



# Corporate social responsibility practices of small enterprises in general Tinio: Basis for proposed local corporate social responsibility policies

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## ABSTRACT

Many businesses now have systems in place for managing and communicating their CSR, including actions and policies that account for stakeholder expectations regarding the company's treatment of employees, the state of the environment, the state of the market, the state of the community, and the state of its values. The purpose of this research is to identify CSR initiatives already in place at general Tinio and to provide recommendations for their enhancement. The study's authors examined local businesses' CSR content and communication intending to expand on previous studies by evaluating grounded questions and hypotheses and enhancing methodological rigor with a more representative sample and more in-depth analysis. Local small businesses in general Tinio, Nueva Ecija were utilized for the study, with a total of 29 respondents drawn at random from the town's several barangays. The authors of this research adapted a survey questionnaire based on the five main categories of CSR initiatives. This study's results demonstrated no statistically significant correlation between the participants' profiles and such companies' commitment to social responsibility. As a result, the suggested initiatives to recognize and reward CSR efforts in the community may lead to greater success in this area.

**Keywords:** Small and medium enterprises, Corporate social responsibility, Business, Stakeholder, Enhancing methodological rigor

## INTRODUCTION

The term "corporate social responsibility" refers to an approach to company self-regulation that emphasizes social accountability and constructive community influence. A corporation may practice Corporate Social Responsibility (CSR) by, for example, making ethical business choices, treating workers well, giving back to the community, and being environmentally responsible.

Nowadays, businesses face a lot of competition, making it difficult to distinguish themselves in the eyes of their target audience. Yet companies that prioritize social responsibility have a better chance of attracting customers and building a loyal following. Organizations that practice corporate social responsibility have a better chance of attracting and retaining top talent, and workers who participate in the firm's sustainability efforts report feeling more positive about their jobs and the organization. Companies that practice CSR help people

who are dealing with serious problems, such as poverty, lack of access to quality education or healthcare, inadequate nutrition, and hunger. Corporate Social Responsibility (CSR) may be thought of as a kind of public relations. Beyond that, however, CSR has been shown to increase a company's competitiveness. Companies are not indivisible, and some may develop CSR goals but actively oppose their execution. It is challenging for businesses to apply CSR that runs counter to their activities. According to (Asemah, et al. 2013), there are several advantages for companies who behave responsibly toward their stakeholders and engage in CSR. Businesses with a robust CSR strategy contribute significantly to national progress by supporting local non-profits and helping the country's underprivileged citizens. In addition to high levels of employee happiness and motivation, these businesses generate profits without negatively impacting the social and environmental fabric of the nation in which they operate. Corporate Social

Responsibility (CSR) has a favourable image of the firm in the eyes of the public that translates into consumer loyalty, and it also has a cost reducing effect on the organization over time. Businesses that practice CSR are more likely to get funding from a wider range of investors. Also, CSR has become a fundamental business practice for large international companies, as it is essential for achieving good business practices and effective leadership. Companies can contribute to social and environmental objectives by integrating CSR as a strategic investment into their business strategy, and CSR activities can result in better performance and more profit and growth (Jason F, 2023).

## LITERATURE REVIEW

Despite widespread scepticism against CSR initiatives, many individuals comply with their mandates or recognize and appreciate the reasoning behind them. CSR programs can influence customer opinion and set businesses apart from competitors, improve workplace morale, increase productivity, and improve customer loyalty and retention. Younger people now want to work for companies that have a strong commitment to corporate social responsibility. This study aims to identify CSR practices among General Tinio's small businesses and provide CSR recommendations for those businesses (Daudisa T, 2019).

This research was motivated by a survey begun in 2005 by the European Commission to educate small and medium-sized businesses on the importance of Corporate Social Responsibility (CSR). CSR is associated with five dimensions: The workplace, the environment, the marketplace, the community, and the company's core values. According to Sweeney, a socially responsible company or organization has rules in place that foster positive relationships with its employees and minimize negative effects on them. Examples of areas where businesses can demonstrate social responsibility include active follow-up and management of workers who are temporarily off work due to disability or accidents, work-life balance, lifelong learning, employee empowerment, improved information flow across the organization, increased workforce diversity, and job security. Corporate Social Responsibility (CSR) programs are generally developed by a separate team inside a firm, with an emphasis on activities outside of employees' core responsibilities. There are two methods in which CSR may be integrated into one's work: "Embedded" at all levels of a firm, from strategy to product development to customer service, and "doing it right" (Glavas A, 2016).

### Objectives

The study focused on determining the corporate social responsibilities of small enterprises in general Tinio. Specifically, it sought to answer the following questions:

- What is the demographic profile of the respondents?

- How may the corporate social responsibilities of the respondents be described?
- Is there a significant relationship between the profile and corporate social responsibilities of the respondents?
- Based on the findings, what corporate social responsibilities may be proposed for small enterprises?

## METHODOLOGY

This study used descriptive correlation to describe the relationship among variables regarding the corporate social responsibility practices of small enterprises in general Tinio, Nueva Ecija. The study used judgmental sampling, known as purposive sampling, to select the respondents. The researchers considered the owners/managers of small and medium enterprises as the respondents of the study. A survey questionnaire was used as the primary research instrument, guided and modified by five types of corporate social responsibility policies inspired by the European commission. The researchers personally administered the research instruments to the respondents and conferred and discussed the significance of the study. The respondents answered the questionnaire at their convenience to prevent them from giving hasty responses (Forbs, 2023).

## RESULTS AND DISCUSSION

In terms of age, the majority of responders (24.14 percent) are between the ages of 26 and 30. According to the statistics about the sex of the respondents, females make up an average of 75.86 percent of the total. Finally, 18 responses were obtained, representing 62.07 percent of the total, when asked about their marital status. When it comes to the workplace, the results indicated that the respondents actively foster the growth of their workers' real world abilities and offer enough safeguards to ensure their employees' health and safety. Respondents said that they did their best to keep their staff motivated, but that some workers still expressed discontent with their working conditions. Even though they are encouraging open discussion of the organization's problems, this topic nevertheless has the lowest weighted mean. As this % matches the verbal definition of agree, it may be inferred that the respondents were pleased with the performance of the personnel. Yet, respondents want their staff to make more efforts to complete everyday chores, and responders should guarantee to address business related concerns with staff. When it comes to environmental policy, the results indicated that the majority of respondents do what is required to keep the environment clean (Sanie D, 2015). Respondents try to optimize energy use even if they know it's the correct thing to do for a healthy environment. That the respondents cared about laws and regulations to keep the environment clean was inferred. But, they need to

figure out how to reduce their company's energy use. The majority of respondents support a standardized mechanism for tracking consumer complaints, consistent with recommendations made in market policies. Respondents are excellent at communicating with customers and responding to their concerns. Statement 15 receives less detailed verbal descriptions from responses (Adeyoyin S, 2005). Based on the data gathered, it's clear that our respondents value local economies and provide opportunities for newcomers to the workforce by buying goods and services from within the community and hiring them (Asemi A, 2005). This suggested that respondents had a positive outlook on providing opportunities to young people. Companies who scored well on "company values" had communicated to their staff the importance of acting ethically and doing what's right by the company's customers and co-workers. Yet, they cannot guarantee that all staff members are familiar with company policy (Babbie E, 2020). This means workers should take the company's code of conduct seriously so that they may develop the kind of upright demeanor that will boost the company's reputation. Results demonstrated no statistically significant correlation between respondent characteristics and CSR practices. This indicates that the respondents' age, sex, and marital status did not affect their level of corporate social responsibility (Welder BM, et al., 1996; Hesse BW, 2005).

## CONCLUSION

Businesses need to evaluate their CSR performance to attract and retain millennial and Gen Z customers. Tech-savvy millennials are more likely to investigate a company's history of ethical behavior and treatment of employees and are eager to contribute to the improvement of society and the natural world. Companies that demonstrate social responsibility can enjoy positive PR and increased brand recognition, improve workplace morale, and boost consumer loyalty and retention rates. CSR is beneficial for businesses in many ways, including attracting and retaining customers, helping those in need, and boosting the company's bottom line. Companies may benefit just as much from CSR as the community can. Corporate Social Responsibility (CSR) initiatives may improve morale, foster a sense of community in the workplace, and form closer links between businesses and their workers. In addition to the environmental benefits, here are some other arguments for companies to engage in CSR (Glavas, 2016). Local businesses are motivated in similar ways to pursue CSR agendas, but to carry out the agreed CSR program, a plan must be implemented (involving extensive engagement with employees, managers, suppliers, NGOs, and others) after the business has decided to adopt CSR oriented activities

(The importance of corporate social responsibility financier worldwide, n.d.) (Adeyoyin S, 2005; Asemi A, 2005 and Babbie E, 2020)

## RECOMMENDATION

Respondents should seek more effort from their employees; owners should propose a program to boost the productivity and motivation of customers, suppliers, and contractors and the owner of the enterprises must provide environmental education and training because respondents cannot assure of some environmental impact of their businesses. Globalization and diversity create tensions for individuals and communities, leading to cooperation and solidarity, but also intolerance, identity based political mobilization, and conflict. Businesses must balance the need to survive with the pressure to become socially and environmentally responsible.

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