC | Numeric | 8 | 2 | FIN Ignore Ethical Concerns RC | 1, Strongly Disag | 10 | Right | Scale |
| FIN2RC | Numeric | 8 | 2 | FIN Not Financial Resources RC | 1, Strongly Disag | 10 | Right | Scale |
| FIN4RC | Numeric | 8 | 2 | FIN Finacies uses in urgent m. RC | 1, Strongly Disag | 10 | Right | Scale |
| EMP1 | Numeric | 11 | 0 | EMP Work extra hours for Charit | 1, Strongly Disag | 11 | Right | Scale |
| EMP2 | Numeric | 11 | 0 | EMP Work extra hours for Enviro | 1, Strongly Disag | 11 | Right | Scale |
| EMP3 | Numeric | 11 | 0 | EMP Participation with Financial | 1, Strongly Disag | 11 | Right | Scale |
| EMP4 | Numeric | 11 | 0 | EMP Social Care | 1, Strongly Disag | 11 | Right | Scale |
| EMP5 | Numeric | 11 | 0 | EMP | 1, Strongly Disag | 11 | Right | Scale |
| EMP5RC | Numeric | 8 | 2 | EMP Not convinced new plans RC | 1, Strongly Disag | 10 | Right | Scale |
| SUPP | Numeric | 11 | 0 | Suppliers | 1, Not Influence} | 11 | Right | Scale |
| CLIENT | Numeric | 11 | 0 | Clients | 1, Not Influence} | 11 | Right | Scale |

| | | | | | | | | |
|---------|---------|----|---|----------------------------------|--------------------|----|-------|---------|
| MKT | Numeric | 11 | 0 | Market | 1, Not Influence} | 11 | Right | Scale |
| SHA | Numeric | 11 | 0 | Shareholders | 1, Not Influence} | 11 | Right | Scale |
| COMMUNI | Numeric | 11 | 0 | Local Community | 1, Not Influence} | 11 | Right | Scale |
| LGOV | Numeric | 11 | 0 | Local Government | 1, Not Influence} | 11 | Right | Scale |
| NGOV | Numeric | 11 | 0 | National Government | 1, Not Influence} | 11 | Right | Scale |
| OTHER | Numeric | 11 | 0 | Other | 1, Not Influence} | 11 | Right | Scale |
| CSRPERC | Numeric | 11 | 0 | CSR Perception | 1, Strongly Disag | 11 | Right | Scale |
| LEG1 | Numeric | 11 | 0 | LEG Reduce Impact | 1, Strongly Disag | 11 | Right | Scale |
| LEG2 | Numeric | 11 | 0 | LEG Labor Rights | 1, Strongly Disag | 11 | Right | Scale |
| LEG3 | Numeric | 11 | 0 | LEG Change in Legislation | 1, Strongly Disag | 11 | Right | Scale |
| PRES1 | Numeric | 11 | 0 | PRES Image | 1, Strongly Disag | 11 | Right | Scale |
| PRES2 | Numeric | 11 | 0 | PRES | 1, Strongly Disag | 11 | Right | Scale |
| PRES2RC | Numeric | 8 | 2 | PRES "Fashion" effect not mot. R | 1, Strongly Disag | 10 | Right | Scale |
| SOC1 | Numeric | 11 | 0 | SOC Expectation towards Environ | 1, Strongly Disag | 11 | Right | Scale |
| SOC2 | Numeric | 11 | 0 | SOC Expectation towards Commu | 1, Strongly Disag | 11 | Right | Scale |
| SOC3 | Numeric | 11 | 0 | SOC | 1, Strongly Disag | 11 | Right | Scale |
| SOC3RC | Numeric | 8 | 2 | SOC Firs Financial Health RC | 1, Strongly Disag | 10 | Right | Scale |
| NET1 | Numeric | 11 | 0 | NET Behaviour other companies | 1, Strongly Disag | 11 | Right | Scale |
| NET2 | Numeric | 11 | 0 | NET | 1, Strongly Disag | 11 | Right | Scale |
| NET2RC | Numeric | 8 | 2 | NET Prevents to Resp. Behaviour | 1, Strongly Disag | 10 | Right | Scale |
| NET3 | Numeric | 11 | 0 | NET Part of Business Network | 1, Strongly Disag | 11 | Right | Scale |
| GEN | Numeric | 11 | 0 | Gender | 1, Male}... | 11 | Right | Nominal |
| AGE | Numeric | 11 | 0 | Age | 1, <25}... | 11 | Right | Ordinal |
| POS | Numeric | 11 | 0 | Job Position | 1, Director}... | 11 | Right | Nominal |
| SIZE | Numeric | 11 | 0 | Company's Size | 1, Micro}... | 11 | Right | Ordinal |
| SECTOR | Numeric | 11 | 0 | Company's Sector | 1, Industry}... | 11 | Right | Nominal |
| LOC | Numeric | 11 | 0 | Geographical Location | 1, Azuay}... | 11 | Right | Nominal |
| ENVT | Numeric | 8 | 2 | Total Environmental Ratings | 1, Not Implement | 8 | Right | Scale |
| COMT | Numeric | 8 | 2 | Total Community | 1, Not Implement | 10 | Right | Scale |
| DIVT | Numeric | 8 | 2 | Total Diversity | 1, Not Implement | 10 | Right | Scale |
| HRT | Numeric | 8 | 2 | Total Employee Relations | 1, Not Implement | 10 | Right | Scale |
| PRT | Numeric | 8 | 2 | Total Product | 1, Not Implement | 10 | Right | Scale |
| INDT | Numeric | 8 | 2 | INDIVIDUAL FACTORS | 1, Strongly Disag | 10 | Right | Scale |
| TIMT | Numeric | 8 | 2 | Total Time | 1, Strongly Disag | 10 | Right | Scale |
| FINT | Numeric | 8 | 2 | Total Financial Resources | 1, Strongly Disag | 10 | Right | Scale |
| EMPT | Numeric | 8 | 2 | Total Employees' Attitudes | 1, Strongly Disag | 10 | Right | Scale |
| IOF | Numeric | 8 | 2 | Internal Organizational Factors | 1, Strongly Disag | 10 | Right | Scale |
| EOF | Numeric | 8 | 2 | External Organization Factors | 1, No influence}.. | 10 | Right | Scale |
| ORGT | Numeric | 8 | 2 | ORGANIZATIONAL FACTORS | 1, Strongly Disag | 10 | Right | Scale |
| LEGT | Numeric | 8 | 2 | Total Legislation | 1, Strongly Disag | 10 | Right | Scale |
| PREST | Numeric | 8 | 2 | Total Press/Media Image | 1, Strongly Disag | 10 | Right | Scale |
| SOCT | Numeric | 8 | 2 | Total Societal Expectations | 1, Strongly Disag | 10 | Right | Scale |
| RES | Numeric | 11 | 0 | Cost of Natural Resources | 1, Strongly Disag | 11 | Right | Scale |
| NETT | Numeric | 8 | 2 | Total Business Network | 1, Strongly Disag | 10 | Right | Scale |
| MACT | Numeric | 8 | 2 | MACROECONOMIC FACTORS | 1, Strongly Disag | 10 | Right | Scale |
| CSP | Numeric | 8 | 2 | CSR IMPLEMENTATION | 1, Not Implement | 10 | Right | Scale |
| MAH_1 | Numeric | 11 | 5 | Mahalanobis Distance | None | 13 | Right | Scale |
| COO_1 | Numeric | 11 | 5 | Cook's Distance | None | 13 | Right | Scale |

APPENDIX No. 6

TESTING VARIABLES FOR NORMAL DISTRIBUTION

| | Total Time | | Total Financial Resources | | Total Employees' Attitudes | | Internal Organizational Factor | | External Organization Factor | |
|------------------------|------------|------------|---------------------------|------------|----------------------------|------------|--------------------------------|------------|------------------------------|------------|
| | Statistic | Std. Error | Statistic | Std. Error | Statistic | Std. Error | Statistic | Std. Error | Statistic | Std. Error |
| Mean | 3,6486 | 0,08810 | 3,4976 | 0,12794 | 3,3768 | 0,11150 | 3,5076 | 0,06896 | 3,4565 | 0,09700 |
| 95% Lower Bound | 3,4728 | | 3,2423 | | 3,1543 | | 3,3700 | | 3,2630 | |
| Confidence Upper Bound | 3,8243 | | 3,7529 | | 3,5993 | | 3,6453 | | 3,6501 | |
| 5% Trimmed Mean | 3,6614 | | 3,5319 | | 3,3971 | | 3,5101 | | 3,4906 | |
| Median | 3,5000 | | 3,6667 | | 3,5000 | | 3,4722 | | 3,3750 | |
| Variance | 0,536 | | 1,129 | | 0,858 | | 0,328 | | 0,649 | |
| Std. Deviation | 0,73179 | | 1,06277 | | 0,92816 | | 0,57285 | | 0,80578 | |
| Minimum | 1,50 | | 1,00 | | 1,00 | | 1,06 | | 1,38 | |
| Maximum | 5,00 | | 5,00 | | 5,00 | | 5,00 | | 4,75 | |
| Range | 3,50 | | 4,00 | | 4,00 | | 2,94 | | 3,38 | |
| Interquartile Range | 0,75 | | 1,67 | | 1,00 | | 0,86 | | 1,19 | |
| Skewness | -0,129 | 0,289 | -0,163 | 0,289 | -0,228 | 0,289 | 0,032 | 0,289 | -0,450 | 0,289 |
| Kurtosis | 0,188 | 0,570 | -0,761 | 0,570 | -0,015 | 0,570 | -0,178 | 0,570 | -0,297 | 0,570 |

| | Total Legislation | | Total Press/Media Image | | Total Societal Expectations | | Cost of Natural Resources | | Total Business Network | |
|------------------------|-------------------|------------|-------------------------|------------|-----------------------------|------------|---------------------------|------------|------------------------|------------|
| | Statistic | Std. Error | Statistic | Std. Error | Statistic | Std. Error | Statistic | Std. Error | Statistic | Std. Error |
| Mean | 3,2126 | 0,11999 | 3,5217 | 0,09316 | 3,8792 | 0,09385 | 3,12 | 0,161 | 3,2560 | 0,10165 |
| 95% Lower Bound | 2,9731 | | 3,3358 | | 3,6920 | | 2,80 | | 3,0532 | |
| Confidence Upper Bound | 3,4520 | | 3,7076 | | 4,0665 | | 3,44 | | 3,4589 | |
| 5% Trimmed Mean | 3,2338 | | 3,5125 | | 3,9297 | | 3,13 | | 3,2826 | |
| Median | 3,3333 | | 3,5000 | | 4,0000 | | 3,00 | | 3,3333 | |
| Variance | 0,993 | | 0,599 | | 0,608 | | 1,780 | | 0,713 | |
| Std. Deviation | 0,99668 | | 0,77381 | | 0,77958 | | 1,334 | | 0,84433 | |
| Minimum | 1,00 | | 2,00 | | 1,00 | | 1 | | 1,00 | |
| Maximum | 5,00 | | 5,00 | | 5,00 | | 5 | | 5,00 | |
| Range | 4,00 | | 3,00 | | 4,00 | | 4 | | 4,00 | |
| Interquartile Range | 1,67 | | 1,00 | | 1,00 | | 2 | | 1,00 | |
| Skewness | -0,308 | 0,289 | 0,367 | 0,289 | -0,790 | 0,289 | -0,333 | 0,289 | -0,391 | 0,289 |
| Kurtosis | -0,260 | 0,570 | -0,646 | 0,570 | 1,873 | 0,570 | -1,047 | 0,570 | 0,255 | 0,570 |

| | Total Environmental Ratings | | Total Community | | Total Diversity | | Total Employee Relations | | Total Product | |
|------------------------|-----------------------------|------------|-----------------|------------|-----------------|------------|--------------------------|------------|---------------|------------|
| | Statistic | Std. Error | Statistic | Std. Error | Statistic | Std. Error | Statistic | Std. Error | Statistic | Std. Error |
| Mean | 2,2406 | 0,07808 | 3,1111 | 0,12091 | 3,4251 | 0,12134 | 3,1677 | 0,09228 | 3,3527 | 0,08341 |
| 95% Lower Bound | 2,0848 | | 2,8698 | | 3,1830 | | 2,9836 | | 3,1862 | |
| Confidence Upper Bound | 2,3964 | | 3,3524 | | 3,6673 | | 3,3518 | | 3,5191 | |
| 5% Trimmed Mean | 2,2275 | | 3,1079 | | 3,4622 | | 3,1636 | | 3,3363 | |
| Median | 2,2000 | | 3,0000 | | 3,3333 | | 3,1429 | | 3,3333 | |
| Variance | 0,421 | | 1,009 | | 1,016 | | 0,588 | | 0,480 | |
| Std. Deviation | 0,64860 | | 1,00435 | | 1,00795 | | 0,76656 | | 0,69283 | |
| Minimum | 1,00 | | 1,00 | | 1,00 | | 1,57 | | 2,00 | |
| Maximum | 4,20 | | 5,00 | | 5,00 | | 5,00 | | 5,00 | |
| Range | 3,20 | | 4,00 | | 4,00 | | 3,43 | | 3,00 | |
| Interquartile Range | 0,80 | | 1,33 | | 1,67 | | 1,07 | | 0,67 | |
| Skewness | 0,420 | 0,289 | 0,281 | 0,289 | -0,252 | 0,289 | -0,051 | 0,289 | 0,315 | 0,289 |
| Kurtosis | 0,416 | 0,570 | -0,664 | 0,570 | -0,387 | 0,570 | -0,452 | 0,570 | 0,120 | 0,570 |

Statist

| | Total Environment at Ratings | Total Community | Total Diversity | Total Employee Relations | Total Product | CSR IMPLEMENTATION | INDIVIDUAL FACTORS | Total Time | Total Financial Resources |
|---------|------------------------------|-----------------|-----------------|--------------------------|---------------|--------------------|--------------------|------------|---------------------------|
| N Valid | 141 | 158 | 155 | 136 | 146 | 120 | 110 | 105 | 108 |
| Missing | 17 | 0 | 3 | 22 | 12 | 38 | 48 | 53 | 50 |
| Mean | 2,2156 | 3,0992 | 3,2753 | 3,1523 | 3,2511 | 2,9702 | 4,0682 | 3,5286 | 3,3889 |
| Median | 2,2000 | 3,0000 | 3,3333 | 3,1429 | 3,3333 | 2,9714 | 4,2500 | 3,7500 | 3,3333 |
| Mode | 2,20 | 2,33 | 3,00 | 3,29 | 3,00 | 2,66 | 5,00 | 4,00 | 5,00 |

a. Multiple modes exist. The smallest value is shown

| Total Employees' Attitudes | Internal Organizational Factors | External Organization Factors | ORGANIZATIONAL FACTORS | Total Legislation | Total Press/Media Image | Total Societal Expectations | Cost of Natural Resources | Total Business Network | MACROECONOMIC FACTORS |
|----------------------------|---------------------------------|-------------------------------|------------------------|-------------------|-------------------------|-----------------------------|---------------------------|------------------------|-----------------------|
| 105 | 101 | 101 | 95 | 101 | 105 | 103 | 106 | 105 | 97 |
| 53 | 57 | 57 | 83 | 57 | 53 | 55 | 52 | 53 | 81 |
| 3.4476 | 3.4970 | 3.5000 | 3.4899 | 3.1914 | 3.5381 | 3.8608 | 3.24 | 3.3175 | 3.4357 |
| 3.5000 | 3.4444 | 3.5000 | 3.5069 | 3.3333 | 3.5000 | 4.0000 | 3.50 | 3.3333 | 3.4667 |
| 3.25 | 3.11 | 3.00* | 3.24* | 3.67 | 3.00 | 4.00 | 4 | 3.33 | 3.30* |

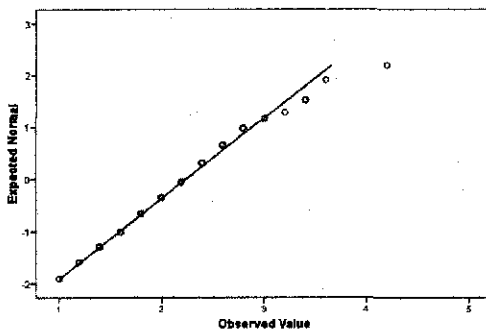
Tests of Normality

| | Kolmogorov-Smirnov ^a | | | Shapiro-Wilk | | |
|---------------------------------|---------------------------------|----|-------|--------------|----|------|
| | Statistic | df | Sig. | Statistic | df | Sig. |
| Total Environmental Ratings | .101 | 69 | .076 | .972 | 69 | .127 |
| Total Community | .135 | 69 | .003 | .958 | 69 | .021 |
| Total Diversity | .092 | 69 | .200* | .962 | 69 | .032 |
| Total Employee Relations | .067 | 69 | .200* | .987 | 69 | .689 |
| Total Product | .144 | 69 | .001 | .955 | 69 | .014 |
| Total Time | .105 | 69 | .058 | .970 | 69 | .096 |
| Total Financial Resources | .110 | 69 | .039 | .950 | 69 | .007 |
| Total Employees' Attitudes | .110 | 69 | .037 | .966 | 69 | .060 |
| Internal Organizational Factors | .086 | 69 | .200* | .991 | 69 | .910 |
| External Organization Factors | .075 | 69 | .200* | .966 | 69 | .059 |
| Total Legislation | .113 | 69 | .028 | .966 | 69 | .060 |
| Total Press/Media Image | .214 | 69 | .000 | .922 | 69 | .000 |
| Total Societal Expectations | .149 | 69 | .001 | .917 | 69 | .000 |
| Cost of Natural Resources | .210 | 69 | .000 | .883 | 69 | .000 |
| Total Business Network | .131 | 69 | .005 | .959 | 69 | .024 |

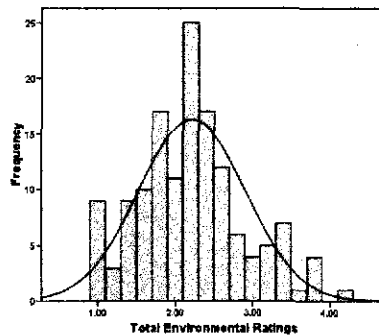
*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

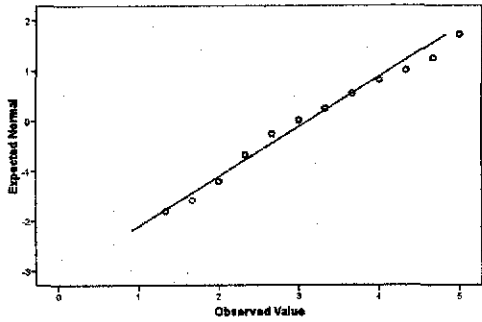
Normal Q-Q Plot of Total Environmental Ratings



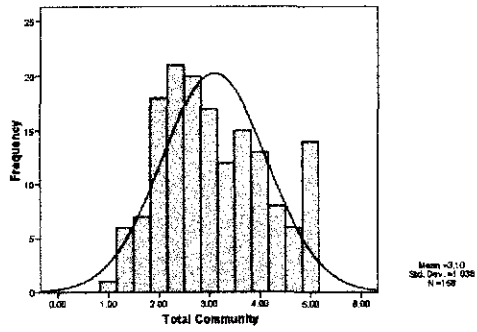
Total Environmental Ratings



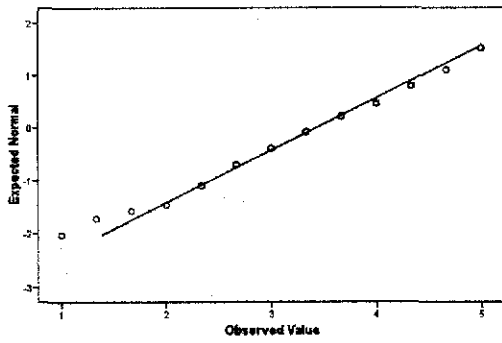
Normal Q-Q Plot of Total Community



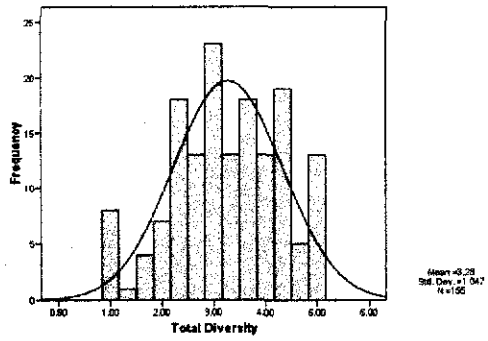
Total Community



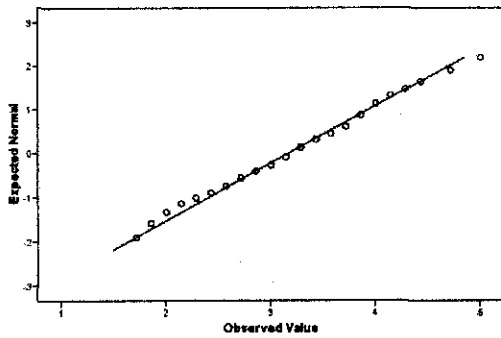
Normal Q-Q Plot of Total Diversity



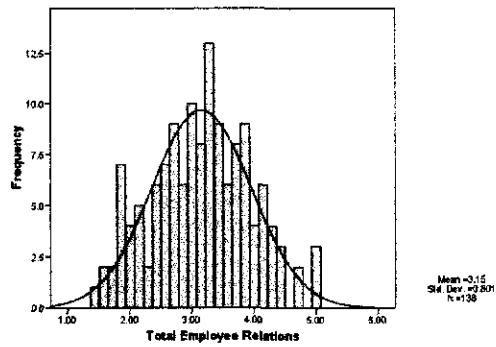
Total Diversity

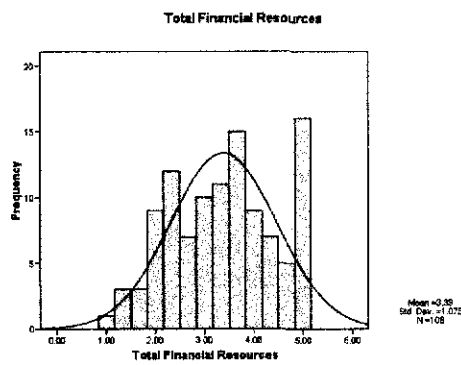
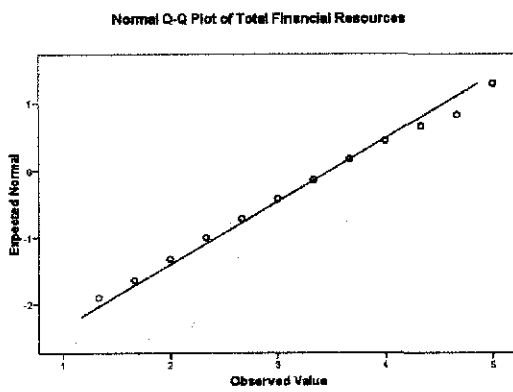
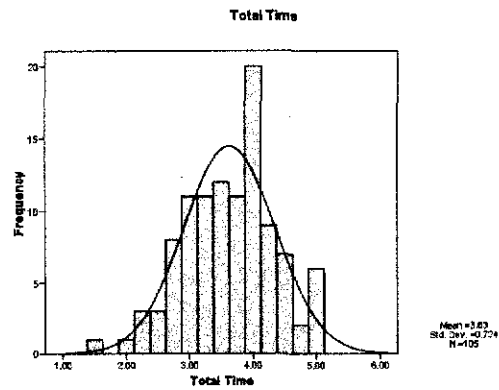
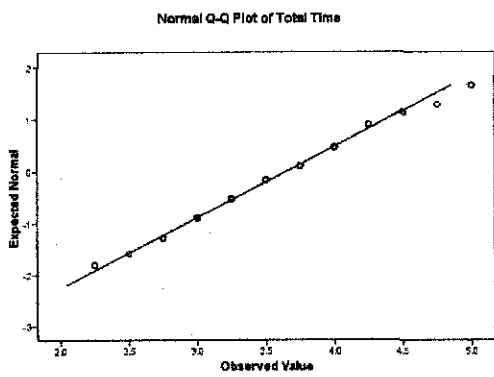
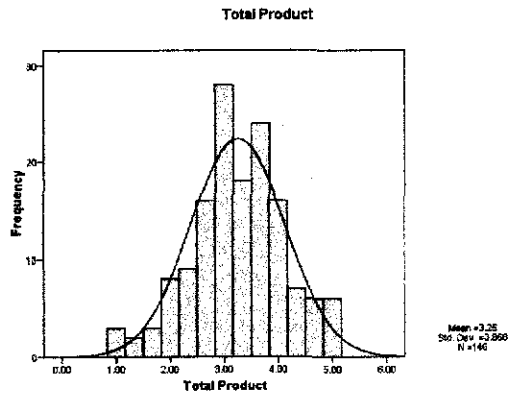
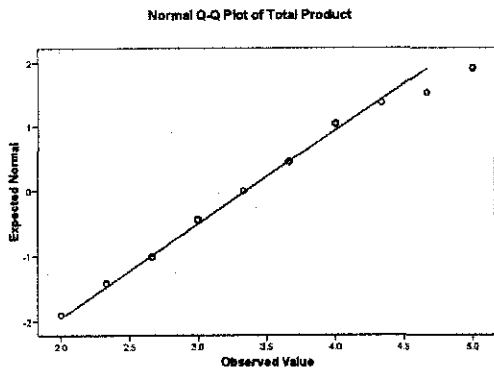


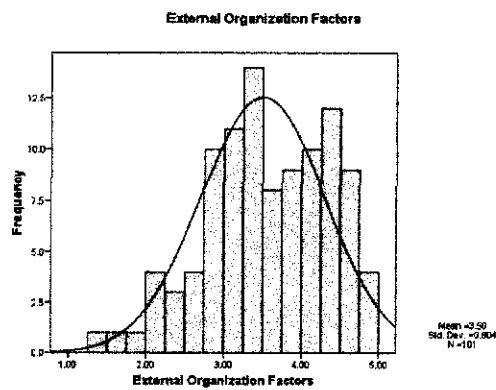
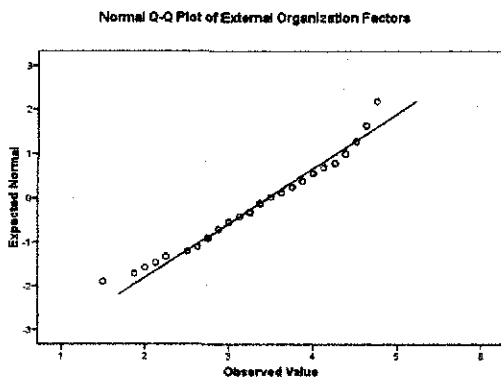
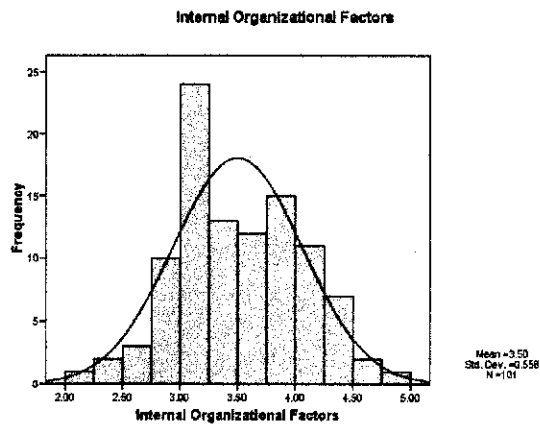
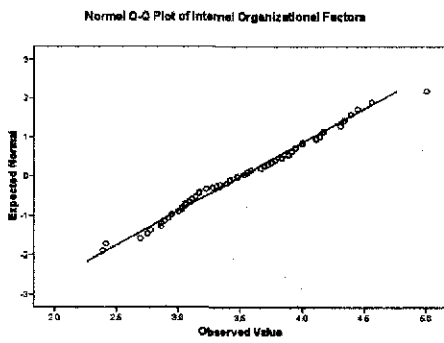
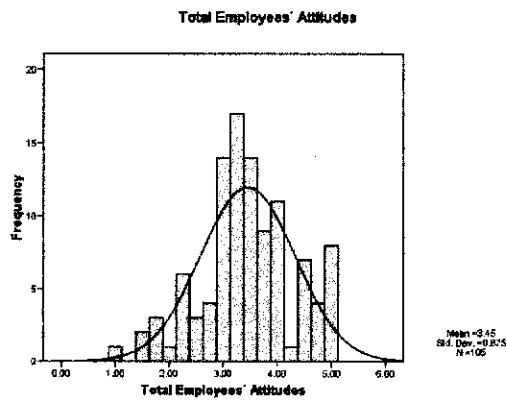
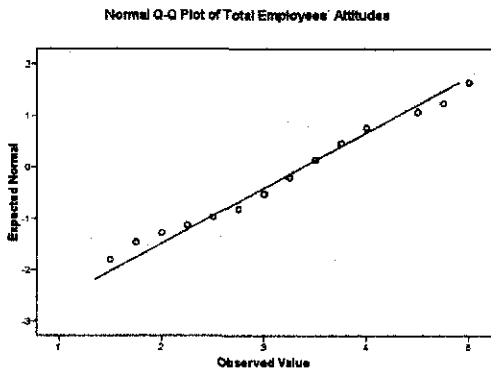
Normal Q-Q Plot of Total Employee Relations

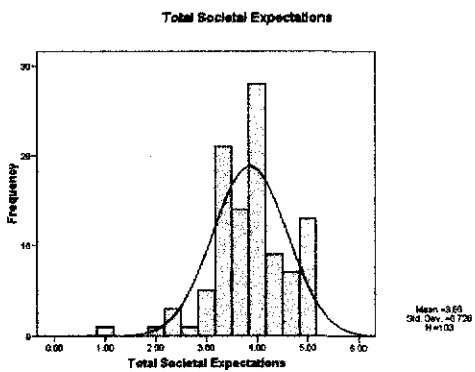
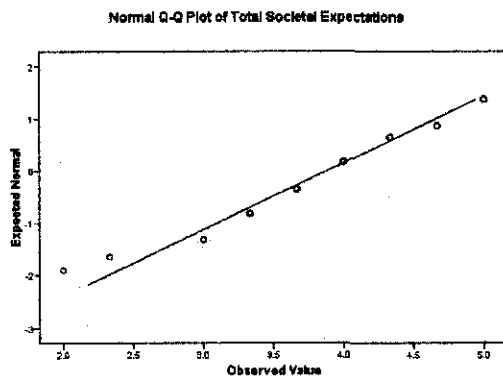
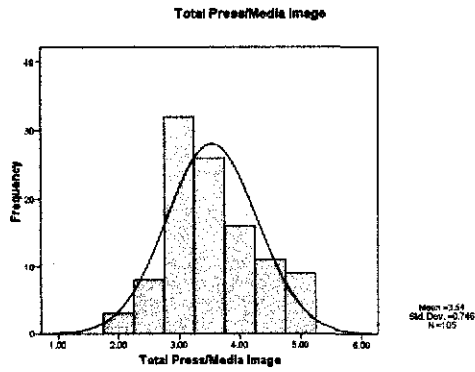
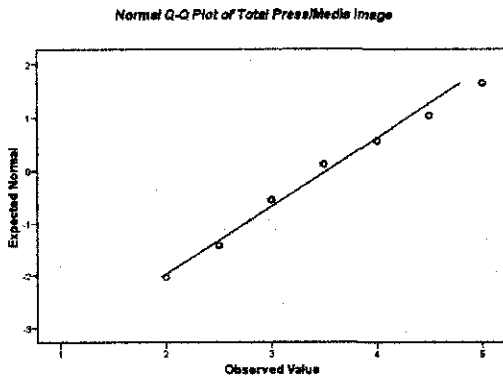
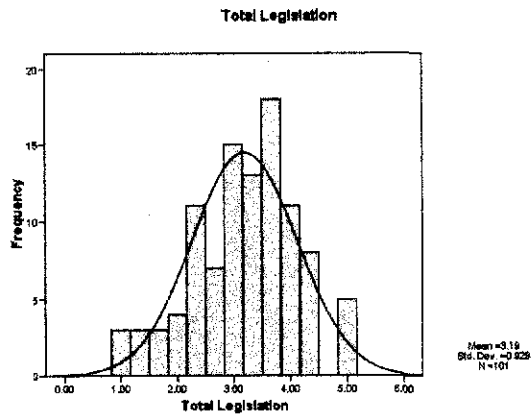
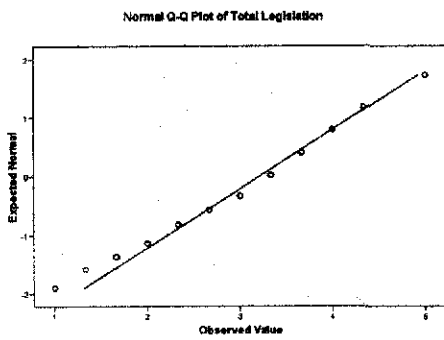


Total Employee Relations

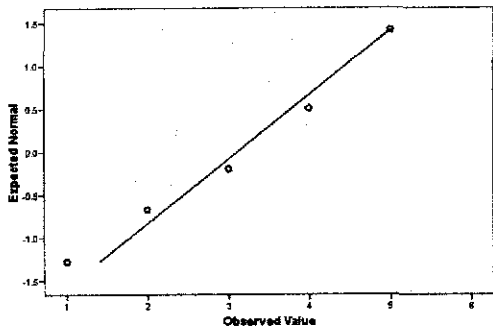




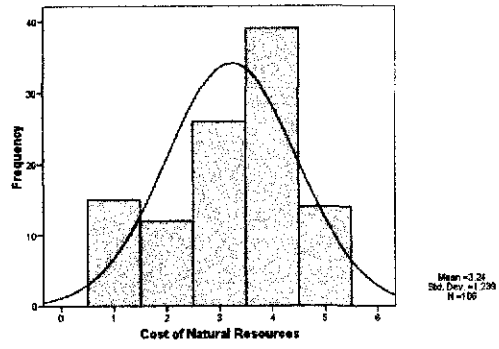




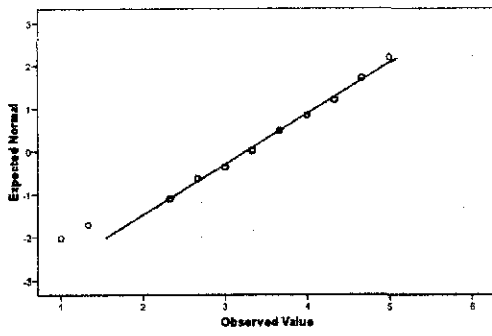
Normal Q-Q Plot of Cost of Natural Resources



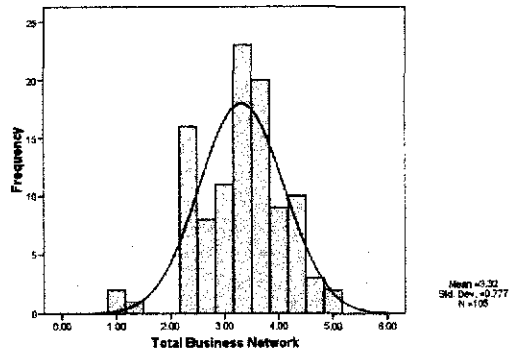
Cost of Natural Resources



Normal Q-Q Plot of Total Business Network



Total Business Network



APPENDIX No. 7

ANALYSIS OF CORRELATIONS

CONTRACT ANALYSIS: DEGREE OF CORPORATE SOCIAL RESPONSIBILITY

- Analysis of the group of variables: ENVIRONMENT

Correlations

| | | | ENV Energy | ENV Fossil Fuels | ENV Products RC | ENV Pollution | ENV Recycling | ENV Mg Standars |
|----------------|------------------|-------------------------|------------|------------------|-----------------|---------------|---------------|-----------------|
| Spearman's rho | ENV Energy | Correlation Coefficient | 1,000 | ,207** | ,021 | ,210** | ,240** | -,028 |
| | | Sig. (2-tailed) | | ,009 | ,799 | ,009 | ,002 | ,739 |
| | | N | 157 | 157 | 153 | 156 | 157 | 142 |
| | ENV Fossil Fuels | Correlation Coefficient | ,207** | 1,000 | -,004 | ,277** | ,223** | ,061 |
| | | Sig. (2-tailed) | ,009 | | ,965 | ,000 | ,005 | ,467 |
| | | N | 157 | 158 | 154 | 157 | 158 | 143 |
| | ENV Products RC | Correlation Coefficient | ,021 | -,004 | 1,000 | -,120 | ,087 | ,101 |
| | | Sig. (2-tailed) | ,799 | ,965 | | ,140 | ,282 | ,234 |
| | | N | 153 | 154 | 154 | 153 | 154 | 140 |
| | ENV Pollution | Correlation Coefficient | ,210** | ,277** | -,120 | 1,000 | ,465** | ,132 |
| | | Sig. (2-tailed) | ,009 | ,000 | ,140 | | ,000 | ,117 |
| | | N | 156 | 157 | 153 | 157 | 157 | 142 |
| | ENV Recycling | Correlation Coefficient | ,240** | ,223** | ,087 | ,465** | 1,000 | ,066 |
| | | Sig. (2-tailed) | ,002 | ,005 | ,282 | ,000 | | ,436 |
| | | N | 157 | 158 | 154 | 157 | 158 | 143 |
| | ENV Mg Standars | Correlation Coefficient | -,028 | ,061 | ,101 | ,132 | ,066 | 1,000 |
| | | Sig. (2-tailed) | ,739 | ,467 | ,234 | ,117 | ,436 | |
| | | N | 142 | 143 | 140 | 142 | 143 | 143 |

** Correlation is significant at the 0.01 level (2-tailed).

- Analysis of the group of variables: COMMUNITY

Correlations

| | | | COM Local Community | COM Charitable Causes | COM Relations with Neighbours |
|----------------|-------------------------------|-------------------------|---------------------|-----------------------|-------------------------------|
| Spearman's rho | COM Local Community | Correlation Coefficient | 1,000 | ,519** | ,291** |
| | | Sig. (2-tailed) | | ,000 | ,000 |
| | | N | 158 | 158 | 158 |
| | COM Charitable Causes | Correlation Coefficient | ,519** | 1,000 | ,328** |
| | | Sig. (2-tailed) | ,000 | | ,000 |
| | | N | 158 | 158 | 158 |
| | COM Relations with Neighbours | Correlation Coefficient | ,291** | ,328** | 1,000 |
| | | Sig. (2-tailed) | ,000 | ,000 | |
| | | N | 158 | 158 | 158 |

** Correlation is significant at the 0.01 level (2-tailed).

- Analysis of the group of variables: DIVERSITY

Correlations

| | | | DIV Disabled Workers | DIV Women | DIV Flexible hours for mothers |
|----------------|--------------------------------|-------------------------|----------------------|-----------|--------------------------------|
| Spearman's rho | DIV Disabled Workers | Correlation Coefficient | 1,000 | ,248** | ,258** |
| | | Sig. (2-tailed) | | ,002 | ,001 |
| | | N | 156 | 156 | 155 |
| | DIV Women | Correlation Coefficient | ,248** | 1,000 | ,463** |
| | | Sig. (2-tailed) | ,002 | | ,000 |
| | | N | 156 | 158 | 157 |
| | DIV Flexible hours for mothers | Correlation Coefficient | ,258** | ,463** | 1,000 |
| | | Sig. (2-tailed) | ,001 | ,000 | |
| | | N | 155 | 157 | 157 |

** Correlation is significant at the 0.01 level (2-tailed).

- Analysis of the group of variables: EMPLOYEE RELATIONS

Correlations

| | | HR Health and Safety | HR Retired workers | HR Worker Unions | HR Suggestions from Emp | HR Share Profits | HR Reductions RC | HR Bad Relationships RC | HR Suppliers treatment |
|-------------------------|-------------------------|----------------------|--------------------|------------------|-------------------------|------------------|------------------|-------------------------|------------------------|
| HR Health and Safety | Correlation Coefficient | 1,000 | ,456** | ,300** | ,517** | ,410** | ,004 | -,009 | ,197* |
| | Sig. (2-tailed) | | ,000 | ,000 | ,000 | ,000 | ,965 | ,912 | ,014 |
| | N | 158 | 153 | 152 | 157 | 152 | 156 | 153 | 153 |
| HR Retired workers | Correlation Coefficient | ,456** | 1,000 | ,418** | ,412** | ,268** | ,067 | -,022 | ,074 |
| | Sig. (2-tailed) | ,000 | | ,000 | ,000 | ,001 | ,409 | ,789 | ,367 |
| | N | 153 | 153 | 148 | 152 | 148 | 152 | 149 | 149 |
| HR Worker Unions | Correlation Coefficient | ,300** | ,418** | 1,000 | ,349** | ,255** | -,163* | -,123 | ,158 |
| | Sig. (2-tailed) | ,000 | ,000 | | ,000 | ,002 | ,046 | ,136 | ,056 |
| | N | 152 | 148 | 152 | 151 | 146 | 151 | 149 | 148 |
| HR Suggestions from Emp | Correlation Coefficient | ,517** | ,412** | ,349** | 1,000 | ,429** | ,077 | ,116 | ,234** |
| | Sig. (2-tailed) | ,000 | ,000 | ,000 | | ,000 | ,338 | ,155 | ,004 |
| | N | 157 | 152 | 151 | 157 | 151 | 155 | 152 | 152 |
| HR Share Profits | Correlation Coefficient | ,410** | ,268** | ,255** | ,429** | 1,000 | ,111 | ,223** | ,178* |
| | Sig. (2-tailed) | ,000 | ,001 | ,002 | ,000 | | ,176 | ,007 | ,031 |
| | N | 152 | 148 | 146 | 151 | 152 | 150 | 147 | 147 |
| HR Reductions RC | Correlation Coefficient | ,004 | ,067 | -,163* | ,077 | ,111 | 1,000 | ,268** | -,059 |
| | Sig. (2-tailed) | ,965 | ,409 | ,046 | ,338 | ,176 | | ,001 | ,473 |
| | N | 156 | 152 | 151 | 155 | 150 | 156 | 152 | 152 |
| HR Bad Relationships RC | Correlation Coefficient | -,009 | -,022 | -,123 | ,116 | ,223** | ,268** | 1,000 | -,087 |
| | Sig. (2-tailed) | ,912 | ,789 | ,136 | ,155 | ,007 | ,001 | | ,288 |
| | N | 153 | 149 | 149 | 152 | 147 | 152 | 153 | 150 |
| HR Suppliers treatment | Correlation Coefficient | ,197* | ,074 | ,158 | ,234** | ,178* | -,059 | -,087 | 1,000 |
| | Sig. (2-tailed) | ,014 | ,367 | ,056 | ,004 | ,031 | ,473 | ,288 | |
| | N | 153 | 149 | 148 | 152 | 147 | 152 | 150 | 153 |

- Analysis of the group of variables: PRODUCT

Correlations

| | | | PR Quality Products | PR Quality Programs | PR Innovative Products |
|----------------|------------------------|-------------------------|---------------------|---------------------|------------------------|
| Spearman's rho | PR Quality Products | Correlation Coefficient | 1,000 | ,102 | ,125 |
| | | Sig. (2-tailed) | . | ,217 | ,131 |
| | | N | 150 | 147 | 147 |
| | PR Quality Programs | Correlation Coefficient | ,102 | 1,000 | ,133 |
| | | Sig. (2-tailed) | ,217 | . | ,100 |
| | | N | 147 | 154 | 153 |
| | PR Innovative Products | Correlation Coefficient | ,125 | ,133 | 1,000 |
| | | Sig. (2-tailed) | ,131 | ,100 | . |
| | | N | 147 | 153 | 155 |

CONSTRUCT ANALYSIS: INTERNAL ORGANIZATION FACTORS

- Analysis of the group of variables: TIME

Correlations

| | | | TIM Lack of Time | TIM Time to Charitable work | TIM Workloads | TIM Extra Time |
|----------------|-----------------------------|-------------------------|------------------|-----------------------------|---------------|----------------|
| Spearman's rho | TIM Lack of Time | Correlation Coefficient | 1,000 | ,183 | ,246** | ,420** |
| | | Sig. (2-tailed) | . | ,058 | ,010 | ,000 |
| | | N | 110 | 108 | 109 | 107 |
| | TIM Time to Charitable work | Correlation Coefficient | ,183 | 1,000 | ,400** | ,164 |
| | | Sig. (2-tailed) | ,058 | . | ,000 | ,092 |
| | | N | 108 | 109 | 108 | 107 |
| | TIM Workloads | Correlation Coefficient | ,246** | ,400** | 1,000 | ,325** |
| | | Sig. (2-tailed) | ,010 | ,000 | . | ,001 |
| | | N | 109 | 108 | 110 | 107 |
| | TIM Extra Time | Correlation Coefficient | ,420** | ,164 | ,325** | 1,000 |
| | | Sig. (2-tailed) | ,000 | ,092 | ,001 | . |
| | | N | 107 | 107 | 107 | 108 |

** . Correlation is significant at the 0.01 level (2-tailed).

- Analysis of the group of variables: FINANCIAL RESOURCES

Correlations

| | | | FIN Savings generate benefits | FIN Ignore Ethical Concerns RC | FIN Not Financial Resources RC | FIN Finacies uses in urgent m. RC |
|----------------|-----------------------------------|-------------------------|-------------------------------|--------------------------------|--------------------------------|-----------------------------------|
| Spearman's rho | FIN Savings generate benefits | Correlation Coefficient | 1,000 | ,026 | ,045 | ,026 |
| | | Sig. (2-tailed) | | ,793 | ,644 | ,789 |
| | | N | 108 | 108 | 108 | 107 |
| | FIN Ignore Ethical Concerns RC | Correlation Coefficient | ,026 | 1,000 | ,329** | ,688** |
| | | Sig. (2-tailed) | ,793 | | ,000 | ,000 |
| | | N | 108 | 109 | 109 | 108 |
| | FIN Not Financial Resources RC | Correlation Coefficient | ,045 | ,329** | 1,000 | ,230* |
| | | Sig. (2-tailed) | ,644 | ,000 | | ,017 |
| | | N | 108 | 109 | 109 | 108 |
| | FIN Finacies uses in urgent m. RC | Correlation Coefficient | ,026 | ,688** | ,230* | 1,000 |
| | | Sig. (2-tailed) | ,789 | ,000 | ,017 | |
| | | N | 107 | 108 | 108 | 108 |

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

- Analysis of the group of variables: EMPLOYEE'S ATTITUDES

Correlations

| | | | EMP Work extra hours for Charitable | EMP Work extra hours for Environm. | EMP Participation with Financial Inc. | EMP Social Care | EMP Not convinced new plans RC |
|--------------------------------|---------------------------------------|-------------------------|-------------------------------------|------------------------------------|---------------------------------------|-----------------|--------------------------------|
| Spearman's rho | EMP Work extra hours for Charitable | Correlation Coefficient | 1,000 | ,709** | ,128 | ,730** | -,005 |
| | | Sig. (2-tailed) | | ,000 | ,191 | ,000 | ,957 |
| | | N | 107 | 106 | 106 | 107 | 105 |
| | EMP Work extra hours for Environm. | Correlation Coefficient | ,709** | 1,000 | ,100 | ,649** | -,069 |
| | | Sig. (2-tailed) | ,000 | | ,308 | ,000 | ,484 |
| | | N | 106 | 107 | 106 | 107 | 105 |
| | EMP Participation with Financial Inc. | Correlation Coefficient | ,128 | ,100 | 1,000 | ,136 | -,201* |
| | | Sig. (2-tailed) | ,191 | ,308 | | ,163 | ,039 |
| | | N | 106 | 106 | 107 | 107 | 105 |
| | EMP Social Care | Correlation Coefficient | ,730** | ,649** | ,136 | 1,000 | -,043 |
| | | Sig. (2-tailed) | ,000 | ,000 | ,163 | | ,661 |
| | | N | 107 | 107 | 107 | 108 | 106 |
| EMP Not convinced new plans RC | Correlation Coefficient | -,005 | -,069 | -,201* | -,043 | 1,000 | |
| | Sig. (2-tailed) | ,957 | ,484 | ,039 | ,661 | | |
| | N | 105 | 105 | 105 | 106 | 106 | |

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

CONTRACT ANALYSIS: EXTERNAL ORGANIZATION FACTORS

Correlations

| | | | Suppliers | Clients | Market | Shareholders | Local Community | Local Government | National Government |
|----------------|---------------------|-------------------------|-----------|---------|--------|--------------|-----------------|------------------|---------------------|
| Spearman's rho | Suppliers | Correlation Coefficient | 1,000 | .405** | .452** | .191* | .290** | .299** | .300** |
| | | Sig. (2-tailed) | | .000 | .000 | .050 | .003 | .002 | .002 |
| | | N | 106 | 106 | 106 | 106 | 105 | 104 | 104 |
| | Clients | Correlation Coefficient | .405** | 1,000 | .687** | .144 | .397** | .187 | .218* |
| | | Sig. (2-tailed) | .000 | | .000 | .141 | .000 | .058 | .026 |
| | | N | 106 | 106 | 106 | 106 | 105 | 104 | 104 |
| | Market | Correlation Coefficient | .452** | .687** | 1,000 | .156 | .404** | .207* | .269** |
| | | Sig. (2-tailed) | .000 | .000 | | .110 | .000 | .035 | .006 |
| | | N | 105 | 106 | 106 | 106 | 105 | 104 | 104 |
| | Shareholders | Correlation Coefficient | .191* | .144 | .156 | 1,000 | .266** | .196* | .168 |
| | | Sig. (2-tailed) | .050 | .141 | .110 | | .006 | .046 | .089 |
| | | N | 106 | 106 | 106 | 106 | 105 | 104 | 104 |
| | Local Community | Correlation Coefficient | .290** | .397** | .404** | .266** | 1,000 | .535** | .397** |
| | | Sig. (2-tailed) | .003 | .000 | .000 | .006 | | .000 | .000 |
| | | N | 105 | 105 | 105 | 105 | 105 | 103 | 103 |
| | Local Government | Correlation Coefficient | .299** | .187 | .207* | .196* | .535** | 1,000 | .765** |
| | | Sig. (2-tailed) | .002 | .058 | .035 | .046 | .000 | | .000 |
| | | N | 104 | 104 | 104 | 104 | 103 | 104 | 103 |
| | National Government | Correlation Coefficient | .300** | .218* | .269** | .168 | .397** | .765** | 1,000 |
| | | Sig. (2-tailed) | .002 | .026 | .006 | .089 | .000 | .000 | |
| | | N | 104 | 104 | 104 | 104 | 103 | 103 | 104 |

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

CONTRACT ANALYSIS: MACROECONOMIC FACTORS

- Analysis of the group of variables: LEGISLATION

Correlations

| | | | LEG Reduce Impact | LEG Labor Rights | LEG Change in Legislation |
|----------------|---------------------------|-------------------------|-------------------|------------------|---------------------------|
| Spearman's rho | LEG Reduce Impact | Correlation Coefficient | 1,000 | .504** | .309** |
| | | Sig. (2-tailed) | | .000 | .001 |
| | | N | 105 | 102 | 104 |
| | LEG Labor Rights | Correlation Coefficient | .504** | 1,000 | .416** |
| | | Sig. (2-tailed) | .000 | | .000 |
| | | N | 102 | 103 | 102 |
| | LEG Change in Legislation | Correlation Coefficient | .309** | .416** | 1,000 |
| | | Sig. (2-tailed) | .001 | .000 | |
| | | N | 104 | 102 | 105 |

** Correlation is significant at the 0.01 level (2-tailed).

- Analysis of the group of variables: PRESS/MEDIA IMAGE

Correlations

| | | | PRES Image | PRES "Fashion" effect not mot. RC |
|----------------|-----------------------------------|-------------------------|------------|-----------------------------------|
| Spearman's rho | PRES Image | Correlation Coefficient | 1,000 | -,029 |
| | | Sig. (2-tailed) | . | ,767 |
| | | N | 105 | 105 |
| | PRES "Fashion" effect not mot. RC | Correlation Coefficient | -,029 | 1,000 |
| | | Sig. (2-tailed) | ,767 | . |
| | | N | 105 | 106 |

- Analysis of the group of variables: SOCIETAL EXPECTATIONS

Correlations

| | | | SOC Expectation towards Environm. | SOC Expectation towards Communi. | SOC Firs Financial Health RC |
|----------------|-----------------------------------|-------------------------|-----------------------------------|----------------------------------|------------------------------|
| Spearman's rho | SOC Expectation towards Environm. | Correlation Coefficient | 1,000 | ,863** | -,133 |
| | | Sig. (2-tailed) | . | ,000 | ,179 |
| | | N | 104 | 104 | 103 |
| | SOC Expectation towards Communi. | Correlation Coefficient | ,863** | 1,000 | -,107 |
| | | Sig. (2-tailed) | ,000 | . | ,278 |
| | | N | 104 | 106 | 105 |
| | SOC Firs Financial Health RC | Correlation Coefficient | -,133 | -,107 | 1,000 |
| | | Sig. (2-tailed) | ,179 | ,278 | . |
| | | N | 103 | 105 | 105 |

** . Correlation is significant at the 0.01 level (2-tailed).