

**CORPORATE SOCIAL RESPONSIBILITY
IN SMALL AND MEDIUM-SIZED
ENTERPRISES
IN GUATEMALA**

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ABSTRACT

Corporate social responsibility (CSR), in practice and theory, has grown immensely in the last six decades. In addition, the increasing importance of small and medium-sized enterprises (SMEs) in society and of developing nations in the global economy has also raised the interest to include these two in the CSR debate. Taking into consideration that CSR is shaped by contextual factors, such as culture and institutions, and that there is little research on CSR in Guatemalan SMEs, the aim of this study is to explore the current situation of CSR in Guatemalan SMEs.

This thesis is an exploratory and descriptive study, using a quantitative approach to collect the data. A self-administered online questionnaire was used to collect information from 53 Guatemalan SMEs, which were defined as enterprises with no more than 60 employees. The information collected related to current CSR practices (including the internal, external, environmental and supply chain dimension), the perceptions, the barriers, the reasons and the expectations for future engagement in CSR. A more interpretative position was taken to understand and analyse the data, using descriptive statistical tools.

The findings suggest that CSR practices in Guatemalan SMEs are more extensive than commonly believed, especially in practices regarding the wellbeing of employees. They also suggest that the approach of Guatemalan SMEs towards CSR is influenced by two factors. First, by their small size, which means that Guatemalan SMEs share some particularities with SMEs elsewhere. For example, the lack of a strategic approach towards CSR, the great influence of internal stakeholders and the implementation of practices that have direct benefits for the business. Second, contextual factors also influence Guatemalan SMEs. For example, religious beliefs are very influential reasons for CSR, the lack of finances and governmental support are strongly related to the institutional context, and the current CSR practices relate greatly to the needs perceived in the surroundings of SMEs. Finally, some recommendations were made with the purpose of creating favourable conditions for the development of CSR in Guatemalan SMEs.

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1. INTRODUCTION

This thesis is about Corporate Social Responsibility (CSR) in small and medium-sized enterprises (SMEs) in Guatemala. This topic came about through a variety of reasons. First, it is a product of a personal interest and passion for understanding how businesses can contribute to society, especially with the social and environmental challenges that we are facing nowadays (Thorpe & Prakash-Mani, 2003). Second, CSR has become a topic of relevant interest not only for academics (Godfrey & Hatch, 2007; Amaeshi, Osuji & Nnodim, 2008) but for society in general (Henderson, 2009; Visser & Matten, 2010). Also the recognition of the importance of the SME sector in all aspects of society (Hillary, 2000a; Luetkenhorst, 2004; Jenkins, 2004; Fox, 2004; Perrini, Russo & Tencati, 2007; Azmat & Samaratunge, 2009; Sweeney, 2007; Baden, Harwood & Woodward, 2008; Battisti & Perry, 2011) has expanded the frontiers of the CSR debate to include SMEs (e.g. Jenkins, 2004; Pedersen, 2009; Hillary, 2000a; Luetkenhorst, 2004; Ciliberti, Pontrandolfo & Scozzi, 2008; Perrini et al., 2007; Vives, Corral & Isusi, 2005). Finally, the acknowledgment of CSR as a context-dependent concept (van Marrewijk, 2003; Fox, 2004; Moon, 2007; Ciliberti et al., 2008; Halme, Roome & Dobers, 2009) together with the realisation that only little research has been done about CSR from a Guatemalan perspective opened the opportunity to explore and start a research journey about CSR among Guatemalan SMEs. Therefore, a good place to start is to understand what is currently happening in this context, and this is the aim of this thesis.

This chapter will start by introducing how the review of the existing literature led me to my research proposition. This is followed by a discussion of the methodology that was used to collect and analyse the data. Next, a summary of the findings of this study will be provided and, finally, an outline of the thesis will be presented.

1.1 RESEARCH PROPOSITION

CSR has emerged as a topic that is gaining increasing attention both in practice and research (Godfrey & Hatch, 2007; Amaeshi et al., 2008), especially since the 1950s (Carroll, 1999). Ever since, many concepts and definitions of CSR have emerged (Dahlsrud, 2008, Carroll, 1999). Thus, an appropriate way to define CSR is to consider

it an umbrella term (Blowfield & Frynas, 2005; Lockett, Moon & Visser, 2006; Dahlsrud, 2008) that comprises five elements: the social, the environmental, the economic, the voluntariness and the stakeholder dimension (Dahlsrud, 2008).

A significant shift has occurred in the CSR debate and SMEs are now being included. Traditionally, the CSR debate had concentrated on big corporations (Jenkins, 2004; Jamali, Zanhour & Keshishian, 2009; Fox, 2004; Perrini et al., 2007; Azmat & Samaratunge, 2009; Sweeney, 2007; Baden et al., 2008; Battisti & Perry, 2011). However, the important role of SMEs has now been recognised, as they represent over 90% of businesses around the world (Hillary, 2000a; Luetkenhorst, 2004), provide over 50% of the employment (Luetkenhorst, 2004; Ciliberti et al., 2008; Perrini et al., 2007; Vives et al., 2005; Pedersen, 2009) and also have a substantial combined environmental impact (Hillary, 2000a). This has led to the development of a new area of study that offers the potential to make substantial advancements when facing the actual social and environmental challenges (Fox, 2004).

During the last two decades, the inclusion of developing nations into the CSR debate has increased (Visser, 2008; Uwafiokun, 2011; Prieto-Carrón, Lund-Thomsen, Chan, Muro & Bhushan, 2006). This is important, because developing economies are experiencing the most rapid economic growth and are also being challenged by serious social and environmental issues (Visser, 2008). In addition to this, it has been recognised that developing nations face different challenges (Visser, 2007, 2008; Schmidheiny, 2006; Jamali & Mirshak, 2007; Vives, 2008; Peinado-Vara, 2006) and have different cultural, social and economic factors that have influenced the development of CSR (Visser, 2007; Peinado-Vara & Vives, 2010; Williams & Aguilera, 2008). That is to say that CSR is a context-dependent concept (Moon, 2007; Halme et al., 2009; Welford, Chan & Man, 2007; Fox, 2004; van Marrewijk, 2003), and Mohan (2007) concludes that it is hard to develop a culture-free conception of CSR. Cultural aspects like beliefs, behavioural norms and values affect the perception of the role of businesses (Mohan, 2007; Hofstede, 1980). In addition to this, economic, social and political institutions are also influential agents for the development of CSR (Williams & Aguilera, 2008; Mohan, 2007; Baughn, Bodie & McIntosh, 2007; WBCSD, n.d.; Blowfield & Frynas, 2005), as they define the conditions that will either be favourable for the development of CSR or not (Baughn et al., 2007). Finally, the needs and

expectation of different stakeholders also influence the way businesses interact with them (Peinado-Vara & Vives, 2010; Welford et al., 2007; Williams & Aguilera, 2008). Therefore, taking this contextual setting into account enables us to gain a better understanding of how CSR is defined and applied (Halme et al., 2009). This is important, as CSR has to be developed and understood from a contextual perspective.

The existing literature also revealed that Latin America is the least developed region in terms of CSR research (Haslam, 2004; Visser, 2008; Peinado-Vara & Vives, 2010) and that there is little research of CSR among Guatemalan SMEs. Therefore, the aim of this research is to fill a gap by exploring the current situation of CSR among Guatemalan SMEs. My argument stems from a belief that

“Many Guatemalan SMEs are already engaged in many different CSR practices without naming them as such, the so-called “silent CSR” (Jenkins, 2004; Perrini, 2006). Taking into consideration that an underlying premise of this research is that CSR is a context-dependent concept; I suggest that the approach of Guatemalan SMEs towards CSR might be different from SMEs in developed nations. The practices of SMEs will also differ from the ones implemented by big corporations due to the particularities and limitations of SMEs.”

Therefore, five research questions will be used to address this proposition:

1. What CSR practices have been implemented in Guatemalan SMEs?
2. What are the perceptions of the concept of CSR in Guatemalan SMEs?
3. Which stakeholders have the greatest influence in Guatemalan SMEs?
4. Why do Guatemalan SMEs implement CSR practices?
5. What barriers do Guatemalan SMEs face when engaging in CSR?

1.2 RESEARCH METHODOLOGY

The approach selected to conduct research is influenced by the type of study and the ontological position of the researcher (Bryman & Bell, 2007). While a positivist position tries to emulate the natural science in social science research (Bryman & Bell, 2007) and relates to a quantitative approach (Bryman & Bell, 2007), an interpretivist

position states the need for different methods to consider the subjective construction of social science (Bryman & Bell, 2007), which usually relate to a qualitative approach (Bryman & Bell, 2007). Thus, it can be said that this study takes a position in the middle: while it uses a quantitative approach to collect the data, it takes a more interpretative position to understand the information generated from the study.

This research is a mix of an exploratory and a descriptive approach. An exploratory study is useful, when the research field is new or there is a lack of a clear definition of the problem (Cooper & Schindler, 2011). This case can be considered exploratory, because there is little research on CSR in Guatemalan SMEs. A descriptive study, on the other hand, is a step ahead, and the aim is to provide a picture of the current situation of a phenomenon (Cooper & Schindler, 2011). Therefore, this study can also be considered descriptive, as studies in SMEs especially from a Latin American perspective (Vives et al., 2005) provide a good framework to build on. Furthermore, the nature of the research questions is also descriptive. Hence, the nature of research (time constraints and limitations due to geographical distance) determined that a quantitative approach using a self-administered online questionnaire was most suitable to collect the data.

In regard to the sample, the guidelines used by the Guatemalan Ministry of Economy were used to define SMEs. Therefore, the term SME will be used to comprise microenterprises with 1 to 10 employees, small enterprises with 11 to 25 employees and medium companies with 26 to 60 employees (Orozco, 2003). The sample consisted of SMEs located throughout Guatemala, and they were contacted via e-mail through the Chamber of Commerce, CentraRSE (The Center of Social Responsibility in Guatemala), AGER (the Rural Businessmen Association) and the Rafael Landivar University. In total, 550 business people were contacted, which was an exaggerated initial population that occurred, because some intermediary organisations sent the questionnaire to all of their members regardless of their size. A total of 53 valid surveys were returned to analyse. Consequently, a skewed response rate of 9.61% was obtained. Other factors that might have contributed to the small response rate are that the SME sector is hard to engage in social research (Macpherson & Wilson, 2003; Spence & Lozano, 2000) and that topics such as CSR, which are not widely discussed in Guatemala, might only attract SMEs that have a positive interest in the topic (Macpherson & Wilson, 2003; Collins, Roper & Lawrence, 2010). However, the 53

completed surveys provided useful information to gain a better understanding of the current situation of CSR in SMEs in Guatemala.

Finally, the data was analysed using descriptive statistical tools, mainly frequency of occurrence and cross tabulations to compare responses between business sectors and business size. In addition, chi-square tests for independence were used to evaluate, if the differences were statistically significant. However, this study does not intend to make generalisations, but instead it aims to gain an initial understanding of the challenges and the conditions, in which SMEs in Guatemala operate. This is important when taking into consideration that CSR is context dependent. This information will be useful to create CSR strategies that are more applicable for this important sector of the economy.

1.3 FINDINGS

A theoretical and empirical finding of this study is that contextual elements like institutional factors and cultural aspects, such as religion, shape how CSR is defined and applied among Guatemalan SMEs. However, other aspects such as the lack of a strategic approach to CSR are commonalities of SMEs regardless of their location. Interestingly, it was found that the majority of Guatemalan SMEs in this study have already implemented some CSR activities, especially practices in relation to the well-being of employees. However, these practices are usually informal and sporadic and lack a strategic approach. Guatemalan SMEs are aware of their important role in society, but they face many challenges to engage in CSR practices, such as the lack of finances and governmental support. Even though the main motivation to engage in CSR for Guatemalan SMEs is still marketing purposes, the ethical/religious values of owners/managers have proved to be of significant importance, when making decisions related to CSR. Therefore, in order to foster CSR in Guatemalan SMEs, some recommendations were made: the promotion of CSR through business associations and microfinance institutions, the creation of SME clusters to tackle the social and environmental challenges they are facing, the inclusion of CSR education in universities with a focus on providing tools to achieve a competitive advantage from CSR and the creation of public-private initiatives, where the government can provide financial and technical aid to SMEs through local intermediaries.

1.4 THESIS STRUCTURE

This study is structured into five main sections. Chapter two will provide a review of the existing literature on CSR, especially in SMEs. Taking into consideration that Guatemala is part of Latin America and that CSR is context dependent, the focus of the literature review will be from a Latin American and a developing nation perspective. Moreover, the literature review will highlight that there is little research conducted in Latin America and that there is a gap in the research about CSR and SMEs in Guatemala. After identifying this gap, chapter three will provide the rationale for the research approach utilised in this study, the instrument used for data collection and the way the data was analysed in order to answer the research questions about Guatemalan SMEs and CSR that surged from the literature review. Chapter four will exhibit the main results of the data collected from Guatemalan SMEs. This will lead us to Chapter five, where the results from this study will be discussed and compared against the existing literature review of CSR in SMEs in order to answer the five aforementioned research questions. Finally, chapter six will assess the research proposition on the current state of CSR in Guatemalan SMEs. This chapter will also highlight the implications of the findings considering future research, the limitation of this study and the contribution of this project to the field of CSR in Guatemala.

2. LITERATURE REVIEW

The literature review starts by providing a background on the concept of CSR. Next, a discussion of the inclusion of SMEs in the CSR debate, which used to be dominated by big corporations (Jenkins, 2004; Jamali et al., 2009; Fox, 2004; Perrini et al., 2007; Azmat & Samaratunge, 2009; Sweeney, 2007; Baden et al., 2008; Battisti & Perry, 2011), will be provided. This discussion will lead us to stress the fact that SMEs have particular characteristics that influence the way they engage in CSR (Dean, Brown & Bamford, 1998; Russo & Perrini, 2010; Jenkins, 2004; Spence, 2010), which calls for a development of CSR from an SME perspective (Jenkins, 2004; Murillo & Lozano, 2006; Perrini et al., 2007). In addition, a discussion that introduces CSR as a context-dependent concept (Moon, 2007; Halme et al., 2009; Welford et al., 2007; Fox, 2004; van Marrewijk, 2003) will be included. This is important, because it is part of the underlying premise of this research, as the purpose is to understand how CSR is perceived and applied in SMEs in Guatemala and how this might be different from other regions of the world.

Given the context of this research, this chapter next offers a revision of the development of CSR in developing nations and Latin America. This offers a good framework to understand the state of CSR in Guatemala. Thus, this study aims to contribute to the growing body of knowledge regarding CSR from a Latin American and Guatemalan perspective. In addition to this, a discussion of CSR in the Guatemalan context will be provided, which will reveal that there is little research about CSR that includes Guatemalan SMEs. Therefore, this study aims to start a research journey by including SMEs into the Guatemalan CSR debate. Finally, a discussion of the barriers, reasons, stakeholders and CSR practices in SMEs will be included. This will be done from a general perspective of SMEs around the world, with the purpose of providing details for the development of the questionnaire and a framework to compare the results of Guatemalan SMEs to SMEs elsewhere.

2.1 CORPORATE SOCIAL RESPONSIBILITY

CSR has gained increasing attention in the last six decades. The awareness of environmental and social issues (Thorpe & Prakash-Mani, 2003; Visser & Matten, 2010) and particularly the recognition of the negative impact that corporations have on the environment and the power that they have to generate positive impacts on society (Carroll & Shabana, 2010; Moon, 2007) have influenced the rapid growth of CSR. Carroll (1999) argues that the most significant development of modern CSR initiated in the 1950s, expanded in the 1960s and proliferated during the 1970s. Since the 1980s, new themes related to CSR have emerged, such as business ethics (Carroll, 1999; Carroll & Shabana, 2010; Pedersen, 2009; Visser & Matten, 2010), stakeholder theory (Freeman, 1984; Blowfield & Frynas, 2005; Carroll & Shabana, 2010; Visser & Matten, 2010), sustainable development (Pedersen, 2009), corporate philanthropy (Blowfield & Frynas, 2005), corporate citizenship (Carroll, 1999; Pedersen, 2009; Carroll & Shabana, 2010; Visser & Matten, 2010), corporate governance (Blowfield & Frynas, 2005; Visser & Matten, 2010), corporate public policy (Carroll, 1999) and socially responsible investment (Blowfield & Frynas, 2005; Visser, 2008), among others.

During the 1980s, there was also an increasing interest to link CSR with financial performance (Carroll, 1999), arguing that CSR can impact the long-term bottom line in a positive way (Blowfield & Frynas, 2005; Lee, 2008; Carroll & Shabana, 2010). Finally, the last two decades have been characterised by the expansion of CSR to become a global concept (Carroll & Shabana, 2010; Frederick, 2008), expanding from the Western World to the developing nations through globalisation (Thorpe & Prakash-Mani, 2003; Uwafiokun, 2011; Frynas, 2006; Baskin, 2006). That is to say that the topic of CSR has evolved and has grown to have a wide-spread presence in the business arena, society and the academic field.

The debate for and against CSR has existed since the introduction of the concept (Smith, 2002; Blowfield & Frynas, 2005; Carroll & Shabana, 2010). Smith (2002) and Carroll and Shabana (2010) identified that the arguments can be grouped as follows. First is the argument of the conflicting role of businesses and profit (Smith, 2002; Carroll & Shabana, 2010): one of the most predominant arguments is Friedman's (1970), who claimed that the only responsibility for businesses is to maximise their

profit. However, this view does not consider the great impact that businesses have on the environment and society (Thorpe & Prakash-Mani, 2003; Carroll & Shabana, 2010). In addition to this, it has been found that CSR can have a positive impact on the long-term bottom line of businesses (Lee, 2008; Santos, 2011). Second, it has been argued that CSR can be a disadvantage as it reduces the global competitiveness of a business (Henderson, 2009). However, the recognition of benefits stemming from CSR outweighs this argument. The counterarguments include the importance of CSR as a practice that mitigates risk (Pedersen, 2009; Hart, 1995), reduces cost (Solano, 2005; Bahr, Garza, Monroy, Petkoski & Pineda, 2007; Ansett, 2007; Hart, 1995; Pedersen, 2009), enhances and protects business reputation (Ansett, 2007; Solano, 2005; Seuring & Müller, 2008; Awaysheh & Klassen, 2010; Pedersen, 2009; Hart, 1995) and creates a competitive advantage (Porter & Kramer, 2006; Smith, 2007). Other arguments against CSR are that businesses do not have the know-how to deal with social matters (Davis, 1973, as cited in Carroll and Shabana, 2010) and that these should be the concern of the government (Friedman, 1970). However, the problem with this perspective is that governments do not have the capacity to tackle all problems (Thorpe & Prakash-Mani, 2003), therefore businesses are seen as a powerful agent of change (Carroll & Shabana, 2010). In conclusion, even though there are some opposing factors with regard to CSR, they are outweighed by the positive factors. There is no doubt that CSR has gained increasing attention (Henderson, 2009) and that there is now a wider acceptance of the business case for CSR (Carroll & Shabana, 2010).

2.1.1 Definition of CSR

Since the introduction of CSR, there have been many definitions of the concept (see Carroll, 1999; Dahlsrud, 2008). Some examples of existing definitions of CSR are listed in Table 1.

Table #1. Definitions of CSR

AUTHOR	DEFINITION OF CSR
The World Bank (2007, as cited in Bahr et al., 2007)	CSR is a commitment of businesses to take care and manage the impact of their operations in the social, environmental and economic dimension taking into consideration their local, regional and global context.
Commission of the European Communities (2001)	CSR is when companies “integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (p.6)
Bahr et al. (2007)	A business culture that goes beyond complying with law requirements, which is based on ethical principles of respect for the community and environment, which in turn contribute to the competitiveness of the business and the development of the country.
Vives et al. (2005)	CSR is a set of voluntary practices that go beyond complying legal requirements which as part of the business strategy seeks to avoid harm and promote the wellbeing of all their stakeholders.

The definitions above are an illustration of the different perspectives on the concept of CSR and what it entails (Lockett et al., 2006). Consequently, having such a broad definition has implications, as it makes it hard to translate it into business practices (Dahlsrud, 2008; Amaeshi et al., 2008; Godfrey & Hatch, 2007). Nevertheless, CSR continues to gain importance in managerial practice (Godfrey & Hatch, 2007; Amaeshi et al., 2008). Hence, a better approach to define CSR will be to consider it an umbrella term (Blowfield & Frynas, 2005; Lockett et al., 2006; Dahlsrud, 2008), which contains the following five characteristics:

1. The **social dimension** (Dahlsrud, 2008), where businesses are responsible for their social impact, considering both internal and external aspects (Blowfield & Frynas, 2005; CentraRSE 2006; Lockett et al., 2006; Vives et al., 2005).
2. The **environmental dimension** (Dahlsrud, 2008), where businesses implement practices to reduce their environmental impact (Blowfield & Frynas, 2005; Vives et al., 2005). Even though, in many cases, the environmental dimension

has not been explicitly expressed in the definition of CSR, it has been recognised as part of it (Babiak & Trendafilova, 2011).

3. The ***economic dimension*** (Dahlsrud, 2008), where CSR is related to the strategy of the business (Vives et al., 2005; Porter & Kramer, 2006), and it generates a win-win relationship for the company and society (Roitstein, 2009).

The integration of these three dimensions is also known as the triple bottom line (Elkington, 1997), which has been integrated into the business environment in the concept of CSR (Markley & Davis, 2007). Finally the other two dimensions included in the concept of CSR are:

4. The ***voluntariness dimension*** (Dahlsrud, 2008), where social responsible practices go beyond legal regulations and are voluntary (Vives et al., 2005; Bahr et al., 2007; Blowfield & Frynas, 2005; Lockett et al., 2006; Solano, 2005).
5. And the ***stakeholder dimension*** (Dahlsrud, 2008), where the decision-making process involves considering the effects on the different stakeholders of the company (Freeman, 1984; Blowfield & Frynas, 2005; CentraRSE 2006; Lockett et al., 2006; Vives et al., 2005).

That is to say CSR is when businesses are responsible for their social and environmental impact in a manner that goes beyond what is required by law and taking into consideration the effects of their decisions on their different stakeholders. However, these practices should be aligned with the strategy of the business to provide a win-win relationship between the business and society, enhancing the triple bottom line.

2.2 CSR IN SMALL AND MEDIUM ENTERPRISES (SMEs)

The recognition of the importance of the SME sector has expanded the frontiers of CSR to include smaller firms (e.g. Jenkins, 2004, 2006; Pedersen, 2009; Hillary, 2000a; Luetkenhorst, 2004; Ciliberti et al., 2008; Perrini et al., 2007; Vives et al., 2005) in a debate that has been traditionally dominated by big corporations (Jenkins, 2004; Jamali et al., 2009; Fox, 2004; Perrini et al., 2007; Azmat & Samaratunge, 2009; Sweeney, 2007; Baden et al., 2008; Battisti & Perry, 2011). This is a noteworthy advancement, as SMEs are a significant sector of the economy. They represent over 90% of existing firms (Hillary, 2000a) and provide over 50% of the employment around the world

(Luetkenhorst, 2004; Ciliberti et al., 2008; Perrini et al., 2007; Vives et al., 2005; Pedersen, 2009). This figure is even greater in nations such as Guatemala, where SMEs provide over 80% of the employment (Segovia, 2003) and account for between 30 to 50% of the GDP (Vives, 2005). On the other hand, SMEs also have a significant impact on the environment: Hillary (2000a) estimates that over 70% of the pollution is generated by SMEs. That is to say SMEs are a key sector to address the social and environmental challenges we are facing. Thus, this new area of study offers the potential to make substantial advancement in the CSR debate (Fox, 2004).

SMEs have certain particular characteristics that differentiate them from bigger companies (Dean et al., 1998; Russo & Perrini, 2010; Jenkins, 2004; Spence, 2010) and, consequently, these differences also affect the way they engage with CSR (Russo & Tencati, 2009; Russo & Perrini, 2010; Jenkins, 2004; Spence, 2010). Thus, it is worth exploring how SMEs differ from bigger corporations. First, SMEs have higher interactions with the local community (Ciliberti et al., 2008; Spence, 1999, 2010), where strong interpersonal relationships with society, business partners and employees are crucial (Spence, 1999, 2010; Murillo & Lozano, 2006). Second, the ownership structure is usually different (Jenkins, 2004; Murillo & Lozano, 2006; Vives, 2006): in most SMEs, the owner also assumes the role of the manager (Ciliberti et al., 2008; Jenkins, 2004; Spence, 1999; Vives, 2005; Sweeney, 2007; Pedersen, 2009). Therefore, his/her personal values greatly influence the way the business operates (Jenkins, 2004; Vives, 2005; Battisti & Perry, 2011; Spence & Rutherford, 2003; Hemingway & McLagan, 2004; Spence, 2010; Williams & Schaefer, 2012).

In addition, SMEs usually have less access to resources (e.g. financial, human and technological) than bigger corporations (Ciliberti et al., 2008; Spence & Lozano, 2000; Hillary, 2000a; Perrini et al., 2007; Hammann, Habisch & Pechlaner, 2009), which creates additional challenges to engage in CSR practices that require these resources. However, SMEs are more flexible than bigger companies because of their size (Jenkins, 2004; Dean et al., 1998), which allows them to respond and adapt quickly to different demands and to be more innovative (Jenkins, 2004; Dean et al., 1998). SMEs are also involved in less bureaucracy, which allows for a more efficient internal communication process (Jenkins, 2004; Spence & Lozano, 2000). In conclusion, SMEs are different from and face different challenges than bigger companies. Thus, the recognition of these

differences is important, as it would be counterproductive to apply the same concepts, ideas, tools and mechanisms that have been defined for bigger corporations to SMEs (Jenkins, 2004; Murillo & Lozano, 2006; Perrini et al., 2007). That is to say that there is a need to develop a perspective of CSR from an SME point of view which reflects their particular characteristics.

2.3 CSR AS A CONTEXT-DEPENDENT CONCEPT

CSR is an extraordinary evolving and dynamic concept (Moon, 2007; Frankental, 2001; Welford et al., 2007; Lee, 2008), which is also influenced by the context of the business location (Moon, 2007; Halme et al., 2009; Welford et al., 2007; Fox, 2004; van Marrewijk, 2003). The recognition of CSR as being context dependent goes hand in hand with the recognition that aspects such as traditions, beliefs, customs, behaviour and values and contextual settings influence managerial practices and business behaviour (Hofstede, 1980; Halme et al., 2009; Mohan, 2007). Therefore, Mohan (2007) argues that developing a culture-free concept of CSR is almost impossible. Halme et al. (2009) agree that it is only by understanding the influential power of context over CSR that we will be able to gain a better understanding of the “divergence or convergence” of how CSR is defined and applied.

There are many contextual aspects that influence CSR. First, economic, legal and political institutions play a major role in shaping CSR (Williams & Aguilera, 2008; Mohan, 2007; Baughn et al., 2007; WBCSD, n.d.; Blowfield & Frynas, 2005). These institutions are important for the promotion of industrial development (Mohan, 2007), which also includes the provision of favourable settings for the development of CSR (Baughn et al., 2007). Furthermore, Halme et al. (2009) argued that there is a diverse range of policies and programmes across governments to promote CSR, which will in turn generate different responses from businesses to engage in CSR. Likewise, labour and environmental legislations are also different across nations (Kliksberg, 2006; Jamali & Mirshak, 2007). In addition to institutional differences, there are cultural factors that influence CSR (Mohan, 2007; WBCSD, n.d.; Halme et al., 2009; Blowfield & Frynas, 2005). For example, religious beliefs define the values that society and businesses embrace (Mohan, 2007). In this context, Angelidis and Ibrahim (2004) found that there is a strong relationship between the degree of religiousness of an individual and their

perception of CSR. Religion has also been identified in many studies in developing nations as a crucial factor that has shaped the interaction between businesses and society (e.g. Jamali & Mirshak, 2007, Vives et al., 2005). Other contextual aspects that influence CSR are the different needs, aspirations and expectations of stakeholders (Peinado-Vara & Vives, 2010; Welford et al., 2007; Williams & Aguilera, 2008), due to the different social challenges that countries and regions face around the world (Peinado-Vara, 2006; Visser, 2007, 2008; Schmidheiny, 2006; Jamali & Mirshak, 2007). Therefore, the WBCSD (n.d.) stated that “since 1998, WBCSD dialogues with diverse stakeholders throughout the world have revealed that CSR means very different things to different people, depending upon a range of local factors including culture, religion, and governmental or legal framework conditions. There can be no universal standard”. That is to say that CSR needs to be addressed from a contextual perspective. Therefore, gaining a better understanding of CSR in developing nations and in Latin America is important considering the fact that CSR is a context-dependent concept and that Guatemala is a developing nation that belongs to the Latin American region.

2.4 CSR IN DEVELOPING NATIONS

CSR as a concept has expanded from the Western World (Thorpe & Prakash-Mani, 2003; Uwafiokun, 2011; Frynas, 2006; Baskin, 2006) and has reached the developing countries (Visser, 2008; Uwafiokun, 2011; Prieto-Carrón et al., 2006) as a result of globalisation (Visser & Matten, 2010). This is an important shift, and Visser (2008) recognised that developing nations are the economies that are experiencing the most rapid growth. Consequently, they will also experience more serious social and environmental impacts (Visser, 2008).

Even though most of the research on CSR still focuses on North America and Europe (Frynas, 2006; Thorpe & Prakash-Mani, 2003), there has been an initial effort to develop an agenda that suits the local context of developing nations (Visser, 2007, 2008; Uwafiokun, 2011; Prieto-Carrón et al., 2006; Wright et al., 2005). Furthermore, journals have also dedicated special issues to the topic of emerging/developing economies and CSR (e.g. *Journal of Corporate Citizenship*, Winter 2006; *Journal of Corporate Social Responsibility and Environmental Management*, vol. 16, 2009;

International Affairs, vol. 81, issue 3, 2005). This is a sign of the nascent interest of academics in the field of CSR in developing countries such as Guatemala.

There are significant differences of how CSR is defined and applied in developing nations compared to the developed world. The cultural, social and economic factors that have shaped CSR in developing countries are quite different from the ones in the developed world (Visser, 2007; Peinado-Vara & Vives, 2010; Williams & Aguilera, 2008). These differences are also relevant to comprehend CSR in the Guatemalan context. First, developing nations often have weaker governments (Visser, 2008; Schmidheiny, 2006; Jamali & Mirshak, 2007; Vives, 2008), which has several implications on the role of businesses and society. First of all, companies tend to play a more extensive role in community development (Peinado-Vara, 2006; Visser, 2008) in areas such as poverty alleviation (Schmidheiny, 2006) and health care (Visser, 2007). In addition, other problems such as tax evasion and non-compliance are greater in developing nations (Visser, 2008; Jamali & Mirshak, 2007; Schmidheiny, 2006). Thus, Visser (2008) argues that legal and ethical responsibilities are much lower in this context compared to the developed world. Furthermore, CSR in the developing world is highly influenced by “indigenous cultural traditions of philanthropy, business ethics and community embeddedness” (Visser, 2008, p.481). Moreover, CSR is less rooted in business strategies and less widespread (Baskin, 2006). Interestingly, Baskin (2006) and Vives et al. (2005) found that CSR practices are more developed in these regions than commonly assumed. Therefore, in order to make global progress in the development of CSR, there is a need to include Southern perspectives when developing CSR initiatives, so these can be adapted to the differences discussed before (Prieto-Carrón et al., 2006; Visser, 2007, 2008). Hence, it can be concluded that CSR will look different in developing nations, as the businesses face different challenges than the ones in the developed world and that there is a need to adapt CSR to the different contexts.

2.5 CSR IN LATIN AMERICA

CSR can be considered a relatively new concept in Latin America (Agatiello, 2003; Bull, 2004). However, the reality is that Latin American enterprises have been involved with the local community for centuries (Bull, 2004; Vives et al., 2005; Frynas, 2006; Sanborn & Portocarrero, 2003). Therefore, a good place to start in gaining a better

understanding of the factors that have shaped CSR in Latin America and Guatemala is by considering the historical background of the evolution of CSR in the region.

2.5.1 Historical background of CSR in Latin America

As mentioned before, the socio-cultural, political and historical context has a great impact on the way companies do business, the way they behave and the way they incorporate CSR practices (Paladino & Mohan, 2002; Moon, 2007). Therefore, it is essential to understand the history and the influence of other factors in the evolution of responsible businesses in Latin America.

Even though the introduction of the concept of CSR in Latin America in the 1990s is relatively recent (Vives et al., 2005), the history of each country reveals that having social responsible practices towards employees and society is not new to Latin American companies (Bull, 2004; Vives et al., 2005; Frynas, 2006). Businesses in Latin America have been involved with the community since colonial times due to two main factors. First, businesses are aware of the greatly unequal distribution of wealth and the high levels of poverty in Latin America (Peinado-Vara & Vives, 2010). Second, from colonial times, the Catholic Church has been a major player in defining how businesses behave (Paladino & Mohan, 2002; Sanborn & Portocarrero, 2003; Gutiérrez, Avella & Villar, 2006), as businesses have always supported the church through charity for welfare programmes. Therefore, it has been identified that philanthropy has deep roots in religious values (Vives et al., 2005), a characteristic also found in many other developing nations (Jamali & Mirshak, 2007). That is to say that CSR has had a long history and that it is deeply embedded in tradition and religion in Latin America and Guatemala.

By the beginning of the 20th century, the different social processes that Latin American countries experienced affected the development of philanthropy. There was a growth in the support of welfare institutions and other social programmes that were not run by the church (Vives et al., 2005; Paladino & Mohan, 2002). During this time, the donations made by business leaders were seen as an individual charity and these activities were not related to the strategy of the business at all (Vives et al., 2005). This is important to

recognise, as philanthropy was not used as a business strategy, but was more related to moral duties.

After World War II, social activities started to become more formalised, and businesses were asked to play a more active role within society, as a reflection of what was happening in the rest of the world (Carroll, 1999). Many Latin American countries introduced a legal framework to promote corporate foundations and tax incentives were introduced to encourage private donations, moving to a more corporate and strategic philanthropy (Peinado-Vara & Vives, 2010). During this period, companies also started to include internal responsible practices with regard to their employees, even before these were regulated by law (Vives et al., 2005). That is to say that this period saw the emerging of a new, more strategy-oriented approach to CSR. It is worth mentioning that these initiatives only took place in big corporations.

In the 1980s, the concept of Social Investment was introduced and companies were asked to promote community development instead of only acting as welfare providers (Vives et al., 2005; Peinado-Vara & Vives, 2010). It was not until the 1990s that the Western concept of CSR reached Latin America as a result of globalisation and the emergence of multinational corporations (Bull, 2004). Since then, globalisation has impacted CSR in many ways. First, technology allows society to be well and rapidly informed of what happens all around the world, and multinational companies are being held responsible for suppliers' practices in developing countries (Roitstein, 2009). They are being asked to apply the same strict codes of conduct of their home countries in developing nations (Haslam, 2004; Jorgensen & Knudsen, 2006), where environmental and labour laws are usually not as strict (Kliksberg, 2006). As a result, many multinationals have implemented CSR practices in their subsidiaries located in developing countries (Haslam, 2004; Peinado-Vara & Vives, 2010; Frynas, 2006) and have also established specific CSR requirements for their suppliers to prevent social and environmental problems that could damage their reputation (Seuring & Müller, 2008; Awaysheh & Klassen, 2010; Pedersen, 2009). Therefore, globalisation and the expansion of multinational corporations have played an important role in the development of CSR as a concept in Latin America and Guatemala.

2.5.2 CSR from a Latin American perspective

Since the expansion of multinationals and as a result of globalisation, CSR in Latin America has evolved to include many other aspects than just traditional philanthropy (Bull, 2004) such as the inclusion of the environmental dimension (Vives et al., 2005). However, Vergara (2010) argues that the conception of CSR as being related to philanthropy remains. Nevertheless, Latin America has shown an increasing interest in the development of CSR. Nowadays, universities, business schools, NGOs and corporate foundations have started embracing CSR (Vives et al., 2005). That is to say that there has been an evolution of the concept of CSR in Latin America, which has transitioned from charity to philanthropy, to social investment and to CSR (Vives et al., 2005; Peinado-Vara & Vives, 2010). Finally, the concept of CSR is slowly moving to include Latin American SMEs in the CSR debate (Vives et al., 2005; Corral, Isusi, Peinado-Vera & Perez, 2007). In conclusion, Latin America has experienced the involvement of businesses in their communities for centuries; however, the reflection on the concept of CSR and how to make it part of the business strategy can be considered a recent introduction.

Latin America as a developing region portrays different challenges to the developed world in terms of CSR. Even though for some Latin American businesses, CSR has become a philosophy embedded in management practices (Nuñez, 2003), the reality is that most CSR practices are not embedded in the business culture and strategy (Baskin, 2006). They occur sporadically, spontaneously and not in a systematic way (Paladino & Mohan, 2002), tending to be more reactive than proactive (Solano, 2005; Paladino & Mohan, 2002). Moreover, many Latin American companies have not engaged in CSR, as they perceive that they derive no benefit from it (Solano, 2005; González, 2008). Perhaps, this has to do with the fact that it is hard to measure the impact that CSR has on the profits of businesses (Solano, 2005; González, 2008). Nonetheless, these problems and characteristics are not unique to Latin America, as many other countries in the developing world show similar tendencies (Uwafiokun, 2011; Baskin, 2006). Second, due to weak government agencies to monitor the compliance of law, companies are viewed as responsible if they simply comply with the law and pay their taxes (Solano, 2005; Jamali & Mirshak, 2007). This mentality also results in businesses not engaging in CSR activities, as these would require an additional effort (Peinado-Vara &

Vives, 2010). The idea that businesses are responsible, if they comply with the law contradicts the voluntariness dimension of CSR. This is important to recognise, because the evolution of the voluntariness dimension as a core of the CSR definition is debatable in the context of Latin America. Finally, Vergara (2010) concludes that the main weakness in Latin America is that the CSR scheme is not well designed and that there is a lack of organisations and institutions that support, monitor and follow up social initiatives (Paladino & Mohan, 2002; Vergara, 2010). That is to say that CSR in Latin America and Guatemala faces different challenges and perceptions than the ones that have been traditionally accepted by the developed world. Generally speaking, there is a lack of widespread knowledge about what CSR means, a lack of institutional support and a lack of understanding the benefits from engaging in CSR practices.

2.5.3 CSR research in Latin America

Latin America is the least covered region in terms of CSR research in the developing world (Visser, 2008; Peinado-Vara & Vives, 2010). There has been an initial recognition about the little research done in Latin America: proof of this is the special edition about Latin America in the Journal of Corporate Citizenship (2006, issue 21). The research in this region is still in a nascent stage, which provides academics with opportunities to obtain different insights into CSR from a Latin American perspective.

The countries that have generated the majority of CSR research from a country perspective are: Mexico (e.g. Corregan & Cantú, 2005; Weyzig, 2006; Frynas, 2006), Argentina (e.g. Roitstein, 2009; Paladino & Mohan, 2002), Chile (e.g. Teixidó, Chavarri & Castro, 2002), Colombia (e.g. Gutiérrez et al., 2006), Brazil (e.g. Vivarta & Canela, 2006), and Peru (e.g. Portocarrero, Sanborn, Llusera & Quea, 2000). Some regional studies of Latin America have also been conducted (e.g. Vives et al., 2005; Corral et al., 2007; Haslam, 2004; Peinado-Vara, 2006; Sanborn & Portocarrero, 2003). These regional studies included countries such as Chile, Argentina, Mexico, Peru, Venezuela, Colombia, Brazil, El Salvador, Bolivia and Ecuador.

Interestingly enough, even though many Latin American countries share a similar cultural and historical background, the findings of Vives et al. (2005) revealed that the implementation of CSR practices varies across Latin American countries. In addition to

this, Haslam (2004) explains this difference by dividing the American continent in four sections. First, there are the runners, i.e. developed nations such as the US and Canada; then the ones that are catching up, which include the most developed Latin American countries; then the ones that are walking, which include the majority of South American countries; and finally the stalled ones, which include the Caribbean and Central America. From the analogy of Haslam (2004), it can be said that Guatemala is still at a very initial stage of the development of CSR as a concept embedded in business strategy. Furthermore, Bahr et al. (2007) found that Guatemalans believe that the development of CSR in the country still lags behind in comparison to the rest of their Latin American counterparts. Perhaps this paradigm relates to the little research conducted in Guatemala; therefore, it is important to explore the current situation of CSR in the Guatemalan context.

2.6 GUATEMALA AND CSR

This section will start by providing an overview of the Guatemalan context, including factors such as the economy, social challenges and the characteristics of a typical entrepreneur. These aspects are important to frame CSR in the particular context of Guatemala. Finally, a discussion of the recent introduction of CSR in Guatemala as a concept will be included, followed by the recognition that there is little research about CSR in Guatemalan SMEs.

2.6.1 Guatemalan context

Guatemala is located in the northwest of Central America with an estimated population of 14 million (CIA, 2012) representing different ethnic groups. The most predominant are Ladinos¹, followed by Mayas, Garifunas and Xincas (CIA, 2012; Visit Guatemala, n.d.). The official language is Spanish (CIA, 2012).

¹ A mix between Spanish and Amerindian (CIA, 2012)

2.6.1.1 Guatemala's economy

Guatemala is an emerging and developing nation² with a lower-middle income economy (The World Bank, 2012b) and is one of the most stable economies in the Central American region (The World Bank, 2012c, República de Guatemala, 2009). However, the dependency on few industries to generate the main income, the occurrence of natural disasters and the high dependency on international affairs puts the economic position at risk (República de Guatemala, 2009; The World Bank, 2012c). The estimated GDP in 2010 was US\$70,310 million with a GDP per capita of US\$5,200 (IndexMundi, 2012) and an inflation rate of 6.20% in December 2011 (Banco de Guatemala, 2012).

Guatemala's economy is based on agriculture, industry and services. The industry sector in 2011 contributed 24% of the GDP, the agricultural sector accounted for 13.3% and the industry sector for over 60% (CIA, 2012). Since 2004, tourism is the primary source of income to the country (KPMG Consultores, 2009). The main export markets for Guatemala are the United States of America, Central America, Mexico, Canada and Japan (Banco de Guatemala, 2012), whereas the main imports are from the United States of America, Mexico, China, El Salvador, Costa Rica, Panama, Colombia, South Korea, Honduras and Brazil, among others (Banco de Guatemala, 2012). Therefore, it can be concluded that the US is the main trade partner of Guatemala.

2.6.1.2 Social challenges in Guatemala

Guatemala faces many social challenges. The Human Development Index (PNUD, 2011) reveals that some of the social indicators for the country are very low. From the Latin American region, Guatemala only ranked higher than Haiti (The World Bank, 2012c) and with a much lower HDI than the average for Latin America (PNUD, 2011). Furthermore, the GDP per capita, which is higher than in many developing nations, does not reflect the reality of the country, because of a large inequality of the distribution of wealth. This is reflected by a GINI index of 55.9%³ (The World Bank, 2012b), where 51% of the population lives under the poverty line and 15.2% live under extreme

² A developing nation is defined by The World Bank (2012a) as countries with a low or middle income economy, where the GNI per capital is less than \$12,475.

³ Year 2006

poverty (República de Guatemala, 2009). Interestingly, poverty is more common among the indigenous population (The World Bank, 2012c), where about 75% are poor, compared to only 36% of the non-indigenous people⁴ (INE, 2006). Therefore, poverty alleviation is extremely important.

Other social problems that affect Guatemala are public corruption as well as the scarce access to good education and health care (The World Bank, 2012c). Guatemala suffers from weak and inefficient governments and corruption (Schwab, 2010), a situation the country shares with other developing nations (Dobers & Halme, 2009). In Guatemala, the perceived corruption in the public sector was ranked 120 out of 183 countries, with a mark of 2.7⁵ (Transparency International, 2012), which demonstrates that the country is ranked poorly in terms of transparency in the public sector. Moreover, only 1.4% of the gross domestic product is invested in health services and 3% in education (ECLAC, 2011). In addition to this, the quality of the Guatemalan educational system ranked in position 126 out of 139 nations (Schwab, 2010), and there is a great inequality in the access to education (República de Guatemala, 2009). All of this contributes to low educational enrolment rates, which in turn keeps people in the poverty trap. For example: the net enrolment rate for primary education was 96.9%⁶, which dropped to 50.1%⁷ at secondary level and to a gross rate of 17.8%⁸ at tertiary level (ECLAC, 2011). Another alarming factor is that over 25% of the population of 15 years of age or over is illiterate (ECLAC, 2011). Hence, it can be concluded that Guatemalan SMEs face many social challenges with deeper roots that not only need good government system, but also support of the private sector. However, these challenges also provide opportunities for businesses to engage in CSR.

2.6.1.3 Characteristics of a Guatemalan entrepreneur

An influential aspect that defines the behaviour of SMEs including their attitude towards CSR is the characteristics of the entrepreneur/owner (Jenkins, 2004; Vives, 2005). The Guatemalan entrepreneur has been portrayed by Maul, Casasola, Diez,

⁴ 38.4% of the population are indigenous and 61.6% are not (INE, 2006)

⁵ On a scale of 0 to 10, where 0 is a perception of highly corrupt and 10 not corrupt.

⁶ Year 2010

⁷ Year 2010

⁸ Year 2007

Flores, Sandoval and Zelaya (2011) as young with little formal education, with 38% having a full-time job on the side and 59% not creating any additional jobs. Moreover, their efforts are usually concentrated on starting businesses with a low added value (Maul et al., 2011), thus showing a lack of innovation. Nevertheless, Kantis, Angelelli and Koenig (2004) believe that there is a new entrepreneurial generation rising, which is much different from the traditional entrepreneur in Latin America. This new group has a formal education and is more interested in their self-realisation than in mere profit (Kantis et al., 2004). They also have a more modern vision of the role of businesses, including a concern about society and the environment (Kantis et al., 2004). Therefore, this new group of entrepreneurs might impact the way CSR is addressed in SMEs in the near future.

2.6.2 CSR in Guatemala

The introduction of the concept of CSR in Guatemala occurred in 1998, when the World Bank and the Council of Private Foundations of Guatemala proposed it (CentraRSE, 2006). As a result, five years later, the Center for Corporate Social Responsibility “CentraRSE” was established (CentraRSE, 2006). CentraRSE is the representative in Guatemala of the World Business Council for Sustainable Development (WBCSD). Their main objectives are to provide information and promote the adoption of best practices of CSR; monitor, investigate and analyse international CSR tendencies to adopt them locally; affiliate as many Guatemalan companies as possible; help businesses in the establishment of CSR policies and programmes; measure and evaluate the evolution of CSR in the country and to seek strategic alliances with national and international institutions to help them achieve the objectives mentioned above (CentraRSE, 2006). Even though the concept of CSR was formalised just a few years ago with the establishment of CentraRSE, Guatemalan companies, like their counterparts in the rest of Latin America, have been involved in social responsible practices for centuries (Gutierrez et al., 2006; Sanborn & Portocarrero, 2003).

2.6.3 CSR research in Guatemala

Research of CSR in Guatemala is still at an initial stage. For example, from the different regional studies conducted in Latin America, none has included Guatemala in its sample

(e.g. Vives et al., 2005; Haslam, 2004; Peinado-Vara, 2006; Corral et al., 2007; Sanborn & Portocarrero, 2003; Kowszyk, Covarrubias, & García, 2011). However, CentraRSE has started to gather more information about Guatemalan CSR practices. The research conducted by CentraRSE includes:

- ❖ *“The perception of CSR and competitiveness in Guatemala”* conducted in 2006 (Bahr et al., 2007). This is the first study of its type and it looks at the importance that Guatemalans give to CSR, how CSR impacts the competitiveness of the country and how it affects the national development. This study focuses on the perception of individuals and not on actual business practices. The participants were business leaders of big companies based in the capital city.
- ❖ *“Making successful business in a responsible manner: Cases of good CSR practices 2006”*. This publication includes the ten initiatives that won the CentraRSE CSR award in 2006 (Sanchez, 2007).
- ❖ *“6 Cases of good CSR practices in 2007: Guatemalan businesses are responsible”*. This publication included six different company programmes that won the CentraRSE award in 2007 for presenting innovative CSR practices (Huard & Escobar, 2008).

These types of studies have been useful to demonstrate what companies are doing in terms of CSR in Guatemala. However, the research and initiatives have mainly concentrated on big corporations with little inclusion of SMEs in the CSR debate. That is to say that there is a gap in the literature about CSR in the context of Guatemalan SMEs.

2.7 FACTORS THAT INFLUENCE CSR IN SMEs

The following sections will consider the practices, stakeholders, drivers and barriers of CSR from a more global and Latin American perspective. This will lead to the design of the questionnaire and will also be useful to engage in the discussion of Guatemalan SMEs.

2.7.1 Barriers for SMEs to engage in CSR

Enterprises face many challenges/barriers, when implementing CSR practices. Some of the barriers that have been explored for businesses to engage in CSR is the lack of a clear definition of CSR (Vives et al., 2005), the difficulty to measure and monitor CSR practices appropriately (Nuñez, 2003; Hillary, 2000b), the cost of implementation (González, 2008; Vives et al., 2005; PriceWaterhouseCoopers, 2004; Walley & Whitehead, 1994) and not being able to maximise the benefits of engaging in CSR, because they are not part of the business strategy (Carter & Rogers, 2008; Porter & Kramer, 2006).

Additional barriers have been identified in Latin America, such as less support from the government in promoting CSR (González, 2008), a less developed field of research and transfer of technology than in developed nations (Maul et al., 2011), a mind-set that CSR is equivalent to philanthropy (Vergara, 2010) and the fact that CSR is still a fairly new incorporation in the Central American business agendas (Pratt & Fintel, 2002). Nevertheless, some studies have revealed that the majority of companies in Latin America are willing and interested in incorporating CSR practices into their operations (PriceWaterhouseCoopers, 2004; Vives et al., 2005). Therefore, it can be concluded that Latin American businesses face even greater challenges to overcome in engaging in CSR than their counterparts in developed regions.

SMEs face additional barriers for the engagement in CSR because of their size. Interestingly, even the use of the word “corporate” affects the engagement of SMEs, as it has the connotation of big corporations (Roberts, Lawson & Nicholls, 2006; Jenkins, 2004). In addition to this, SMEs tend to have a shorter-term vision (Jenkins, 2004), which is even more marked in places like Latin America and Guatemala, due to the political and economic instability (Roberts et al., 2006; Gerstenfeld & Roberts, 2000; Vives et al., 2005). Likewise, SMEs have more limited resources than bigger companies; this limitation of resources affects their engagement in both the social and environmental dimension of CSR. For example, Collins et al. (2010) found that the most common barriers for SMEs in New Zealand are the cost of implementation, followed by time management and the lack of knowledge and skills. Also, Yu and Bell (2007) found that the high cost, insufficient training and a lack of capital are the barriers

to implement sustainable practices in Chinese SMEs. In addition to this, Lepoutre and Heene (2006) argued that the lack of financial resources and power are the main constraints for SMEs engaging in CSR. In Latin American SMEs, Vives et al. (2005) found that the lack of financial resources is the most common reason for not implementing external activities, while the consideration of not having an environmental impact was the reason for not implementing environmental practices. In addition, the most common obstacles for the implementation of environmental management systems are the lack of time management and finances (Pimenova & van der Vorst, 2004; Gerstenfeld & Roberts, 2000; Hillary, 2000b; Revell, Stokes & Chen, 2010).

In conclusion, the main barriers identified for SMEs to engage in CSR are related to the lack of financial resources (Vives et al., 2005; Gerstenfeld & Roberts, 2000; Maul et al., 2011; Hillary, 2000b; Pimenova & van der Vorst, 2004), the lack of human resources (Vives et al., 2005), the lack of time (Pimenova & van der Vorst, 2004; Lepoutre & Heene, 2006; Hillary, 2000b), the lack of technology (Pimenova & van der Vorst, 2004; Maul et al, 2011), the lack of appropriate knowledge, information and training about CSR (Lepoutre & Heene, 2006; Gerstenfeld & Roberts, 2000; Pimenova & van der Vorst, 2004; Roberts et al., 2006; Vives et al., 2005; Hillary, 2000b), the lack of adequate support to implement CSR (Gerstenfeld & Roberts, 2000; Hillary, 2000b) and the lack of management commitment (Gerstenfeld & Roberts, 2000; Hillary, 2000b). Hence, SMEs face many challenges that are both internal and external to the organisation. Nonetheless, even though SMEs have many barriers to implement CSR practices, the evidence suggests that many SMEs are engaged in CSR (Vives et al., 2005). This means that there must be drivers and reasons why SMEs are implementing CSR practices.

2.7.2 SMEs and the influence of stakeholders

Stakeholders are individuals or groups of individuals that are affected or can be affected by the actions of businesses to achieve their objectives (Freeman, 1984). To identify the stakeholders of the company is important, as businesses have shifted from a unidirectional conception (LaRocca, 2011), where the company only considered the interests of shareholders (Friedman, 1970; Roitstein, 2009), to a more multidirectional

view, where the company considers the interests of different stakeholders (Larocca, 2011; Freeman, 1984; Roitstein, 2009). Therefore, businesses have to be aware of whom these stakeholders are.

In Latin America, the level of influence of stakeholders can also be different from developed nations, because the demands of these groups change significantly across countries and even across regions (McWilliams, Siegel & Wright, 2006). It has been recognised that, in developed nations, external stakeholders are usually the most influential (Pagell & Wu, 2007; Holt, 2004; Hall, 2000), while, in Latin America, the most influential ones are the internal stakeholders (PriceWaterhouseCoopers, 2004; Roitstein, 2009; Luetkenhorst, 2004). Luetkenhorst (2004) found that external pressures are quite weak in developing countries, and Vives et al. (2005) argue that businesses experience low pressure from society in Latin America compared to Europe and the US. In addition, Roitstein (2009) also found that the government and suppliers are not on the list of the most influential stakeholders in Latin American businesses. Therefore, internal stakeholders have a more decisive and influential role in Latin American countries, such as Guatemala.

The particularities of SMEs also influence their relationship with stakeholders. Even though the stakeholder theory has been commonly applied from a big corporation perspective (Jenkins, 2004; Russo and Perrini, 2010), it is also valid for SMEs. Jenkins (2004) believes that for SMEs, these stakeholders are the same in nature, but the way the relationships are handled might be different. Thus, Jenkins (2004) argues that the relationships of SMEs with their stakeholders are more informal and personal. Moreover, the level of influence of stakeholders might also be different. While bigger companies are experiencing an increased pressure from external stakeholders, such as customers and NGOs, to be responsible in their business practices (Pagell & Wu, 2007; Holt, 2004; Hall, 2000), SMEs do not experience the same external pressure, because of their size (Jenkins, 2004; Pedersen, 2009). Interestingly, Collins et al. (2010) found that most SMEs did not perceive major pressure from their stakeholders, both internal and external. Instead, generally speaking, it has been argued that the pressure for the adoption of CSR in SMEs usually comes from internal stakeholders (Jenkins, 2004; Murillo and Lozano, 2006; Revell et al., 2009; Pedersen, 2009). Therefore, recognising

which stakeholders have more influence on SMEs is essential to advance CSR in this sector.

The most influential internal stakeholders for SMEs when making decisions regarding CSR are managers/owners (Collins et al., 2010; Murillo and Lozano, 2006; Revell et al., 2009; Pedersen, 2009). Likewise, it has been found that the values, beliefs and characteristics of these individuals define the behaviour of SMEs (Jenkins, 2004; Vives, 2005; Battisti & Perry, 2011; Spence & Rutherford, 2003; Hemingway & McLagan, 2004; Williams & Schaefer, 2012). Therefore, the engagement of this group and their interest in CSR will define the viability of the implementation of CSR practices in their businesses (Sweeney, 2007; Hammann et al., 2009).

Another influential internal stakeholder is the employee (Spence, 2010). For example, in big corporations, the main motive to manage proper relationships with employees relies on the fact that this can attract the best candidates for the job (Moon, 2007; Correa, 2004; Ansett, 2007). From a Guatemalan perspective, Bahr et al. (2007) found that 97% of employees believed that it is important for the business they work for to be socially responsible; however, only 32% take this into consideration when deciding where they want to work. Even though this has been identified as a potential advantage for SMEs, Jenkins (2004) argues that most SMEs have not really used CSR to attract employees. Rather, the influence of employees as stakeholders relies more on the strong relationships that are built because of the proximity between owner and employees (Hammann et al., 2009; Spence, 1999; Murillo & Lozano, 2006), which in turn has also a positive influence on the performance of the SME (Hammann et al., 2009). That is to say that managers/owners and employees play a crucial role in the path SMEs decide to take.

Regarding external stakeholders, there has been mixed evidence about the influence of this group on CSR decisions in SMEs. In general terms, it has been argued that external stakeholders are less influential on the decisions of SMEs (Jenkins, 2004). However, Hammann et al. (2009) believe that the local community and customers are important for SMEs, due to the close proximity that SMEs have with the community in which they operate (Ciliberti et al., 2008; Spence, 1999; Murillo & Lozano, 2006). Furthermore, it has been argued that in Latin America the pressure from customers is generally weak,

even for bigger corporations (Vives et al., 2005). However, a more recent study in Argentina confirmed that customers gradually consider CSR practices more as a decisive purchasing factor (Decision consultores, 2002; as cited in Roitstein, 2009), and that they are willing to reward companies for their CSR engagement (Kliksberg, n.d.). Likewise, Bahr et al. (2007) found that 54% of consumers in Guatemala are willing to pay more for products from a social responsible business. However, Jenkins (2004) and Pedersen (2009) suggested that customers are not as influential, because SMEs are less visible and usually do not have a brand or image to protect and are thus less vulnerable to the pressure from this group (Jenkins, 2004; Pedersen, 2009). Finally, it seems that the least influential external stakeholders for SMEs are the government and NGOs. Regarding the government, Vives et al. (2005) recognised that there is little support in the development of CSR from public institutions in Latin America. Therefore, it has been argued that there is a need for a more active role of the government in promoting and monitoring CSR as well as in creating an environment that guarantees access to reliable information (Roitstein, 2009; Paladino & Mohan, 2002; Nuñez, 2003). In addition to this, Bahr et al. (2007) found that 62% of Guatemalan business people agreed that the government should be strongly involved in the promotion of CSR. Therefore, there is a call for the government to increase their involvement in CSR. Finally, NGOs usually focus their attention on bigger companies with a larger impact on society than SMEs (Vives, 2005). This explains why external stakeholders do not have as much influence on the decisions SMEs take regarding CSR as internal ones, especially in the context of the Latin American region.

2.7.3 Reasons/motivators for CSR in SMEs

There are many different types of motivators that have been identified for businesses to engage in CSR. According to van de Ven & Graafland (2006), they can be classified into two groups. Moral motivators refer to intrinsic values, where the company believes to have a moral responsibility in society, while strategic motives look at CSR as an opportunity to improve the financial situation in the long term (van de Ven & Graafland, 2006). These different motivators could have a great influence on the decisions managers/owners of SMEs make regarding their engagement in CSR practices.

The reasons for SMEs to engage in CSR can be quite different from big corporations (Jenkins, 2004). As mentioned before, internal stakeholders are more influential on SMEs than external ones, and the reasons to engage in CSR are more intrinsic than extrinsic. For big corporations, strategic motivators seem to play a more important role in their engagement in CSR. For example, in big corporations some of the main reasons for CSR are to mitigate risks (Solano, 2005; Bahr et al., 2007; Ansett, 2007; Hart, 1995; Pedersen, 2009) by enhancing business reputation (Ansett, 2007; Solano, 2005), to reduce costs (PriceWaterhouseCoopers, 2004); to increase the share value (PriceWaterhouseCoopers, 2004), to attract the best employees (Correa, 2004; Ansett, 2007; PriceWaterhouseCoopers, 2004), to open new market opportunities and to have access to capital (Bahr et al., 2007; Correa, 2004), among others. That is to say that the rationale for bigger corporations is mainly based on external forces.

SMEs are quite different, and moral motivators (Jenkins, 2006, 2009), which are strongly related to the values of owners/managers (Jenkins, 2004, 2009; Vives, 2005; Battisti & Perry, 2011; Spence & Rutherford, 2003; Hemingway & McLagan, 2004), play a more important role. Van de Ven and Graafland (2006) found that moral motivators bring about a stronger implementation of internal practices. Contrastingly, Vives et al. (2005) found that for SMEs in Latin America the increase of the work satisfaction of employees was the main reason to engage in internal CSR practices, which can be considered a strategic as well as a moral motivator. Regarding the external practices, Vives et al. (2005) found that SMEs identified that religious/ethical values are the most important reasons to engage in CSR with the local community. Furthermore, Jamali and Mirshak (2007) and Vives (2005) found that religious beliefs play an important role for businesses in developing nations to engage in CSR. This can also be seen through the history of Latin America, where the Catholic Church has had a great influence over society (Paladino & Mohan, 2002; Sanborn & Portocarrero, 2003; Gutiérrez et al., 2006). On the other hand, the engagement in environmental practices for SMEs in Latin America comes from the perception of gaining an economic benefit from it (Vives et al., 2005); this has been found to be the common rationale of SMEs to engage in environmental practices (Lawrence et al., 2006; Vives et al., 2005; Cassells & Lewis, 2011; Sweeney, 2007). Moreover, Vives et al. (2005) found that ethical/religious reasons are the second most common reason for environmental practices. Therefore, it

can be concluded that both moral and strategic motivators are important for Latin American SMEs.

2.7.4 CSR practices in SMEs

The peculiar characteristics of SMEs also influence the CSR practices they implement, and, thus, these will differ from the ones implemented by bigger companies (Russo & Tencati, 2009; Jenkins, 2004). This has generated a common misconception that SMEs have failed to engage in CSR practices, especially regarding the environmental dimension (Battisti & Perry, 2011). However, this could be the result of a lack of appropriate standards to measure CSR practices in SMEs (Jenkins, 2004; Battisti & Perry, 2011; Russo & Tencati, 2009) or because of the aforementioned barriers. Despite this, many have found that SMEs are already engaging in CSR practices (e.g. Roberts et al., 2006; Jenkins, 2004, 2006; Vives et al., 2005). However, SMEs usually do not use the term CSR to define these activities (Roberts et al., 2006; Jenkins, 2004; Jamali et al., 2009), the so-called “silent CSR” (Jenkins, 2004; Perrini, 2006).

SMEs also differ from bigger companies in that their CSR practices tend to be more informal (European Commission, 2012a; Russo & Tencati, 2009), spontaneous (European Commission, 2012a) and less embedded in the business strategy (Vives, 2005; Perrini, 2006; Perrini et al., 2007). Nevertheless, it has been found that the engagement in CSR practices in a more strategic approach increases with the size of the business (Sweeney, 2007; Vives et al., 2005; Perez-Sanchez, Barton & Bower, 2003). Therefore, it is expected that bigger SMEs will be more engaged in CSR than smaller ones.

In order to discuss the CSR practices that have been identified in SMEs, this section will be divided into four sub-sections: internal, supply chain, external and environmental practices.

2.7.4.1 Internal practices

Internal practices refer to those activities that aim to improve the quality of life of employees, clients, suppliers and subcontractors (Vives et al., 2005; Orsi, 2007). This

area of CSR, mainly focussing on the wellbeing of employees, has been found to be the most developed in SMEs (Vives et al., 2005; Corral et al., 2007). Moreover, Perrini et al. (2007) found that both SMEs and bigger companies show a high level of commitment in practices to improve employment relations and work satisfaction. Likewise, Bahr et al. (2007) found that big businesses in Guatemala also consider this aspect to be the most important for CSR. However, the practices in SMEs might look different due to their business nature and size (Sweeney, 2007; Vives et al., 2005). SMEs are more concerned about the operation and management of the business, which reveals a great concern about their employees (Vives et al., 2005).

Many authors have found that the most common internal practices implemented by SMEs are quite similar to each other. For example, Lawrence et al. (2006) found that SMEs in New Zealand provide work-family balance and flexible working schedules. Moreover, Perrini et al. (2007) found that most common practices in Italian SMEs are briefings with employees, providing flexible working schedules and providing training. Vives et al. (2005) found that, in Latin American SMEs, the most common practices are respecting the established working hours and days off, non-discrimination policies when hiring and open dialogue spaces (Vives et al, 2005). The findings of Vives et al. (2005) are slightly different, as this study provided more specific actions that were not included in the other two.

Vives et al. (2005) also considered corporate governance as part of the internal dimension of CSR, including practices related to ethical management, anticorruption practices, quality control and collaboration with suppliers (Orsi, 2007; Vives et al., 2005), which was found to be the least developed area in Latin American SMEs (Vives et al., 2005). Moreover, the aspect of supply chain was also included in the corporate governance area (Vives et al., 2005). However, I consider that the supply chain practices require more attention, as it has been argued that supply chains can be a powerful instrument to promote CSR (Smith, Kemp & Duff, 2000; Hunt, 2000; Powell, 2000). Thus, it is worth devoting some time to the understanding of CSR in the supply chain.

2.7.4.2 Supply chain practices

The practices in the supply chain are considered of importance for the development of CSR in developing countries like Guatemala. In a way, it can be considered that the emerging of global chains brought the concept of CSR from the developed world to developing countries, as big multinationals expanded their operations to developing countries and were held accountable for the practices of their suppliers (Blowfield & Frynas, 2005; Jorgensen & Knudsen, 2006; Amaeshi et al., 2008). Although the debate has focused on big corporations and the protection of their image and reputation (Pedersen, 2009; Amaeshi et al., 2008; Jorgensen & Knudsen, 2006), some have started to explore the role of SMEs in the supply chain in relation to CSR (e.g. Jorgensen & Knudsen, 2006; Pedersen, 2009; Ciliberti et al., 2008). Hence, this field of study is relatively new.

The supply chain can be a powerful tool of influence to improve the CSR performance of SMEs (Smith et al., 2000; Hunt, 2000; Powell, 2000). Jenkins (2004), Enderle (2004) and Hunt (2000) identified that customers are a strong influence in the supply chain for the decisions of SMEs. These customers are often larger companies. For this reason, these bigger companies can be considered key CSR drivers for SMEs. First, bigger companies need to establish CSR requirements for their SMEs (Jorgensen & Knudsen, 2006). Usually, the preferred mechanism has been the implementation of codes of conduct (Welford & Frost, 2006; Andersen & Skjoett-Larsen, 2009; Ciliberti, Pontrandolfo & Scozzi, 2011; Locke & Romis, 2007) or the requirement of the suppliers' certifications (Ciliberti et al., 2011). Yet, it is important that these requirements are subject to verification. Jorgensen & Knudsen (2006) found that even though SMEs were receiving requirements from buyers, less than half of them were subject to verification. Second, bigger companies can establish collaborative programmes to work alongside SMEs (Akamp & Müller, in press; Andersen & Skjoett-Larsen, 2009). Some possible actions in this collaboration are the transfer of CSR knowledge and training (Russo & Tencati, 2009; Akamp & Müller, in press; Ciliberti et al., 2011), the access to better technology (Luetkenhorst, 2004) and technical support with the implementation of better managerial practices (Luetkenhorst, 2004; Russo & Tencati, 2009; Andersen & Skjoett-Larsen, 2009). Thus, larger companies can be important to foster CSR in SMEs in developing countries.

Even though bigger companies can influence greatly on the implementation of CSR practices in SMEs, the requirements are usually only verified in first-tier suppliers (Ciliberti et al., 2011). Therefore, a main concern is, whether SMEs are able to transfer these requirements to their own suppliers. Pedersen (2009) and Jorgensen and Knudsen (2006) found that the majority of SMEs do not set requirements for suppliers. Besides, Jorgensen and Knudsen (2006) found that even if SMEs receive requirements from buyers, they are less likely to transfer them to their own suppliers. Some of the reasons that have been identified for this phenomenon are: first, it is possible that CSR is not part of the strategy of the SMEs, which makes it more difficult to translate them into their supply chain management (Pedersen, 2009); second, even if SMEs want to pass on CSR requirements to their suppliers, they face a lack of bargaining power because of their size (Jenkins, 2004; Ciliberti et al., 2008; Pedersen, 2009) and, lastly, SMEs are also limited by the lack of resources, such as finances, technology and human resources in the implementation of these requirements and the verification of them (Pedersen, 2009; Ciliberti et al., 2008). Hence, SMEs face many challenges in the transfer of their CSR commitment through their supply chain. However, CSR practices can be encouraged by the strong relationships of owner/managers with their supply chain partners (Russo & Perrini, 2010). In conclusion, SMEs might have limitations and a lack of power to impose CSR practices, but they can use the establishment of close relationships to pass on CSR practices along the supply chain.

2.7.4.3 External practices

The external practices are the ones that are orientated towards working together with the community, in which the organisation is located (Vives et al., 2005; Orsi, 2007). Bahr et al. (2007) found that Guatemalans consider that this should be the second priority, after engaging in internal CSR practices.

In Latin America, most of the programmes are orientated towards the support of education (Roitsein, 2009; Paladino & Mohan, 2002; Haslam, 2004; Vives et al., 2005), health (Roitsein, 2009; Paladino & Mohan, 2002; Haslam, 2004; Vives et al., 2005) and to a lesser extent to cultural, environmental and sports activities (Vives et al., 2005; Haslam, 2004). Moreover, Roitstein (2009) and Paladino and Mohan (2002) argued that

education and health are the two biggest needs in Latin America. Much of the support for these activities consist in making charitable donations, either financial or non-financial (Vives et al., 2005; Roitstein, 2009; Sanborn & Portocarrero, 2003; Portocarrero et al., 2000). Therefore, it can be said that Latin American companies are aligned with the needs of society. Nevertheless, these practices are usually more reactive than proactive (Solano, 2005; Paladino & Mohan, 2002), which is a common aspect in Latin American companies.

The aforementioned external practices are common in both big corporations and SMEs. However, SMEs will generally focus on implementing these activities in their immediate local community (Jenkins, 2006; Perrini, 2006; Lepoutre & Heene, 2006), and their efforts tend to be less strategic (Vives et al., 2005). In addition to this, findings suggest that there is a direct relationship between the size of the business and the engagement in external CSR practices (Vives et al., 2005).

2.7.4.4 Environmental practices

Environmental practices comprise all the activities that aim to reduce the environmental impact of the company (Vives et al., 2005). Even though the environmental dimension has not been explicitly included in the definition of CSR, it has started to be considered a “pillar for CSR” (Babiak & Trendafilova, 2011, p.13). Therefore, many companies are recognising their responsibility not to harm the environment (Hart, 1995).

In Latin America, the environmental dimension is the least developed area of CSR, especially in the context of SMEs; being environmentally responsible is a recent concept in the context of Central America (Pratt & Fintel, 2002). Moreover, Guatemalans consider that social practices are more important than environmental ones (Bahr et al., 2007). The study by Vives et al. (2005) reveals that 50% of SMEs in Latin America are not engaged in any type of environmental practice, mainly because they consider that they do not have any impact on the environment. However, some have speculated that 70% of the pollution levels might come from SMEs (Hillary, 2000a). Although there are no real figures to back up this argument, there is an increasing recognition of the combined impact that SMEs have on the environment (Hillary, 2000a; Battisti & Perry, 2011; Cassells & Lewis, 2011). This is especially the case for

SMEs in developing nations, who tend to be less aware of their own impact on the environment and of the current legislation (Hillary, 2000a).

The main environmental CSR activities that have been implemented in SMEs are related to an efficient consumption of resources (Vives et al., 2005; Cassells & Lewis, 2011). The most common practices in SMEs are: recycling and waste-management programmes (Lawrence et al., 2006; Vives et al., 2005; Cassells & Lewis, 2011; Sweeney, 2007), the reduction of energy and fuel use (Vives et al., 2005; Cassells & Lewis, 2011; Nuñez, 2003), the reduction of water use (Vives et al., 2005; Nuñez, 2003) and the consideration of the environmental impact of their products and processes (Lawrence et al., 2006; Vives et al., 2005; Nuñez, 2003). On the other hand, the least commonly adopted practice is the implementation of environmental management systems (Revell et al., 2010; Vives et al., 2005; Hillary, 2000b; Johansson, 2000; Gertensfeld & Roberts, 2000). Therefore, as mentioned before, most SMEs do not have a strategic approach towards CSR in either the social or environmental dimension.

2.8 CONCLUSION AND RESEARCH PROPOSITION

The review of the existing literature on CSR revealed some key points. First, CSR has become a topic of relevant interest for academics and society in general (Carroll, 1999; Godfrey & Hatch, 2007; Amaeshi et al., 2008; Henderson, 2009; Visser & Matten, 2010). Second, SMEs are an important sector of the economy (Hillary, 2000a; Luetkenhorst, 2004; Vives, 2005; Fox, 2004; Jenkins, 2004); thus, including them in the CSR debate is crucial for further progress (Jenkins, 2004; Pedersen, 2009; Hillary, 2000a; Luetkenhorst, 2004; Ciliberti et al., 2008; Perrini et al., 2007; Vives et al., 2005). However, SMEs have particular characteristics that influence their approach to CSR (Dean et al., 1998; Russo & Tencati, 2009; Perrini & Russo, 2010; Ciliberti et al., 2008; Spence, 1999; Murillo & Lozano, 2006; Vives, 2006; Jenkins, 2004; Sweeney, 2007; Pedersen, 2009), which have to be taken into consideration. Third, CSR has been recognised as a context-dependent concept (Moon, 2007; Halme et al., 2009; Welford et al., 2007; Fox, 2004; van Marrewijk, 2003) that is shaped by many aspects, such as culture (Mohan, 2007; WBCSD, n.d.; Halme et al., 2009; Blowfield & Frynas, 2005), institutions (Williams & Aguilera, 2008; Mohan, 2007; Baughn et al., 2007; WBCSD, n.d.; Blowfield & Frynas, 2005) and different expectations of stakeholders (Peinado-

Vara & Vives, 2010; Welford et al., 2007; Williams & Aguilera, 2008). Consequently, there has been an increased interest in including developing economies in the CSR debate (Visser, 2008; Uwafiokun, 2011; Prieto-Carrón et al., 2006). Lastly, Latin America is the region with the least amount of CSR research (Visser, 2008; Peinado-Vara & Vives, 2010), and there is little research about CSR in Guatemalan SMEs. That is to say, there is a gap in the topic of CSR in Guatemalan SMEs. Therefore my argument stems from a belief that

“Many Guatemalan SMEs are already engaged in many different CSR practices without naming them as such, the so-called “silent CSR” (Jenkins, 2004; Perrini, 2006). Taking into consideration that an underlying premise of this research is that CSR is a context-dependent concept, I suggest that the approach of Guatemalan SMEs towards CSR might be different from SMEs in developed nations. The practices of SMEs will also differ from the ones implemented by big corporations due to the particularities and limitations of SMEs.”

A good place to start the research is by understanding what is currently occurring in the Guatemalan SME context. Therefore, the following research questions have been developed to explore CSR in SMEs in Guatemala:

1. What CSR practices have been implemented in Guatemalan SMEs?
2. What are the perceptions of the concept of CSR in Guatemala SMEs?
3. Which stakeholders have the greatest influence in Guatemalan SMEs?
4. Why do Guatemalan SMEs implement CSR practices?
5. What barriers do Guatemalan SMEs face when engaging in CSR?

3. METHODOLOGY

This chapter explains the methodology undertaken in this study to collect and analyse the data in order to answer the research questions and gain a better understanding of the current situation of CSR among Guatemalan SMEs. First, a discussion of the types of studies and the different research approaches will be provided, leading to the conclusion that this research is a mix of an exploratory and a descriptive study. Furthermore, the research approach will be discussed. Second, the justification of using a self-administered online questionnaire as the method to collect the data will be presented. In addition to this, the description of the sample of Guatemalan SMEs will be introduced. Subsequently, it will be outlined how the data was collected. This process was divided into three different stages: the design of the questionnaire, the pilot test and the administration of the survey. Next the different factors that affected the response rate will be discussed. Finally, how the data was analysed in this study will be presented.

3.1 RESEARCH APPROACH

There are two main research approaches: the quantitative and the qualitative approach (Bryman & Bell, 2007; Cooper & Schindler, 2011). Even though these two approaches can overlap, writers usually argue that the type of study and the epistemological issues tend to emphasise the use of one approach over the other (Bryman & Bell, 2007; Cooper & Schindler, 2011). Thus, it is important to understand what the epistemological position for this study is. There are two main epistemological positions. On the one hand, positivism is based on using the same “methods of the natural science to the study of social reality and beyond” (Bryman & Bell, 2007, p. 16) and it is more related to a quantitative approach (Bryman & Bell, 2007). Contrastingly, an interpretivist position recognises that people are different from the subject of study in the natural science (Saunders, Lewis & Thornhill, 2007). Therefore a different approach is required to understand “the subjective meaning of social action” (Bryman & Bell, 2007, p.17) and it is more related to a qualitative approach (Bryman & Bell, 2007). Taking into consideration these differences, it can be said that this study is positioned somewhere in the middle: it considers the use of a quantitative approach to collect the data, but takes a more interpretative position to understand the information gathered from the study.

Cooper and Schindler (2011) defined three main types of study depending on the purpose of the research. These are exploratory, descriptive and causal studies. According to Cooper and Schindler (2011), exploratory studies are useful when there is no clear definition of the problem of study and when the research field is new. On the other hand, in a descriptive study, the purpose is to describe aspects or characteristics of a specific population (Cooper & Schindler, 2011) and to provide a “picture of the specific details of a situation, social setting, or relationship” (Neuman, 2000). Finally, causal studies look at the relationship of cause and effect between variables (Cooper & Schindler, 2011).

This study can be considered a mix of an exploratory and a descriptive study. It is exploratory, because it is the first study of its kind in Guatemala, but it is more descriptive because the existence of previous studies developed in similar contexts, such as Latin America, provides a good theoretical framework (e.g. Vives et al., 2005). In addition to this, a descriptive study attempts to define and describe the current state of the subject of study by answering the questions “who, what, when, where and how” (Cooper & Schindler, 2011, p. 149). In this case we aim to define the actual state of CSR among Guatemalan SMEs by asking questions such as what their actual CSR practices are, what the main barriers and reasons to engage in CSR are and who the most influential stakeholders are. Therefore, it can be said that the research questions are descriptive in nature.

The research involves the collection of primary data using a quantitative approach, which provides many advantages. First of all, the main reason to use a quantitative approach to collect data is because it allows the researcher and the subject of study to be in different geographical locations. In this case, the researcher is based in New Zealand and the subject of study is in Guatemala. Furthermore, due to time limitations, a quantitative approach is more suitable, as it is usually completed faster than a qualitative one (Davidson & Tollich, 2003). Moreover, this approach allows the researcher to collect data and reach a large and geographically dispersed population (Davidson & Tollich, 2003). In this case, the companies are located in different regions of Guatemala. In addition to this, taking this approach will generate useful information to compare with similar studies that have been carried out in other Latin American countries (e.g. Vives et al., 2005; PriceWaterhouseCoopers, 2004). In conclusion, a quantitative

approach to collect the data is more suitable because of the circumstances of how this project is being conducted, and it provides the best approach to answer the research questions.

3.2 METHOD

The method that was used to collect the data consists of a self-administered online questionnaire. This method was chosen, as it is appropriate for a descriptive study (Saunders et al., 2007). Moreover, an online questionnaire provides many advantages. First, as it is self-administered, the researcher does not interfere with the respondents' opinion (Zikmund, Babin, Carr & Griffin, 2010). Second, the questionnaire is available at any time, and the respondents can go to it whenever it suits them, revise and change their answers, until they have submitted their final answers. Thus, it provides flexibility (Zikmund et al., 2010). This is essential, as there is an 18-19 hour time difference between Guatemala and New Zealand. Finally, the use of the internet also provides a fast and low-cost way of collecting data (Evans & Mathur, 2005; Zikmund et al., 2010; Cooper & Schindler, 2011).

In addition, using online platforms provides a way to create more interactive questionnaires and to filter questions according to the respondents' answers (Evans & Mathur, 2005; Zikmund et al., 2010; Cooper & Schindler, 2011), which results in a motivated and engaged audience. Also online platforms can validate answers and not allow respondents to skip questions. This has resulted in online surveys delivering questionnaires with less unanswered questions (Boyer, Olson, Calantone & Jackson, 2002) and consequently the researcher has access to better and more accurate information (Zikmund et al., 2010; Evans & Mathur, 2005). That is why the questionnaire was designed in a way that participants were not able to skip the main questions, as an error message would appear and stop them from continuing the survey. Also, the follow-up process is easier and cheaper, as the respondents are all part of a database that can be easily contacted via e-mail to encourage them to complete the questionnaire (Evans & Mathur, 2005; Zikmund et al., 2010; Cooper & Schindler, 2011). Finally, the information is all captured in real time. Thus, as soon as the respondent completes the survey, the researcher has access to the results, which also provides the researcher with an update of how many participants have completed the

survey (Zikmund et al., 2010, p. 229; Cooper & Schindler, 2011; Veal, 2005). Therefore, an online survey is useful to provide more accurate data and to receive complete questionnaires, because of the advantages that software provides.

However, using internet surveys also has downsides. First, it can be an issue, if many individuals of the target population do not have access to the internet (Veal, 2005; Zikmund et al., 2010) or if they do not have the appropriate computer skills, which can make them anxious about the process (Evans & Mathur, 2005; Zikmund et al., 2010; Cooper & Schindler, 2011). However, nowadays many SMEs have access to the internet even in developing countries. In Guatemala, there has been a significant increase in people with access to the internet during the last 10 years: the number has risen from 1% to 16% of the population (Batres, 2011). Moreover, all the participants are contacted through the internet, which ensures that they have access to the internet, because they have an e-mail address. Another issue to consider when using the web is security (Evans & Mathur, 2005; Cooper & Schindler, 2011). This is why the survey does not collect any personal information that could put the respondents' information at risk. Furthermore, the researcher faces the challenge of communicating clearly in writing. Respondents could misunderstand a question, as there is no one to clarify, and a lack of clearness in the instructions can make it difficult to answer the questionnaire (Zikmund et al., 2010; Cooper & Schindler, 2011; Evans & Mathur, 2005). However, to reduce this risk, questions that have been used in other studies were used for this project. Furthermore, a pilot test was carried out in order to determine whether the questions and the wording were clear and to allow for possible changes, before the actual survey was sent to the sample.

3.3 SAMPLE

The target population is small and medium enterprises located in Guatemala. Important to notice is that there are many ways to define SMEs (Arruda, 2011; Saavedra, María & Hernandez, 2008), but the most common way is to only consider the number of employees (Saavedra et al., 2008). Regarding the number of employees, SMEs are usually defined as companies with fewer than 250 employees (e.g. European Commission, 2012b; Jenkins, 2004; Baden et al., 2009; Vives et al., 2005). However, this is not always the case in different parts of the world, especially in developing

nations, where companies tend to be smaller (Vives et al., 2005). Since this study takes on a more local perspective, SMEs were defined according to the existing definition by the Guatemalan Ministry of Economy,

Table #2. Classification of SMEs in Guatemala

Size	Number of Employees	Businesses in Guatemala
Micro	1 - 10	76.61%
Small	11 - 25	16.51%
Medium	26 - 60	5.49%

Source: Orozco (2003) and INE (1999)

The sample was selected using a non-probability purposive sample method (Saunders et al., 2000), where four main channels were used to reach the sample:

- ❖ ***CentraRSE, the Center of Social Responsibility in Guatemala***, sent the questionnaire through an e-mail to their SME members, which consist of 35 – 40 members. Due to being the first study of its type in Guatemala, the members of CentraRSE are a good target population. It can be assumed that, if they belong to this organisation, they have already implemented or are interested in implementing CSR practices.
- ❖ ***The Chamber of Commerce of Guatemala and the region of Sacatepéquez***. Many businesses throughout the country are members of the Chamber of Commerce; therefore, this channel will reach a larger population. The National Chamber of Commerce sent an e-mail to around 400 members and to the directors of each regional Chamber of Commerce. The Chamber of Commerce of Sacatepéquez sent the questionnaire to over 100 businesses. However, because the e-mail was sent to all members, the survey reached companies that were not part of the target population.
- ❖ ***AGER, the rural businessmen association***, which has 33 active members. AGER published the link to the survey on their webpage and they also promoted it using Facebook.

- ❖ Participants of the 3rd and 4th SME exposition organised by the Rafael Landivar University and the Ministry of Economy were contacted via e-mail to participate in the study, which account for 77 SMEs.

In total, approximately 550 businesses received an invitation to participate in the study.

3.4 COLLECTION OF DATA

The three main stages to collect the data were: the preparation and design of the questionnaire, the pilot test and the administration of the questionnaire.

3.4.1 Design of the questionnaire

This stage is crucial in the research process, because once the questionnaire is sent to the respondents; it is difficult to change it (Davidson & Tolich, 2003; Veal, 2005). Therefore, it is essential to have a clear idea beforehand of what data we want to collect (Ticehurst & Veal, 2000; Veal, 2005). That is to say, it was necessary to have defined research objectives to see if the questions included in the survey will provide useful information or not. Previous studies on CSR in SMEs were used to design the questionnaire (Appendix 1). Their questions were adapted to the purpose of this study (see UNIDO, 2012; Jorgensen & Knudsen, 2006; Vives et al., 2005; Collins, Lawrence & Ropert, 2007; PriceWaterhouseCoopers, 2004), because they provide reliability to the instrument (Saunders et al., 2007).

The questionnaire was designed using the programme *surveymonkey*, as it provides a good platform to send the questionnaires via e-mail and it is also one of the most commonly used softwares for designing and administering online surveys. The survey was designed in Spanish (Appendix 2), as this is the official language of Guatemala and the researcher is Guatemalan and a native speaker of Spanish. Two main considerations were taken into account when designing the questionnaire. First, most of the questions were closed questions and mainly involved ticking a box. This method was chosen, because open questions in online surveys can reduce the response rate (Denscombe, 2009) and can also create a bias by attracting only companies that are interested in the topic (Cassells & Lewis, 2011). Thus, different types of closed questions were used,

such as the matrix type, multiple choice and the ranking system (Saunders et al., 2007). However, in some cases, the respondents had the opportunity to further elaborate on their answers or to add answers that have not been considered in the set ones. Second, the use of the term CSR was kept to a minimum, as it has been argued that CSR is often considered to be related to big corporations (Jenkins, 2004). Therefore, it is advisable to avoid the term, when conducting research with SMEs (Roberts et al., 2006). However, in Spanish the acronym used to refer to CSR is more appropriate within SMEs, because instead of the word “corporation”, the term “business” is used.

The questionnaire was designed to contain three different sections. The first section consisted of general information of the respondent and their business. This section was useful to create a profile of the business. However, some details included in this section will also be helpful to compare and analyse the answers in the following sections. The second section is more descriptive and its purpose is to find what CSR practices SMEs prefer to adopt. The four main areas explored were the internal, external, environmental and supply chain practices. Finally, the third section consists of the perceptions the participants have of CSR and the drivers, barriers and expectations for the future in terms of their engagement in CSR practices.

3.4.2 Pilot test

After finishing the design of the questionnaire, a pilot test was carried out in Spanish to assure that the questionnaire was appropriate and to identify if any changes needed to be implemented, before sending the survey to the sample (Saunders et al., 2007). For this pre-test, seven people were approached: two business owners, two general managers, two postgraduate students and one expert in the field of social responsibility. This stage was used to identify, whether there were any questions that could be misunderstood or whether the instructions of the questionnaire were clear enough (Zikmund et al., 2010; Saunders et al., 2007). In addition, the participants of the pilot survey were asked to estimate the time needed to complete the questionnaire (Ticehurst & Veal, 2000), to check the wording and to look out for any spelling or grammar mistakes (Ticehurst & Veal, 2000) and to check whether there was an exhaustive variety of answers.

After receiving the results of the pilot survey, some changes were made to the questionnaire. The responders found that the questionnaire was clear, that it provided enough variety of answers and that it was well displayed. However, they felt the questionnaire was too long. Thus, using the research objectives of each question as a guide (Appendix 3), questions that did not strongly address the initial proposition were removed from the survey (Appendix 4).

3.4.3 Administration of the survey

For the administration of the questionnaire, various organisations were contacted and asked to send an e-mail with the link to the questionnaire to their members. The first organisation contacted was CentraRSE, who sent an e-mail to their SME members. However, because of the small sample from CentraRSE, other channels were approached. The National Chamber of Commerce sent an e-mail to their members and published the survey link on their webpage. Likewise, the regional Chamber of Commerce of Sacatepequez sent the e-mail to their members. It is worth mentioning that both Chambers of Commerce sent the e-mail to all their members without considering if they were SMEs or not. AGER also supported the project by sending an e-mail to their active members and by publishing the link to the questionnaire on their webpage and fan page on Facebook. Finally, participants in the 3rd and 4th convention of SMEs organised by the Rafael Landivar University and the Ministry of Economy were also invited to participate in this study.

The administration of the survey proved to be a complicated process for many reasons. First, the researcher did not have direct access to the databases of CentraRSE, the Chamber of Commerce and AGER because of security reasons. Therefore, the researcher depended completely on the organisations to send the initial e-mail and reminders. Second, it was difficult to keep a record of who received the e-mail, how and when. Moreover, communication between the researcher and the different organisations was difficult, as it mainly relied on e-mails rather than direct communication. For example, with CentraRSE, there was no answer as to when the survey and the reminders were sent, as another department was in charge of carrying out this task. With the National Chamber of Commerce, the researcher received an e-mail on the 28th of June indicating that the link was sent to around 400 members and the directors of the regional

Chambers of Commerce. However, with the regional Chamber of Commerce of Sacatepéquez, the communication was better: the researcher received a copy of the initial e-mail sent to their members on the 19th of June and a reminder on the 20th of July. Furthermore, AGER published the link to the survey on their webpage on the 21st of June and an e-mail was sent to their members. They also published the link to the survey on their Facebook page on the 21st of June and a reminder on the 28th of June. On the other hand, with the Rafael Landivar University, the researcher had access to the database and communicated directly with the participants, which made a difference in the response rate from this group.

3.5 RESPONSE RATE

Several recommendations were taken into account to enhance the response rate from an online survey. First, we need to ensure that we have the right e-mail addresses for the target sample (Cooper & Schindler, 2011). This was not an issue because the intermediary organisations, like the Chamber of Commerce and CentraRSE, are in constant communication via e-mail with their members. Second, the subject line has to be a topic that is of interest to the respondents, so that they do not delete the e-mail (Zikmund et al., 2010; Cooper & Schindler, 2011). Since in this case people received the e-mail from familiar organisations, the amount of people who read the e-mail should increase. Including questions that can be of interest to the respondents at the beginning is a good way to enhance the response rate as well as including an incentive for completing the survey (Zikmund et al., 2010). However, the online survey does not provide the opportunity to send a physical incentive to the respondent, thus it usually consists of a promise of a future reward (Zikmund et al., 2010). Therefore, participants were motivated to enter the draw to win a book of New Zealand Landscapes for completing the survey. Finally, it is important to follow up on people who have not responded by sending them a reminder, as this has been proven to increase the response rate (Cooper & Schindler, 2011; Saunders et al., 2007). Thus, reminders were sent to the intermediary organisations so they could follow up with their members. However, the dependency on intermediaries was a challenge, as the researcher was not able to be completely sure if the request of sending reminders was actually met by the intermediary organisations.

A response rate of 9.64% was achieved in this study. This is similar to the 8.8% for Revell et al.'s (2010) study on SMEs and the environment in London and the 10.3% response rate for Pimenova and van der Vorst's (2004) study. Several factors influenced the low response rate. First of all, the initial population of 550 businesses was exaggerated, as some of the intermediary organisations sent the invitation to all of their members, regardless of their size. Thus, the questionnaire reached many businesses that are not SMEs, which resulted in a skewed response rate. Consequently, 11 completed questionnaires could not be used, as they did not meet the sample criteria. Second, it has been recognised that SMEs are one of the hardest sectors to engage in social research (Macpherson & Wilson, 2003; Spence & Lozano, 2000), especially if they do not have a positive interest in the research topic (Macpherson & Wilson, 2003; Collins et al., 2010; Cassells & Lewis, 2011). This could be the case with this study, as CSR is not widely discussed in Guatemala, especially among SMEs. Moreover, response rates for surveys in general have shown to be declining over time (Sheehan, 2001). Moreover, Kwak and Radler (2002) and Tse (1998) found that web surveys get a lower response rate than paper surveys. In addition to this, Brecko and Carstens (2006, as cited in Denscombe, 2009) agreed that there is a higher probability of participants not finishing an online questionnaire than a paper questionnaire. Thus, this could be an explanation of why 111 people accessed the survey, which accounts for 20.18% of the initial sample, but only 64 finished the questionnaire. From these 64, only 53 met the sample criteria.

3.6 DATA ANALYSIS

This study does not intend to make generalisations about Guatemalan SMEs, but instead aims to take a more interpretative position to gain a better understanding of the challenges SMEs are facing and their perceptions about CSR. This is a similar approach to the one undertaken by Vives et al. (2005) in their study of CSR in Latin American SMEs. Thus, the information provided by this study is extremely valuable to compare to other SMEs around the world and to help in policy decision making. Therefore, this data was analysed using descriptive statistical tools, which provided a good insight into the current situation of Guatemalan SMEs in the field of CSR.

The initial steps to arrange the data in a suitable way were to define the variables, followed by assigning numbers to the different categorical answers and entering them

into an Excel spreadsheet. Afterwards, preliminary tests were run, which consisted in checking the data entry, ensuring that all data was in the range of defined scores and detecting any possible data entry errors in order to correct them and create a clean data file to work with (Pallant, 2007).

The main descriptive statistical tool used to analyse the data was the frequency of occurrence, because of the type of data collected from the survey. Thus, frequency of occurrence is more appropriate than traditional statistical tools (e.g. mean and standard deviation), when the data consists of a nominal and/or an ordinal scale (Pallant, 2007). A nominal scale means that the answers are in a categorical form (Pallant, 2007). Most of the possible answers in the questionnaire consisted of a nominal scale (see Appendix 1). For example, respondents had the option between high, medium, low or no engagement for the different CSR practices. An ordinal scale means the answers are given by means of a ranking system (Pallant, 2007), like in the case of the question of the level of influence of stakeholders (see Appendix 1). Thus, frequency of occurrence is the most suitable statistical tool for this type of data.

To compare the responses between small and bigger SMEs and between the manufacturing and service sectors, cross tabulations were used. If cross tabulations revealed significant differences among groups, chi-square tests for independence were used to explore the relationship between these two variables in more depth (Pallant, 2007). This type of test was selected, as it is the most suitable when the data is categorical (Pallant, 2007), which is the case for this study. A few considerations were taken into account for the interpretation of the results of the chi-square test for independence. When chi-square tests were run with a 2 by 2 table, the suggestions of Cohen (1998, cited in Pallant, 2007) to determine any correlations were considered. Therefore, a phi coefficient of 0.10 suggests a small effect, while 0.30 implies a medium effect and 0.50 a large effect (Cohen, 1998, as cited in Pallant, 2007). In some cases, the tables were bigger than a 2 by 2, which means that the Cramer's V value will be the one that determines the correlation between groups (Pallant, 2007). Therefore, if the Cramer's V value is 0.01, there is a small correlation; if it is 0.30, there is a medium correlation and a value of 0.50 reveals a large correlation (Pallant, 2007). Nonetheless, in some cases, the sample is too small for the test to be completely reliable (Carver & Nash, 2006; Pallant, 2007); however, the test is still useful to describe and state that

there seems to be a difference between groups (Carver & Nash, 2006). That is to say, the chi-square tests only provide additional support to the findings from cross tabulations among groups.

4. RESULTS

The objective of this chapter is to present the results obtained from the survey. Further figures and tables that support these results will be provided in the appendix. The term ‘bigger SMEs’ will be used to comprise small and medium enterprises (11-60 employees) into one group, when comparing them against microenterprises and the influence of business size on the results. This chapter will start by presenting the demographics of the Guatemalan SMEs that participated in this study. This information will be useful to gain a better understanding of the characteristics of the sample. Afterwards, the results will be presented in the same order as in the questionnaire (Appendix 1). First, the different CSR practices that have been implemented in Guatemalan SMEs will be described. Second, the results from the perceptions of Guatemalan SMEs about CSR will be presented. This includes barriers and reasons to engage in CSR. Finally, the expectations for a future engagement in CSR and the current knowledge about organisations that support Guatemalan SMEs in the implementation of CSR will be provided.

4.1 DEMOGRAPHICS

The demographics of the sample provide a useful background to analyse the data from the questionnaire.

Table #3. Summary of the demographics of the sample

Position in the Business		Size of Business	
Business Owners	49%	Micro	64%
General Managers	34%	Small	19%
Others ⁹	17%	Medium	17%
Ethnicity		Sector	
Maya	11%	Manufacturing	36%
Ladino	83%	Services	64%
Foreigner	6%		
Gender			
Male	64%		
Female	36%		

⁹ Others include: managers, managers’ assistants and legal representatives

Highest Level of Education Completed		Geographic Scale¹⁰	
Tertiary	77%	Local	47%
High School	15%	Regional	51%
Middle School	4%	National	36%
Primary	2%	Global	25%
No answer	2%		

The majority of respondents are business owners and/or general managers. This is an advantage for the study, as their values and perceptions have a great influence on business decisions, including in terms of CSR (Hemingway & MacLagan, 2004; Pagell & Wu, 2007; Isaksson et al., 2010). Therefore, understanding their perceptions will provide a good insight into business culture, practices and goals (Jenkins, 2004; Spence & Rutherford, 2003). Moreover, only 6% of the respondents are members of CentraRSE. That is to say, that there was no bias in this aspect towards a higher degree of commitment in CSR, as it might be expected that the members of CentraRSE would have a higher interest for CSR. Interestingly, most of the respondents have a tertiary education. This is contrary to Maul et al. (2011), who found that the typical Guatemalan entrepreneur has little formal education. In addition to this, the ethnicity of the sample also reflects the fact that there are more Ladinos than Mayas in Guatemala, where Mayas are usually poorer than Ladinos (INE, 2006).

In regard to business size, 64% represent microenterprises (1-10 employees), 19% are small businesses (11-25 employees) and 17% are medium companies (26-60 employees) (Appendix 5). This represents the current situation of SMEs in Guatemala, where the majority are microenterprises (INE, 1999). The average time the SMEs have existed is 11.8 years. Moreover, Guatemalan SMEs were classified into two main sectors to analyse their responses: services¹¹ and manufacturing¹² (Appendix 6)¹³. Finally, from the sample of Guatemalan SMEs, 25 reported to have local presence¹⁴, 27

¹⁰ The values do not add up to 100%, as businesses had the option to select more than one option.

¹¹ Services defined as organisations that “transform outputs, such as customers, into intangible outcomes” (Greatbanks, 2008, p. 642). This category includes services, logistics, education, graphic design, telecommunications, retail, travel agencies, hotels, restaurants and NGOs.

¹² The manufacturing sector is comprised by “organizations that transform raw materials inputs into tangible products” (Greatbanks, 2008, p. 642). This category includes manufacturing, agroindustry, agriculture, forestry, mining, handicraft and construction.

¹³ For a more detailed distribution of the sample regarding the business sector see Appendix 7.

¹⁴ Local presence refers to doing business only at a community or town level.

have expanded to a regional level¹⁵, 19 also do business at a national scale and 13 are exporting their goods and/or services (Appendix 8).

4.2 CSR PRACTICES

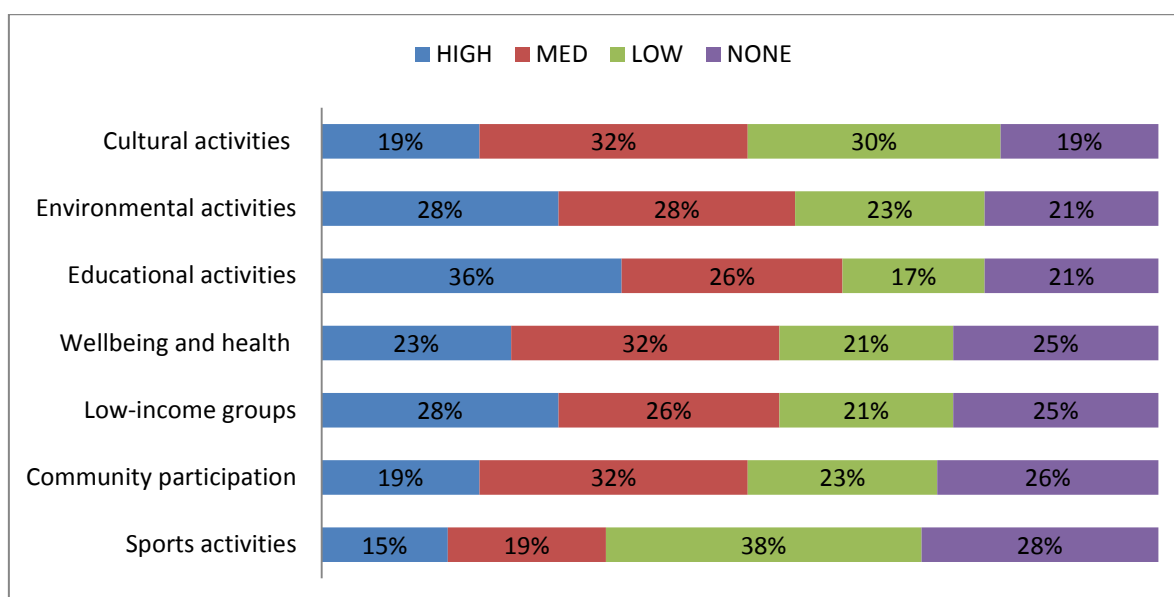
The practices that have been implemented by Guatemalan SMEs will be presented following the same considerations as discussed in the literature review and in the same order as in the questionnaire (Appendix 1). Therefore, the results will be presented considering four main groups of practices: external, internal, environmental and supply chain practices.

4.2.1 External practices

External practices reflect how businesses contribute to the local community in which they operate (Vives et al., 2005). An average of 75% of Guatemalan SMEs stated that they have some sort of engagement in external practices, even if it is at a low level (Appendix 9). The most common practice considering all levels of engagement is the support of cultural activities (81%) (Appendix 9). However, figure 1 reveals that this is more common at a medium and low level of engagement, where SMEs do not consider it part of the business strategy. On the other hand, figure 1 highlights that the SMEs that support educational activities show the highest level of engagement (36%). This is important as it reveals that the support for this activity occurs on a regular basis and is part of their business strategy. In addition to this, figure 1 also shows that Guatemalan SMEs have a more widely spread distribution at all levels of engagement for the support of environmental activities, while most of them have a medium level of engagement in activities related to community participation and the support of activities related to wellbeing and health. Finally, the practice that enjoys the least support among Guatemalan SMEs is sports activities (Appendix 9). In addition to this, figure 1 reveals that most of SMEs that do support sports activities only do so at a low level of engagement.

¹⁵ Companies at a regional level have expanded their businesses to have customers at a state scale.

Figure #1. Level of engagement in external practices



The main medium of support for external practices (Appendix 10) is through the donation of products and/or services (48%), followed by sponsorship (44%) and the participation of owners/managers in social responsible activities (42%). On the other hand, the two ways less used are financial donations (27%) and cause related marketing (23%).

It is also useful to compare if the engagement in external practices is influenced by the size of business or the business sector. In terms of business sector, the findings reveal that there are no relevant differences between the manufacturing and the service sector (Appendix 11). On the other hand, there are differences regarding the size of the SMEs and their engagement in external practices. First, bigger SMEs have a higher level of engagement than microenterprises (an average of 32% compared to 19%). These differences are more pronounced in the support of environmental and educational activities (Appendix 12). For the support of environmental activities, the chi-square test indicates that there are no significant differences between microenterprises and bigger SMEs¹⁶ (Appendix 13). However, for the support of environmental activities, the chi-square test suggests that the differences are significant and that there is a medium association between business size and the support of environmental activities¹⁷ (Appendix 14). That is to say, bigger SMEs will support this activity more than

¹⁶ Chi-square test for independence results, $\chi^2 (3, n = 53) = 6.557, p = 0.087$, Cramer's V = 0.352.

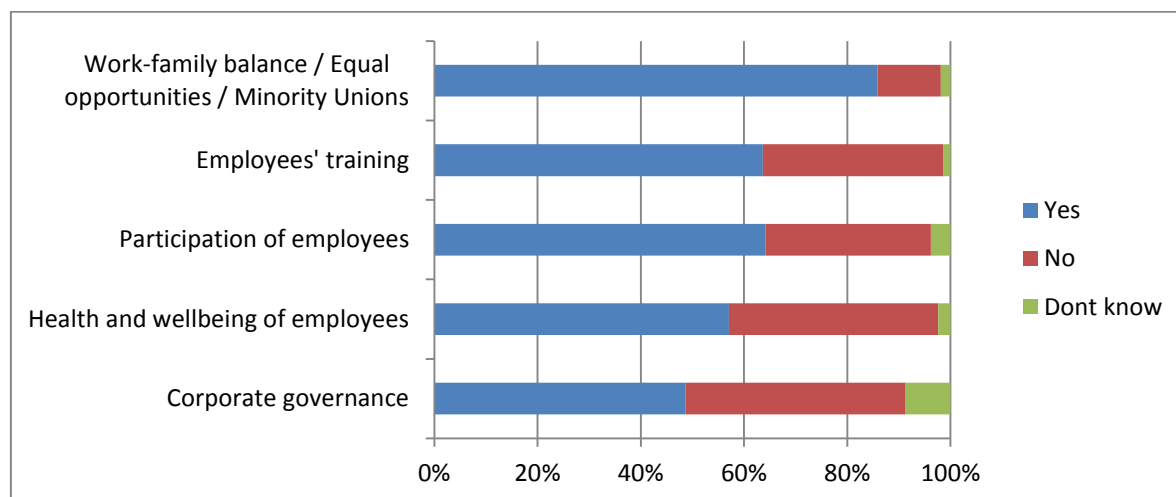
¹⁷ Chi-square test for independence results, $\chi^2 (3, n = 53) = 7.956, p = 0.047$, Cramer's V = 0.387.

microenterprises. Finally, an average of 30% of microenterprises has not implemented any external practices, while only 11% of bigger SMEs have not. Therefore, the results suggest that business size influences the implementation of external practices.

4.2.2 Internal practices

The results for internal practices were divided into five main categories following the suggestion of Vives et al. (2005). From this five main areas, figure 2 indicates that the most developed among Guatemalan SMEs is the one concerning the provision of work-family balance, equal opportunities and support of minority groups, with an average of 86% enterprises already implementing these. The following categories that have received attention are employees' training and participation of employees (64% each). On the other hand, figure 2 reveals that less than half of Guatemalan SMEs have implemented practices in the area of corporate governance. Interestingly, an average of 10% of respondents stated 'do not know' if their business engages in this type of practices. Perhaps, there is still not much knowledge on this area of CSR among Guatemalan SMEs.

Figure #2. Guatemalan SMEs that have implemented internal practices

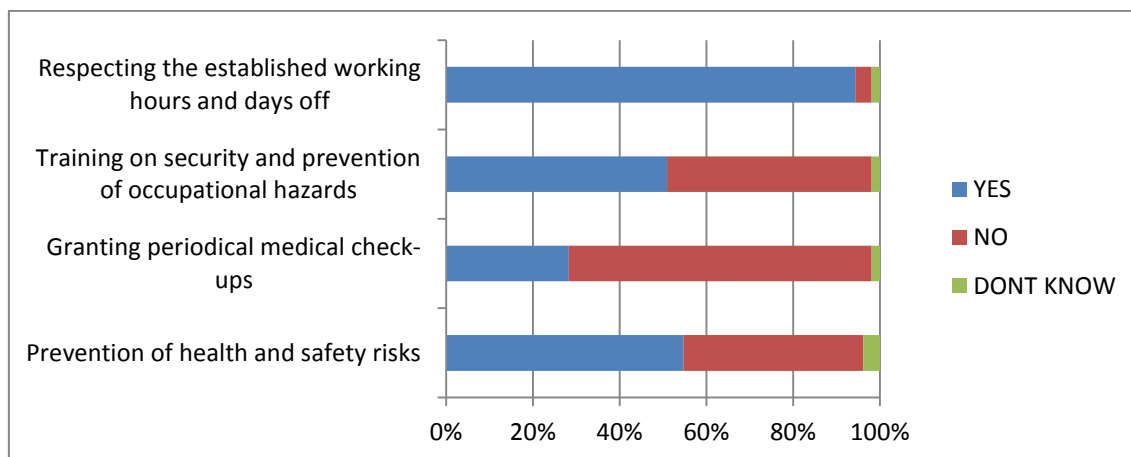


4.2.2.1 Health and wellbeing of employees

An average of 57% of SMEs has implemented activities concerning the health and wellbeing of their employees (Appendix 15). Figure 3 reveals that the most common practice among Guatemalan SMEs is respecting the established working hours and days

off (98%), while the least common one is granting periodical medical check-ups, where over 70% of businesses do not provide their employees with this benefit.

Figure #3. CSR Activities related to health and wellbeing of employees



Most Guatemalan SMEs, regardless of their size and business sector, have a similar level of implementation of activities related to health and wellbeing of employees. Regarding the business sector (Appendix 16), marginally more SMEs from the service sector respect the established working hours and days off of employees and have also established prevention measures in terms of health and safety risks, while slightly more manufacturing SMEs provide training for their employees on security and the prevention of occupational hazards. The implementation of periodical medical check-ups for employees is the practice with the most significant difference between business sectors; however, this difference is not statistically significant according to the chi-square test¹⁸ (Appendix 17). With regards to the size of the SME (Appendix 18), more microenterprises respect the established working hours and days off of employees, while bigger SMEs tend to be more engaged in the prevention of health and safety risks and in the provision of training on security and the prevention of occupational hazards. Likewise, granting periodical medical check-ups is also the practice that shows the greatest difference between the size of the SMEs, where it is more common among bigger SMEs than microenterprises (42% vs. 21%) (Appendix 18). Although the chi-square test indicates that there are no significant statistical differences between these two groups¹⁹ (Appendix 19).

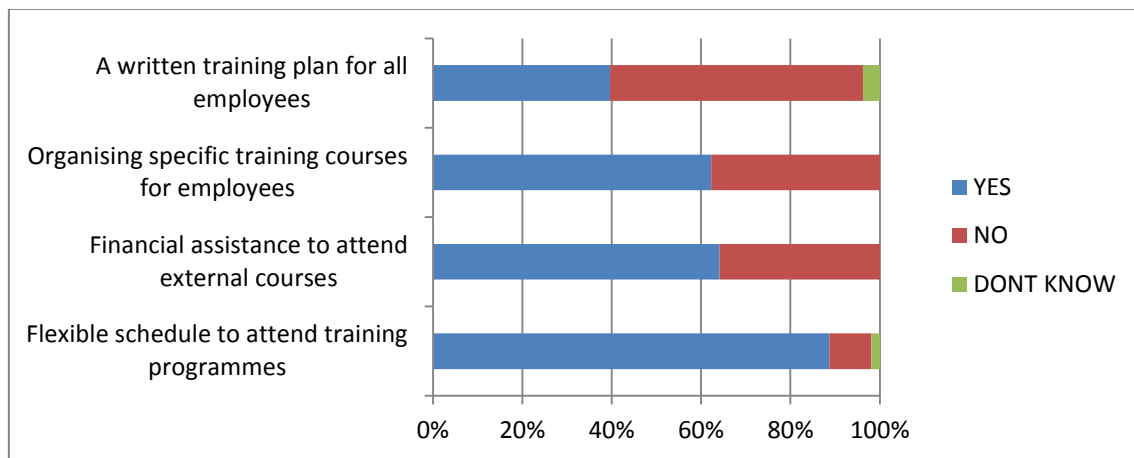
¹⁸ Chi-square test for independence results, $\chi^2 (2, n = 53) = 3.782$, $p = 0.151$, Cramer's $V = 0.267$

¹⁹ Chi-square test for independence results, $\chi^2 (2, n = 53) = 5.036$, $p = 0.081$, Cramer's $V = 0.308$

4.2.2.2 Training of employees

Training of employees is the second most common practice, with an average of 64% of respondents implementing these (Appendix 20). The most common practice in this area, as depicted in figure 4, is to provide flexible schedules for employees to attend training programmes, while having a written training plan for all employees is the least common practice.

Figure #4. CSR activities related to employees' training



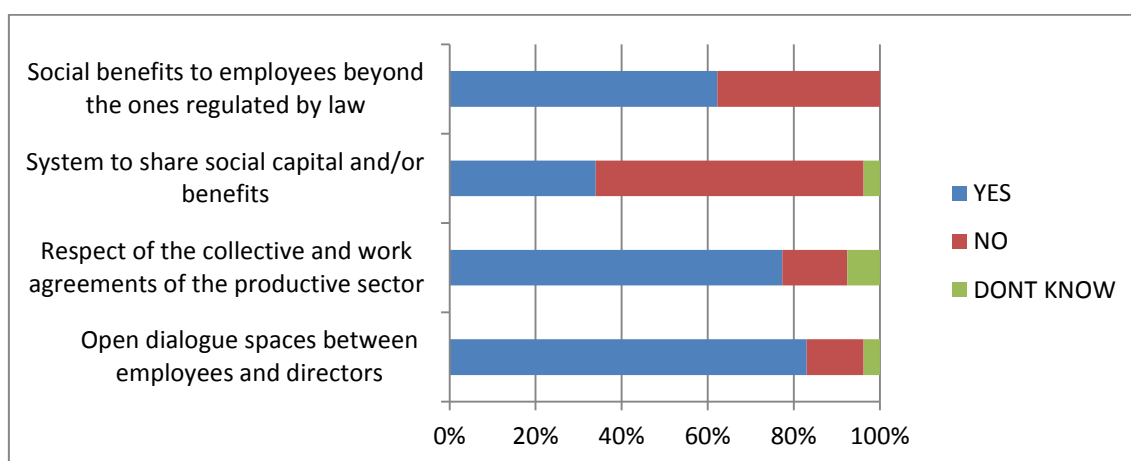
There are no significant differences between the implementation of practices related to training of employees and the SME sector (Appendix 21). On the other hand, the size of the business does have an influence on the implementation of some practices. For example, microenterprises focus more on providing financial assistance for their employees to go to training courses, while bigger SMEs tend to organise the training courses for their employees themselves (Appendix 22). Moreover, having a written training plan for all employees is much more common among bigger SMEs than in microenterprises (74% vs. 21%). The chi-square test suggests a strong direct relationship between business size and having a written plan for employees²⁰ (Appendix 23).

²⁰ Chi-square test for independence results, $\chi^2 (2, n = 53) = 14.590$, $p = 0.001$, Cramer's $V = 0.565$

4.2.2.3 Participation of employees

Many Guatemalan SMEs have established practices that give their employees the opportunity to participate in the business beyond the traditional employer-employee relationship (Appendix 24). Figure 5 reveals that, while providing a regular open dialogue space between employees and directors and respecting the different sector agreements are common practices among Guatemalan SMEs, other practices such as sharing benefits and/or the social capital of the business with employees are less common.

Figure #5. CSR activities related to the participation of employees



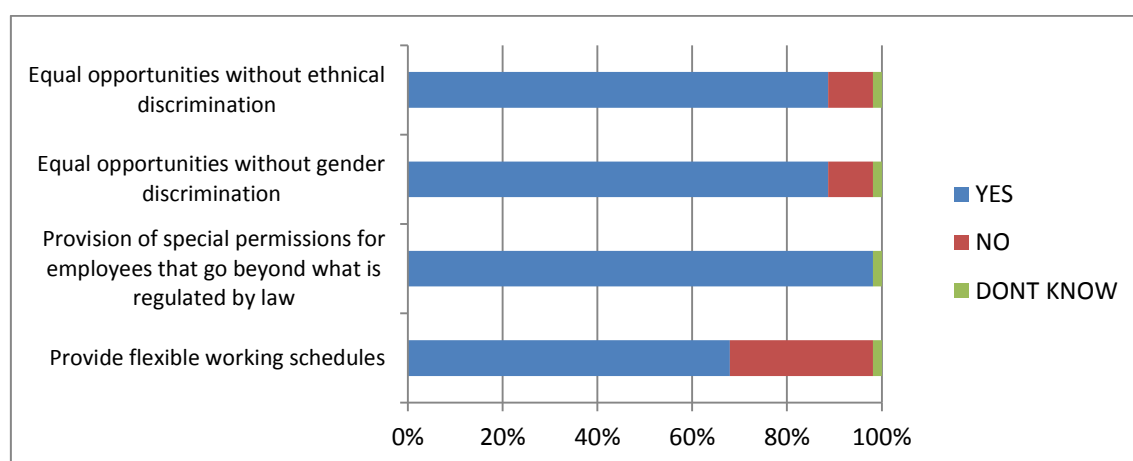
The size of the SMEs and their business sector does not have a strong influence on the implementation of activities related to the participation of employees. The practice that shows the greatest difference between business sectors is having a system to share the social capital and/or benefits with employees. In this area, the service sector has taken the lead over the manufacturing sector (41% vs. 21%) (Appendix 25). However the chi-square test indicates that these differences are not statistically significant²¹ (Appendix 26). On the other hand, there are no major differences between the size of Guatemalan SMEs and the implementation of practices regarding the participation of employees (Appendix 27).

²¹ Chi-square test for independence results, $\chi^2 (2, n = 53) = 2.248$, $p = 0.325$, Cramer's $V = 0.206$

4.2.2.4 Work-family balance, equal opportunities and minority unions

Among the different internal practices, this is the one that has been adopted the most, with an average of 86% of Guatemalan SMEs being active in this area (Appendix 28). Figure 6 shows that the most common practice among SMEs is to provide a scheme of special permissions for employees that go beyond what is regulated by law²². This is followed by having a policy in place for equal opportunities when hiring, without ethnical and gender discrimination. However, figure 6 also reveals that 30% of Guatemalan SMEs still do not provide their employees with the flexibility of choosing their working schedule.

Figure #6. CSR activities related to work-family balance, equal opportunities and minority unions



The results show no significant differences between business sector and the implementation of internal practices (Appendix 29). However, the size of SMEs can influence the implementation of certain practices in this area, such as the provision of a flexible working schedule, where 79% of microenterprises have this practice in place, while only 47% of the bigger SMEs do (Appendix 30). This evidence is supported by the results of the chi-square test, which suggests that there is a significant difference and a medium association between business size and the provision of a flexible working schedule to employees²³ (Appendix 31).

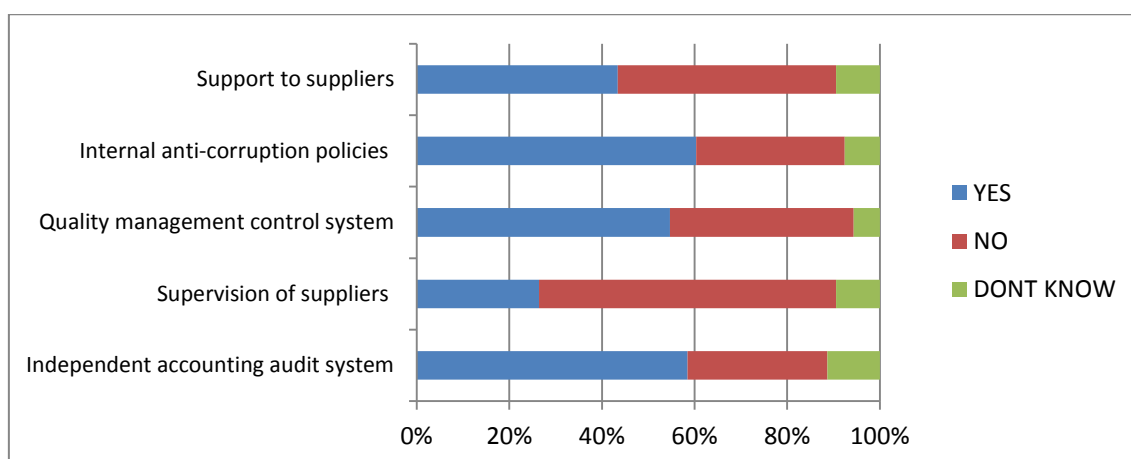
²² For example, leave work to attend a sick family member.

²³ Chi-square test for independence results, $\chi^2 (2, n = 53) = 7.343$, $p = 0.025$, Cramer's $V = 0.375$

4.2.2.5 Corporate governance

Corporate governance is the least developed area in terms of internal practices, with an average of less than half of Guatemalan SMEs engaging in practices related to this area (Appendix 32). Following the same framework as Vives et al. (2005), some practices related to the supply chain management, such as the supervision of suppliers and the provision of support to suppliers, were also incorporated in the area of corporate governance. Interestingly, figure 7 reveals that these two practices are the least common among Guatemalan SMEs. These two practices of corporate governance will be included in the discussion of supply chain management practices below. On the other hand, figure 7 shows that around 50 to 60% of Guatemalan SMEs have implemented practices concerning the establishment of anti-corruption policies and having independent accounting systems and quality management control systems.

Figure #7. CSR activities related to corporate governance

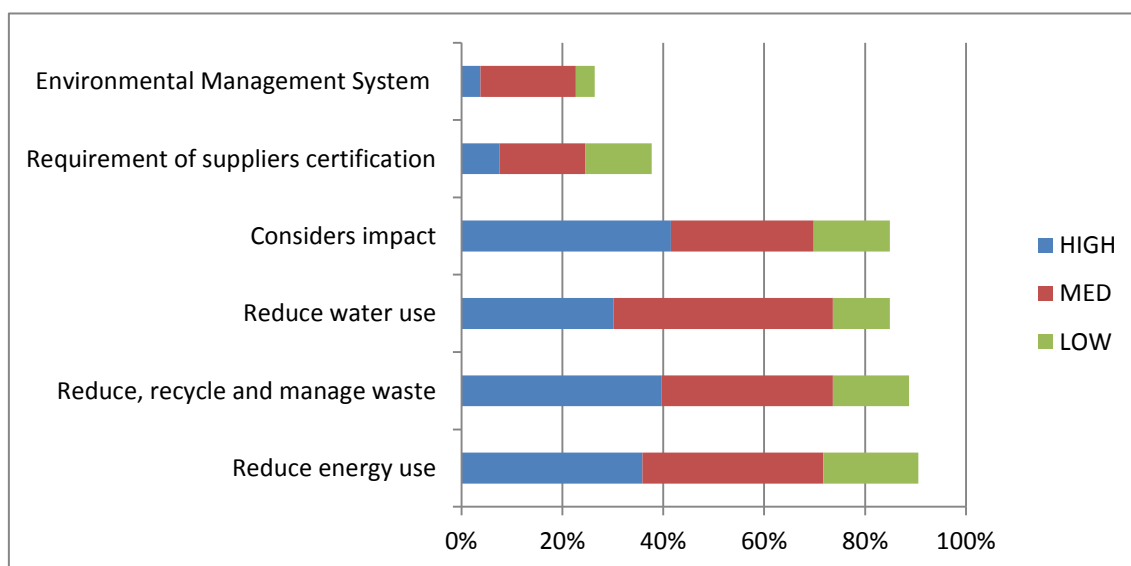


There are no significant differences regarding the implementation of corporate governance practices between business sizes or sectors. For example, slightly more manufacturing SMEs have independent accounting systems and quality management control systems in place, while more SMEs from the service sector have established internal anti-corruption policies, although these differences are small (Appendix 33). Similar results were found among business sizes. Even though the three main practices of corporate governance highlighted in figure 7 are more common among bigger SMEs, microenterprises do not lag far behind (Appendix 34).

4.2.3 Environmental practices

Environmental practices have been implemented by many Guatemalan SMEs. Proof of this is that, considering all levels of engagement, an average of 69% of Guatemalan SMEs has implemented them (Appendix 35). The main activities that SMEs have implemented, as shown in figure 8, are programmes to reduce the use of energy and water as well as recycling and waste management programmes. In addition to this, figure 8 reveals that most Guatemalan SMEs have a high level of engagement when considering the environmental impact of their products and processes; followed closely by programmes to reduce, recycle and manage waste as well as programmes to reduce the use of energy. On the other hand, figure 8 depicts that the least common practices among Guatemalan SMEs are the implementation of environmental management systems and the requirement for suppliers and subcontractors to have environmental certifications.

Figure #8. Level of engagement of Guatemalan SMEs in environmental practices



Regarding the business sectors, more manufacturing SMEs have concentrated their efforts on a high level of engagement in programmes to reduce, recycle and manage waste (Appendix 36). The chi-square test suggests that there is a medium correlation between business sector and the implementation of this practice²⁴ (Appendix 37). On the other hand, the service sector has focused more on programmes to reduce the use of

²⁴ Chi-square test for independence results, $\chi^2 (3, n = 53) = 8.542$, $p = 0.036$, Cramer's $V = 0.401$.

energy (Appendix 36), although the chi-square test indicates that there are no significant differences between the sector of SMEs and the implementation of this practice²⁵ (Appendix 38).

Considering the size of the SMEs and the different environmental practices, there are a few small differences. For example, having an environmental management system, demanding an environmental certification for suppliers and having programmes to reduce, recycle and manage waste are more common among bigger SMEs than in microenterprises (Appendix 39). On the other hand, microenterprises have a higher level of engagement in practices such as reducing the use of water and energy compared to bigger SMEs.

4.2.4 Supply chain practices

This section presents the results obtained about supply chain practices. First, CSR requirements that Guatemalan SMEs receive from their customers will be presented. This is followed by an analysis of the influence of the geographical business scale on customers' CSR requirements and the different ways that customers use to monitor Guatemalan SMEs. Second, looking at the other end of the supply chain, CSR requirements that Guatemalan SMEs impose on their suppliers will be presented, including the influence of the suppliers' location on the imposition of these requirements. This analysis will be complemented with the results obtained from the section of corporate governance regarding supply chain practices. Finally, an analysis on how CSR requirements are passed on along the supply chain from customers to Guatemalan SMEs to the suppliers of these SMEs will be provided.

4.2.4.1 Customers' CSR requirements for Guatemalan SMEs

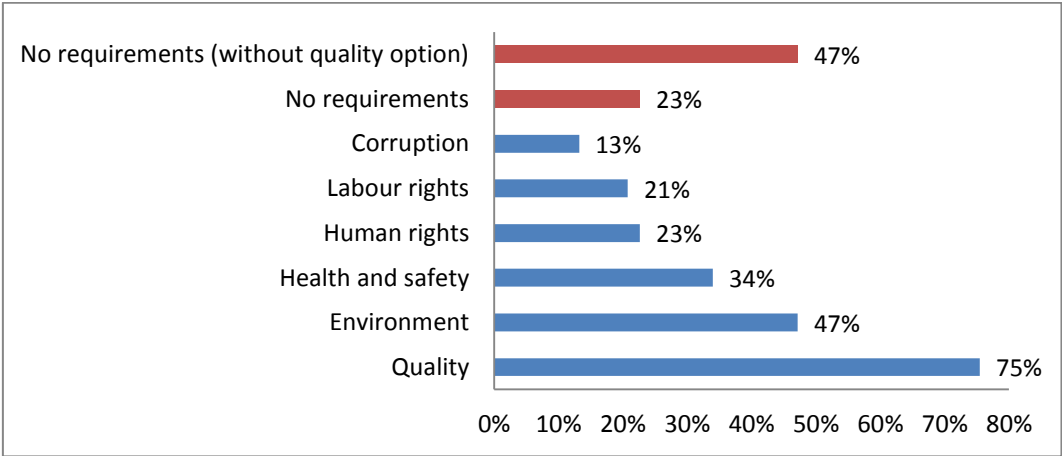
The main requirement that Guatemalan SMEs receive from customers is quality²⁶, which is not directly related to the CSR practices of the business as such. However, it has been argued that having a quality management system is a start for environmental

²⁵ Chi-square test for independence results, χ^2 (3, n = 53) = 3.841, p = 0.279, Cramer's V = 0.269

²⁶ Quality of the products and/or services, which can be defined as all the characteristics that a product/service has that satisfies the needs of consumers (Quality Progress, 1992, as cited in Greatbanks, 2008)

management (Welford, 1992). The main CSR requirement for the customers of SMEs is the environmental practices as shown in figure 9. Contrastingly, figure 9 highlights the fact that only a small group of customers of Guatemalan SMEs have requirements in areas such as health and safety, human rights, labour rights and corruption. Finally, without taking into consideration the aspect of quality, 47% of Guatemalan SMEs do not receive any requirements from their customers regarding CSR practices.

Figure #9. CSR requirements from customers



The business sector of SMEs does not have a great effect on the CSR requirements that they receive from their customers (Appendix 40). Even though slightly more SMEs of the service sector receive requirements regarding the aspects of health and safety, labour rights and corruption, and more manufacturing SMEs receive requirements regarding the environmental aspect. However, the differences between the sectors are not significant.

Considering the business size, more microenterprises receive CSR requirements in the areas of human and labour rights, while the requirements in areas such as health and safety and corruption aspects increase with the size of business. Finally, fewer of the bigger SMEs do not receive any requirements from their customers compared to microenterprises. Interestingly, the results do not reveal any significant differences between the sizes of SMEs.

4.2.4.2 Customers' CSR requirements and geographical scale of the business

As mentioned before, from the sample of Guatemalan SMEs, 47% have local presence, 51% deal with regional customers, 36% are national businesses and 25% have global customers²⁷. The geographical scale could have an impact on the CSR requirements that Guatemalan SMEs receive from their customers. Table 4 reveals that there is an increase of CSR requirements when Guatemalan SMEs expand their operations to a national scale. However, it is interesting to notice that being in the global market has not increased customer requirements in terms of CSR practices.

Table #4. Geographic scale of SMEs and customer requirements for CSR

SCALE	Environment	Health and Safety	Labour rights	Human rights	Corruption	No CSR requirements
Local (n=25)	48%	36%	16%	24%	12%	36%
Regional (n =27)	59%	30%	26%	33%	15%	30%
National (n =19)	68%	37%	26%	26%	26%	42%
Global (n =13)	46%	31%	15%	15%	8%	31%

4.2.4.3 Monitoring the compliance of customer requirements for CSR

In regard to the ways customers monitor Guatemalan SMEs, only 57% of the participants provided an answer. The main practices mentioned by them were complying with technical specifications, direct supervision, quality control, regular evaluations and visits as well as informal and formal meetings between customers and SMEs (Appendix 42). Interestingly, it seems that the customers of SMEs are more interested in monitoring and ensuring the quality of the product than other CSR practices. Only one respondent mentioned codes of conduct and another mentioned audits (Appendix 42).

4.2.4.4 Guatemalan SMEs and their relationship with suppliers regarding CSR practices

From the corporate governance area discussed before, it was found that practices related to the supply chain are the ones that receive less attention from Guatemalan SMEs.

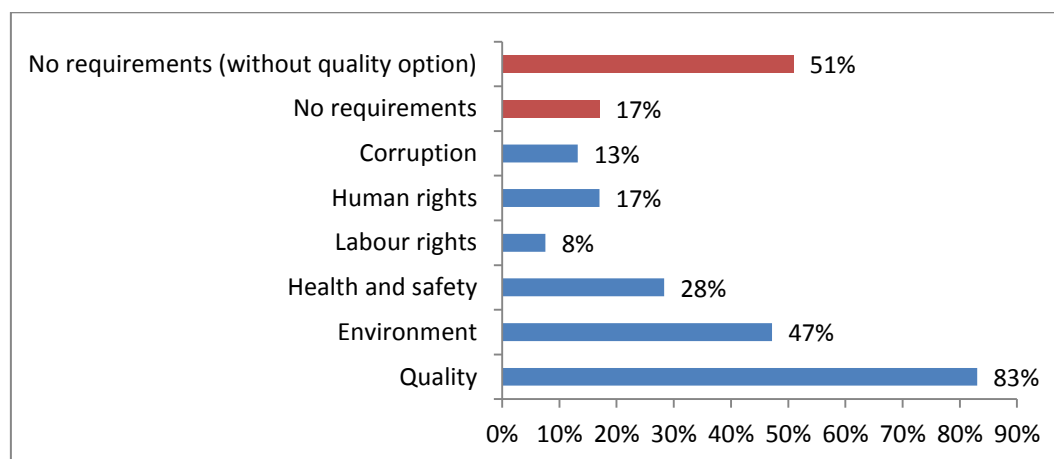
²⁷ Respondents have the option to select more than one answer. Therefore, the sum will not be 100%.

Only 26% said they supervise CSR activities of their suppliers and 43% stated that they provide support for their suppliers to implement CSR practices (Appendix 32). Interestingly, the provision of support for suppliers to implement CSR practices increases with the size of the SME (Appendix 34). However, the chi-square test indicates that this difference is not statistically significant²⁸ (Appendix 43).

4.2.4.5 CSR requirements for suppliers of Guatemalan SMEs

The requirements that Guatemalan SMEs have for their suppliers, as it is shown in figure 10, are still highly concentrated on quality requirements followed by environmental ones. On the other hand, figure 10 indicates that only a few SMEs have CSR requirements for their suppliers in the area of corruption, human rights and labour rights. That is to say that the social dimension of CSR among the supply chain is the least developed. Furthermore, if the quality dimension is not taken into consideration, more than half of Guatemalan SMEs do not have any requirements for their suppliers regarding CSR practices.

Figure #10. CSR requirements for suppliers of Guatemalan SMEs



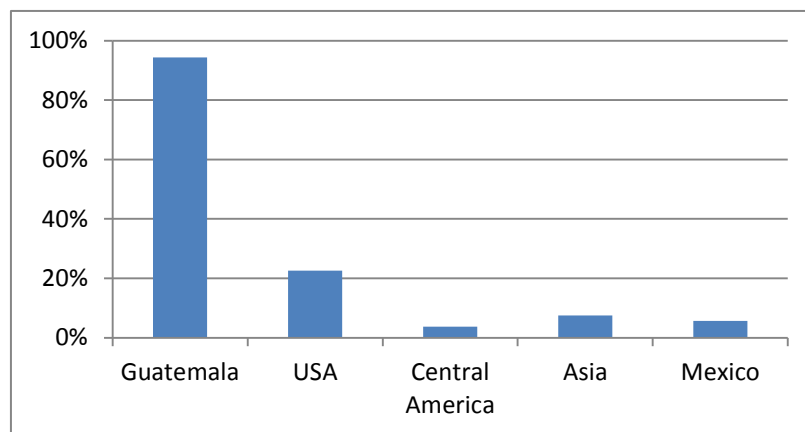
The size of SMEs in Guatemala does not affect the type and amount of CSR requirements that they have for their suppliers (Appendix 44). On the other hand, the business sector does have an influence. While 56% of SMEs from the service sector do not have any CSR requirements, this number decreases to 42% in manufacturing SMEs (Appendix 45).

²⁸ Chi-square test for independence results, $\chi^2 (2, n = 53) = 2.650$, $p = 0.266$, Cramer's $V = 0.224$

4.2.4.6 CSR requirements for suppliers depending on their location

To be able to make any comparisons between the CSR requirements depending on the location of suppliers, it is important to define where these suppliers are. Thus, figure 11 indicates that the majority of Guatemalan SMEs work with local suppliers (94%). Some also have suppliers in the US (23%), in other Central American Countries (8%), Mexico (6%) and Asia (4%)²⁹. However, over 66% only work with suppliers in Guatemala.

Figure #11. Location of Suppliers



A direct relationship was found between the companies that have international suppliers and the CSR requirements that have been established for them, as it is shown in figure 12. The increase of requirements for suppliers in all CSR aspects is evident in companies that work with international suppliers compared to the ones that only work with Guatemalan ones. For example, figure 12 highlights that the requirements for suppliers in the environmental aspects increase by 30%, when SMEs work with international suppliers, although the chi-square test indicated no significant statistical difference³⁰ (Appendix 46). Likewise, figure 12 reflects that the requirements for health and safety practices increase from 17% for local suppliers to 50% for international suppliers. The chi-square test supports this evidence and suggests a medium association between the location of supplier and the requirement of this practice³¹ (Appendix 47). Finally, figure 12 indicates that the difference between the location of suppliers and the CSR requirements imposed on them is less significant in the aspects of labour rights,

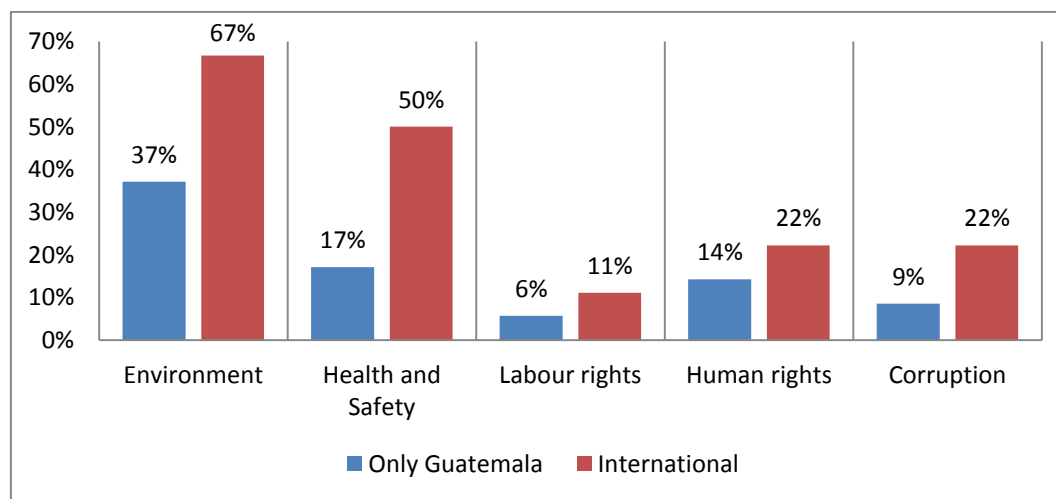
²⁹ The sum can exceed 100%, as respondents had the option to select more than one answer.

³⁰ Chi-square test for independence results, $\chi^2 (1, n = 53) = 3.057$, $p = 0.80$, $\phi = 0.280$

³¹ Chi-square test for independence results, $\chi^2 (1, n = 53) = 4.809$, $p = 0.28$, $\phi = 0.345$

human rights and corruption. However, the tendency is to have more requirements for international suppliers.

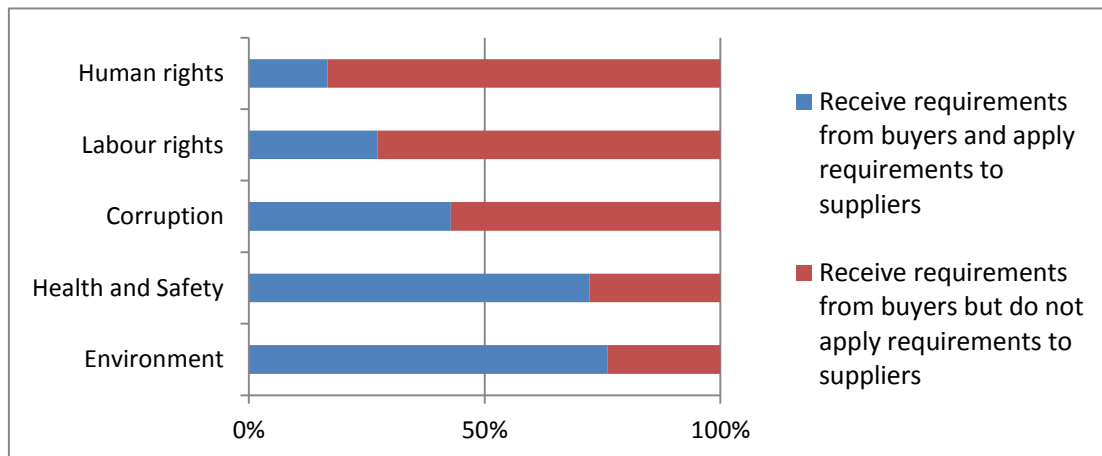
Figure #12. CSR requirements for suppliers depending on their location



4.2.4.7 Comparison between customer requirements for CSR and CSR requirements for suppliers of Guatemalan SMEs

The objective of this section is to find whether SMEs impose the same CSR requirements on their suppliers as the ones that customers demand from the SMEs. As mentioned before, almost half of the respondents do not receive any CSR requirements from their customers. Figure 13 shows that from the Guatemalan SMEs that do receive requirements from their customers, only few pass on these requirements along the supply chain to their suppliers. The environmental aspect is the most common CSR requirement for both the SMEs and their suppliers. Figure 13 shows that 76% of SMEs that receive environmental requirements from customers also pass them on to their suppliers. This is followed closely by health and safety requirements (72%). Contrastingly, figure 13 shows that the requirements on labour rights and human rights are not commonly imposed by customers of Guatemalan SMEs. Even less common is for the ones that do receive requirements in these areas to pass them on to their own suppliers (Appendix 44).

**Figure #13. Customer requirements for CSR and
CSR requirements for suppliers of Guatemalan SMEs**



4.3 PERCEPTIONS OF CSR

The majority of respondents agreed that a responsible business complies strictly with labour and environmental laws (Appendix 48). However, they agreed even more strongly that a business needs to go beyond what is required by the law (94%) and that the government should play a more active role in promoting and ensuring that businesses are held responsible for their actions (87%). On the other hand, respondents agreed that CSR should be a voluntary activity (79%) and that it is not the same as charity (64%) (Appendix 48).

The respondents consider that CSR is applicable both in developing and developed nations (74%). Guatemalan SMEs also agreed that it is not only the obligation of multinational companies to be responsible, but that SMEs should also play a part in CSR. Moreover, respondents agreed that both the manufacturing and service sectors should be socially responsible (66%). However, there are still 30% that believe that manufacturing companies have a greater responsibility than service companies. This is a more common perception in the service sector, where 65% of companies agreed with this statement. Moreover, a vast majority agreed that taking part in protecting and considering their environmental impact is part of being responsible and that this is implied in the definition of CSR (92%). However, 21% of SMEs still do not think they have an environmental impact because of their size.

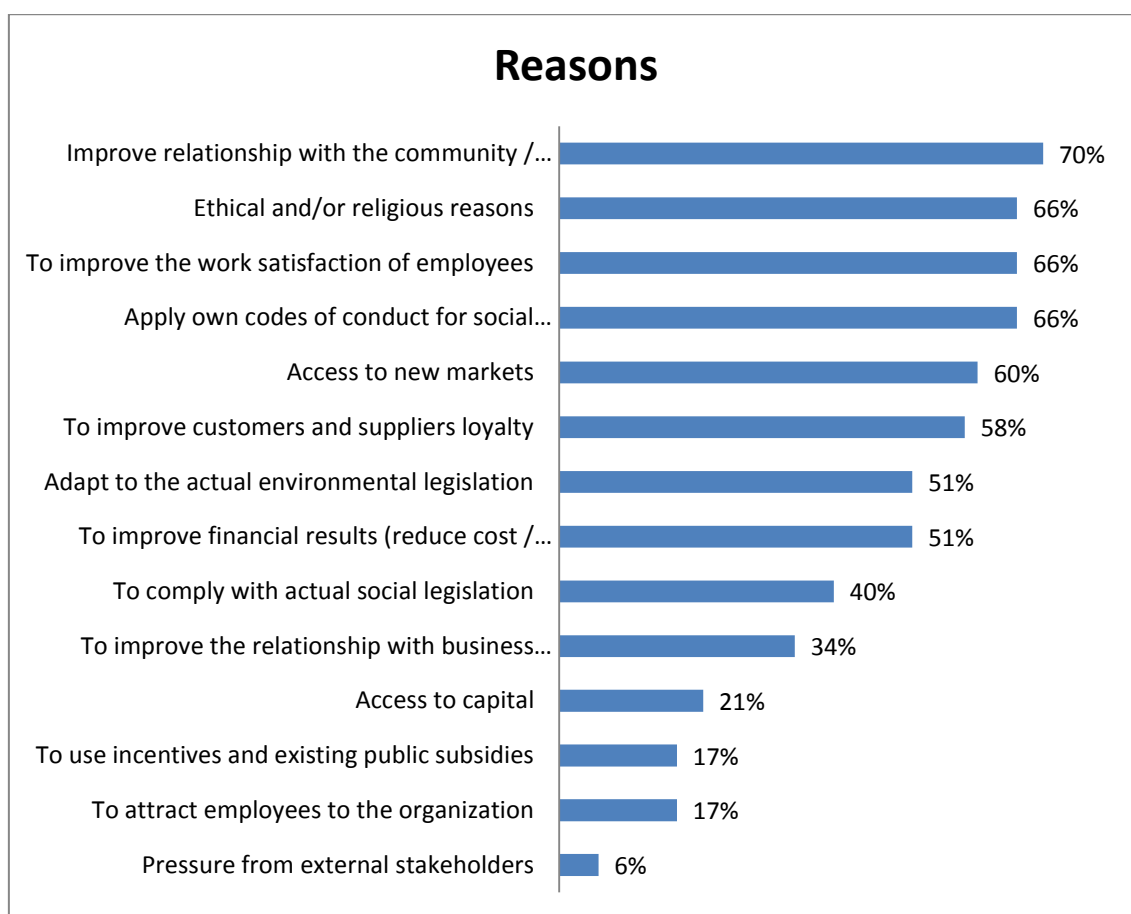
Respondents also considered that being involved in CSR has benefits for the business. The majority agreed that it can increase profits and generate a competitive advantage for the enterprise (92% and 94%, respectively) (Appendix 48). However, 30% of SMEs still consider CSR to be time consuming and costly to implement. A more divided response was obtained on what the main reason for CSR is: 40% agreed that it is mainly for marketing purposes and to improve public relationships, while 57% disagreed with this statement (Appendix 50). However, SMEs that agreed that their main motivation is for marketing purposes tend to have a higher level of engagement in CSR, especially in the external, environmental and supply chain practices (Appendix 49). Furthermore, 89% of SMEs believe that ensuring their business partners behave in a responsible way is also their responsibility (Appendix 48). However, this perception is not reflected in their actual practices, as over 50% of respondents do not impose any CSR requirements on their suppliers.

In conclusion, 70% of SMEs believed that being socially and environmentally responsible is a priority for their business (Appendix 48). Furthermore, 98% of companies that consider CSR a priority agreed that implementing these practices generates a competitive advantage for the business. They also show a greater engagement in CSR practices compared to the ones that do not consider CSR a priority, especially in the external, environmental and supply chain practices (Appendix 50). This is particularly reflected in the fact that, while only 3% of the SMEs that do not consider CSR a priority have established CSR requirements for their suppliers, this number increases significantly to 29% in SMEs that do consider CSR a priority (Appendix 50).

4.4 REASONS TO IMPLEMENT CSR

Figure 14 reveals that Guatemalan SMEs identified marketing purposes, ethical and religious values, the improvement of their employees' work satisfaction, the access to new markets and the application of their own codes of conduct as the main reasons to engage in CSR. On the other hand, the pressure of external stakeholders, incentives and public subsidies and the access to capital are not a reason to implement CSR.

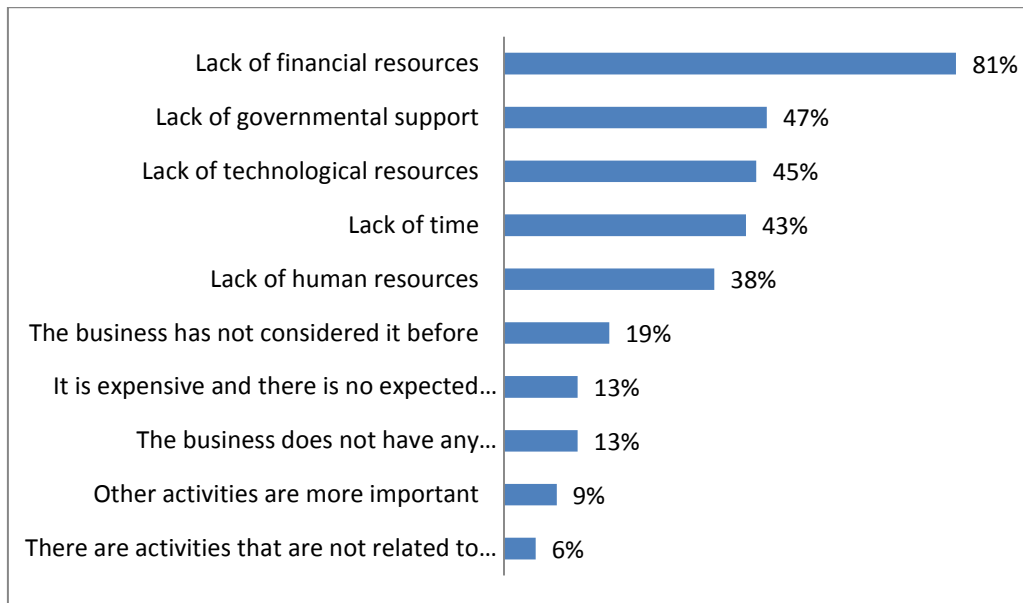
Figure #14. Reasons for Guatemalan SMEs engaging in CSR practices



4.5 BARRIERS FOR CSR

Guatemalan SMEs recognised that the main barrier to implement CSR practices is the lack of financial resources. Furthermore, figure 15 shows that the second most common perceived barrier is the lack of government support (47%), which is also related to the fact that businesses do not consider the use of incentives and existing public subsidies as a reason to implement CSR practices. Other important barriers identified by Guatemalan SMEs and shown in figure 15 are the lack of technological resources, time and human resources (45%, 43% and 38%, respectively).

Figure #15. Barriers for Guatemalan SMEs to implement CSR practices



4.6 STAKEHOLDERS OF GUATEMALAN SMEs

Respondents were asked to rank the different stakeholders that have an influence on their business regarding the implementation of CSR practices, 1 being the most influential and 7 the least influential. Managers were considered to have the greatest influence on the decisions regarding CSR practices; table 5 shows that 34% of respondents ranked them in first place. Moreover, table 5 highlights the fact that employees are also considered as stakeholders with a great influence over the company. A more divided opinion was found regarding the level of influence of customers: table 5 shows that 26% of Guatemalan SMEs ranked them in fifth place, while 21% ranked them in first place. A similar situation was found for governmental influence: table 5 shows that 21% ranked them in the last place, but 19% ranked them in first place. Interestingly, 70% of respondents that ranked the government in first place also agreed that the lack of government support is a barrier for the implementation of CSR practices, while only 45% that placed government in the last position believe that the government is a barrier. Finally, table 5 highlights that suppliers were considered to have a medium level of influence, while NGOs and competitors tend to be at the lower end of the scale. In conclusion, internal stakeholders have more influence on decisions regarding CSR practices than external stakeholders, which was also reflected in the fact

that only 6% of respondents mentioned the pressure of external stakeholders as a reason to implement CSR practices.

Table #5. Ranking of level of influence of stakeholders

STAKEHOLDERS	1	2	3	4	5	6	7
MANAGERS	34%	13%	15%	15%	4%	9%	9%
EMPLOYEES	9%	28%	13%	9%	15%	15%	9%
CUSTOMERS	21%	11%	13%	13%	26%	8%	8%
NGOS	11%	15%	6%	8%	17%	25%	19%
GOVERNMENT	19%	15%	13%	11%	8%	13%	21%
SUPPLIERS	6%	9%	25%	28%	8%	13%	11%
COMPETITORS	0%	8%	15%	15%	25%	15%	23%

4.7 EXPECTATIONS FOR THE FUTURE AND KNOWLEDGE OF ORGANISATIONS THAT SUPPORT CSR

The majority of SMEs considered that they already have implemented CSR practices, even at a low level (Appendix 51). None of them considered that they will reduce their engagement in CSR activities. Moreover, half of the companies expect to increase their engagement in the next 5 years and 46% expect to continue with the practices they have already implemented (Appendix 52). On the other hand, only 7 companies say that they have not implemented any CSR practices yet. From this group, 72% stated that they were considering the implementation of CSR practices in the near future. On the other hand, 14% are not thinking of implementing any practices and another 14% are not sure about a future engagement in CSR (Appendix 53). Another crucial finding of this study is that over 76% of Guatemalan SMEs stated not to have any knowledge about organisations that could assist them with the topic of CSR (Appendix 54).

5. DISCUSSION

In this chapter, the five specific research questions are going to be explored. As a reminder, these questions are:

1. What CSR practices have been implemented in Guatemalan SMEs?
2. What are the perceptions of the concept of CSR in Guatemalan SMEs?
3. Which stakeholders have the greatest influence in Guatemalan SMEs?
4. Why do Guatemalan SMEs implement CSR practices?
5. What barriers do Guatemalan SMEs face when engaging in CSR?

Each of these questions will be discussed by comparing the results obtained in this study with the existing literature. I acknowledge that the answers to the different questions are interrelated. Therefore, some issues will be identified in some of the questions, but will be expanded at a more appropriate place.

5.1 WHAT CSR PRACTICES HAVE BEEN IMPLEMENTED IN GUATEMALAN SMEs?

Guatemalan SMEs have implemented many practices related to the social and environmental dimension and, to a lesser extent, practices related to the supply chain. To answer this question, a more specific discussion will take place considering the internal, external, environmental and supply chain practices.

5.1.1 Internal practices

The most common internal practices are the ones that do not require money but relate to the improvement of the satisfaction of workers, which is a high motivator in many SMEs (Spence & Lozano, 2000; Spence, 2000, as cited in Murillo & Lozano, 2006). For example, practices such respecting working hours and days off of employees, the provision of special permissions to employees other than the ones regulated by law and having a flexible schedule for employees to attend training programmes are very common in Guatemalan SMEs, just like in other Latin American SMEs (Vives et al., 2005). Furthermore, the implementation of activities that require more investment in

time and/or money increases with the size of the business. Activities such as providing periodical medical check-ups for employees, organising training courses and having a written training plan for all employees are more common in bigger Guatemalan SMEs. However, these practices are still not common among Guatemalan and Latin American SMEs (Vives et al., 2005). Finally, corporate governance was found to be the least developed aspect in Guatemalan SMEs, and similar results were found in Latin American SMEs in general (Vives et al., 2005). Thus, it can be concluded that Guatemalan SMEs have similar practices to their Latin American counterparts.

5.1.2 External practices

Guatemalan SMEs support many different external activities, which reveals the long tradition of support for the local community in Latin America (Vives, 2008) and the inability of the government to cover the basic needs of the population (Paladino & Mohan, 2002). This has been reflected in practices such as the support of educational activities and the assistance of low-income groups. Although, the majority of Guatemalan SMEs support all of the different external activities, like support for environmental, sports and cultural activities, less than 30% of Guatemalan SMEs have included them in their business strategy. That is to say that most of Guatemalan SMEs support these activities in a more spontaneous and sporadic way, which has been a commonality found in other studies about SMEs and their CSR practices (Avram & Kühne, 2008; Perrini, 2006; Vives, et al., 2005; Corral et al., 2007). Thus, Guatemalan SMEs reveal similarities in the way they approach CSR to their Latin American counterparts in that they are influenced by externalities such as culture and the social needs SMEs perceive in their surroundings.

5.1.3 Environmental practices

The most common practice for Guatemalan SMEs in terms of the environmental dimension is the establishment of programmes to reduce the use of energy, which was also found to be the most common practice in Latin America (Vives et al., 2005) and London (Pimenova & van der Vorst, 2004). This is followed by programmes to reduce the use of water and programmes to reduce, recycle and manage waste. These findings contrast other studies, where it has been found that programmes to manage waste and

recycling are the ones that SMEs engage in the most (Cassells & Lewis, 2011; Lawrence et al., 2006; Revell et al., 2010). On the other hand, only a few Guatemalan SMEs have environmental management systems in place; the lack of these systems is very common in SMEs (Revell et al., 2010; Vives et al, 2005; Hillary, 2000b). Many authors have explored the reasons why SMEs have not engaged in environmental management systems (i.e. Johansson, 2000; Hillary, 2000b; Gertensfeld & Roberts, 2000). Although this analysis goes beyond the scope of this research, I believe it is related to the fact that these programmes have been mainly developed for big companies and are not suitable to be applied to SMEs (Jenkins, 2004, 2006). Furthermore, they have been developed from a Western perspective (Prieto-Carrón et al., 2006; Visser, 2007, 2008) which might not take into consideration the particular limitations and challenges of the developing world.

The results of this study suggest that the motivation behind the implementation of environmental practices in Guatemalan SMEs is the perceived operational savings. These findings are similar to Cassells and Lewis (2011), who found that SMEs usually engaged in cost-reducing practices (p.196). Similar findings have been reported for the rest of Latin America (Vives et al., 2005). Guatemalan SMEs also show a lack of strategic approach to environmental management, and these findings are consistent with Revell et al. (2010), where only few SMEs had a strategic perspective by having environmental management systems in place. This could be due to peculiar limitations that SMEs face, such as the lack of management capacity (Cassells & Lewis, 2011; Gertensfeld & Roberts, 2000) and lack of human resources (Cassells & Lewis, 2011; Hillary, 2000b; Gertensfeld & Roberts, 2000). Another important factor that contributes to this phenomenon is the lack of customer pressure for SMEs to improve their environmental performance. As Hillary (2000b) argues, customers are the most influential stakeholders for the adoption of environmental management systems. Therefore, it can be concluded that cost-reducing practices will remain a priority for Guatemalan SMEs, when engaging in environmental practices.

5.1.4 Supply Chain practices

The majority of Guatemalan SMEs do consider CSR activities of their suppliers as part of being a responsible business. However, this is not reflected in practice, as more than

half do not have any CSR requirements for their suppliers. Perhaps, this is a reflection of the fact that contextually Guatemalan SMEs are too small to have any supply chain power (Jenkins, 2004; Ciliberti et al., 2008; Pedersen, 2009) and they also lack resources to do so (Pedersen, 2009; Ciliberti et al., 2008). An interesting finding was that Guatemalan SMEs that consider CSR a priority for their business have more CSR requirements for their suppliers than the ones that do not. This reflects the idea proposed by Perrini et al. (2007) and Pedersen (2009) that businesses that have implemented internal CSR practices are more likely to promote CSR practices with their supply chain partners. Hence, businesses that are not committed to CSR will be less likely to be interested in the practices of their suppliers (Andersen & Skjoett-Larsen, 2009; Pedersen, 2000, 2009). Thus, the supply chain can be a powerful tool to engage more businesses in CSR, but it will depend on how committed SMEs are to establish and verify the actions of their suppliers.

Regarding the CSR requirements that Guatemalan SMEs receive from their customers, it was found that exporting companies do not receive more CSR requirements than the ones that operate locally. This is an interesting finding, because it contrasts with the mainstream idea of businesses having more CSR demands placed on them as they become globalised (Jorgensen & Knudsen, 2006; Andersen & Skjoett-Larsen, 2009; Ansett, 2007; Amaeshi et al., 2008; Frynas, 2006). Future research could look at the CSR requirements depending on location and/or size of buyers. I consider that there might be a positive relationship between the business size of the customer and higher CSR requirements for Guatemalan SMEs, as it has been shown that CSR practices usually increase with the size of business (Russo & Tencati, 2009; Vives et al., 2005; Corral et al., 2007; Perrini et al., 2007; European Commission, 2012a; Perez-Sanchez et al., 2003). The fact that CSR is more wide-spread in the Western World (Thorpe & Prakash-Mani, 2003; Uwafiokun, 2011; Frynas, 2006; Baskin, 2006) also means that customers for Guatemalan SMEs that are located in developed nations might have more CSR requirements than the ones in developing countries.

Furthermore, most customer requirements for Guatemalan SMEs are based on complying with quality standards. Nevertheless, this could be an initial step to making the transition from having only quality management systems to integrating environmental management systems, as well (Welford, 1992). This would lead to a

better performance in the environmental dimension, which is the second most common CSR requirement that customers have for Guatemalan SMEs. On the other hand, all of the other social requirements, such as health and safety, labour rights, human rights and corruption are less often imposed on Guatemalan SMEs. These results are consistent with the existing literature on CSR in supply chains or sustainable supply chain management, where the social aspects have been neglected and the environmental one has received more attention (Jorgensen & Knudsen, 2006; Seuring & Muller, 2008).

5.1.5 Reflection on CSR practices in Guatemalan SMEs

In conclusion, how do these practices reflect the engagement of Guatemalan SMEs in CSR? First of all, the main concern for implementing CSR practices remains the ability to see direct benefits from it, either financial or non-financial. However, these portraits are not unique of Guatemalan SMEs. Luetkenhorst (2004) and Cassells and Lewis (2011) found that direct financial benefits from CSR are important for SMEs, because of their more vulnerable economic position compared to bigger firms (Luetkenhorst, 2004). In addition to this, SMEs usually have a more short-term vision (Jenkins, 2004), which results in a lack of investment in practices that require more money and/or time (Pratt & Fintel, 2002; Jenkins, 2004). Moreover, the political and economic instability in Latin America also contributes to this phenomenon (Roberts et al., 2006; Gerstenfeld & Roberts, 2000; Vives et al., 2005).

Even though over 90% of Guatemalan SMEs consider that CSR can generate a competitive advantage for their business, this is not reflected in practice. Most of Guatemalan SMEs' CSR practices are not part of their business strategy. This is a common characteristic of SMEs around the world (Perrini, 2006; Vives et al., 2005; Corral, et al., 2007; European Commission, 2012a) and of Latin America businesses (Vives et al., 2005), regardless of their size (Baskin, 2006). However, Jenkins (2009) argues that CSR will not be effective and successful, until it becomes part of the business strategy. Nevertheless, a positive relationship between business size and being more strategic in the engagement of CSR has been shown in Guatemalan SMEs. These results are in line with the existing literature about the size of SMEs and their engagement in CSR (Azmat & Samaratunge, 2009; Vives et al., 2005; Corral et al., 2007; Murillo & Lozano, 2006; Collins et al., 2007; Perrini et al., 2007). Thus, bigger

companies have a more formal CSR strategy, while smaller companies have a more informal CSR perspective (Russo & Tencati, 2009; Vives et al., 2005; Corral et al., 2007; Perrini et al., 2007; European Commission, 2012a; Perez-Sanchez et al., 2003). The challenge then will be to provide support to smaller companies to incorporate CSR into the strategic day-to-day practice (Jenkins, 2004).

5.2 WHAT ARE THE PERCEPTIONS OF THE CONCEPT OF CSR IN GUATEMALAN SMEs?

The perception of Guatemalan SMEs in terms of what CSR is and how it affects them is important, because it allows the elaboration of an agenda for the development of CSR that is suitable for them. Therefore, Guatemalan SMEs were asked to agree/disagree regarding many aspects of CSR. The results will be discussed, considering the perception of SMEs about the environmental dimension of CSR, the practice of philanthropy as part of CSR, the role of the government and the voluntary approach to CSR as well as the expectations for future engagement in CSR.

5.2.1 Guatemalan SMEs and the environment

The environmental dimension has not been explicitly included in the concept of CSR until more recently, even though it has been considered part of it (Dahlsrud, 2008; Carroll, 1999). In addition to this, there has been a gap between the advancement of knowledge and regulations of the environmental impact of businesses in developed and developing nations. However, globalisation has increased this awareness in developing countries (Kliksberg, 2006; Vives et al., 2010), and a positive indicator is that 92% of Guatemalan SMEs agreed that considering their environmental impact is part of being socially responsible.

Interestingly, 21% of Guatemalan SMEs did not believe to have any environmental impact because of their small size. A similar result was found in other recent studies (Pimenova & van der Vorst, 2004; Revell et al., 2010). However, this has not always been the case. For example, Hillary (1995, as cited in Pimenova & van der Vorst, 2004) found that 58% of SMEs believed to have a low environmental impact and Gerrans & Hutchison (2000) found that 52% thought they had a minimal to no impact. Therefore,

the decrease in this value is positive as SMEs are now more conscious about their environmental impact. However, the recognition of the impact that SMEs have on the environment is still not reflected in the practice of Guatemalan SMEs. This emulates the existing literature about SMEs and the environment, where there are several internal and external barriers for SMEs to not engage in more strategic environmental management practices (Battisti & Perry, 2011; Cassells & Lewis, 2011; Jenkins, 2004, 2006; Hillary, 2000b).

Even though Guatemalan SMEs recognise their environmental impact, perhaps the scarce establishment of strategic environmental practices relates to the lack of knowledge and training to implement this (Collins et al., 2010; Yu & Bell, 2007; Pimenova & van der Vorst, 2004), the lack of resources (Lepoutre & Heene, 2006; Vives et al., 2005; Pimenova & van der Vorst, 2004) and the cost of these practices (Gerstenfeld & Roberts, 2000; Hillary, 2000b; Revell et al., 2010). Moreover, it might be related to the fact that environmental management systems have been designed with Western big corporations in mind, as mentioned before.

5.2.2 Philanthropy and CSR

The consideration of philanthropy as part of CSR among Guatemalan SMEs was also explored. Although almost two out of three Guatemalan SMEs do not consider CSR as an equivalent to philanthropy, it is one of the practices that are encouraged by the government, as there is a tax incentive to donate to charitable organisations (Exenciones y deducciones de los impuestos act, 1985). Moreover, philanthropy has been a big part of Latin American culture (Vives et al., 2005) and this has been shown in the concern of businesses about their society (Fox, 2004; Luetkenhorst, 2004). Thus, it is possible that this initiative has been under-valued by imposing Western ideas without adapting CSR to the different contextual needs and recognising the contribution that philanthropy has had in developing nations (Fox, 2004, p.30) like Guatemala.

5.2.3 The role of the government and the voluntariness dimension

Two other important aspects of the perception of CSR are the voluntariness dimension and the role of the government, which go hand in hand. In many developing nations, it

has been perceived that a responsible business is the one that complies strictly with the law (Solano, 2005; Jamali & Mirshak, 2007); three out of four Guatemalan SMEs believe this is the case. However, less than half of Guatemalan SMEs agreed that a reason to implement CSR is to comply with the current social and environmental legislation. What is more, a greater amount of Guatemalan SMEs consider that to be responsible there is a need to go beyond what is required by law, which corresponds to the voluntary principle. Thus, four out of five SMEs agreed that CSR is voluntary, which has been one of the core principles of the definition of CSR (Commission of the European Communities, 2001; Bahr et al., 2007; Blowfield & Frynas, 2005; Lockett et al., 2006; Solano, 2005; Dahlsrud, 2008). However, there are contrasting perspectives about the voluntary dimension. While businesses consider the voluntary aspect to be a non-negotiable aspect, social actors have demonstrated their increased frustration with it (Fox, 2004) and believe that this should be “the first thing to go” (Lozano, Albareda, Ysa, Roscher & Marcuccio, 2008, p. 3) and that this approach might not bear fruit, especially in the context of SMEs (Rutherford, Blackburn & Spence, 2000).

Interestingly, 87% of Guatemalan SMEs believe that the government should be promoting and regulating that businesses are responsible. Similar results were found by Tilley (2000), where most SMEs preferred governmental regulation instead of self-regulation. However, this regulatory approach presents many disadvantages. First, government regulations in Latin America are usually more of a burden for SMEs (Vives et al., 2005), usually SMEs do not even know what the existing regulations are (Tilley, 2000), the enforcement of legislation in developing countries is usually weak (Fox, 2004; Luetkenhorst, 2004) and the corruption in developing nations has shown to create ineffective institutions and accountability measures (Samaratunge, Alam & Teicher, 2008). Therefore, a regulatory approach might not be the best option for Guatemalan SMEs. A much more suitable approach will be to develop cooperative initiatives between the private and public sector (Agatiello, 2003; Jamali & Mirshak, 2007; Lozano et al., 2008) with the support of industrial associations and networks (Avram & Kühne, 2008) to foster an environment, where socially responsible practices are promoted (Fox, 2004; Vives, 2005).

5.2.4 Expectations for future CSR engagement

Guatemalan SMEs have positive expectations for a future implementation of CSR. From the SMEs that already have implemented CSR, 50% want to increase their CSR engagement and 46% want to continue with their current practices in the next five years. Overall, these results are very similar to Latin America, where more than half of SMEs want to continue being engaged in CSR practices (Vives et al., 2005). On the other hand, three out of four Guatemalan SMEs that have not implemented CSR are considering the implementation of CSR in the future. These results show more positive expectations than other Latin American SMEs (Vives et al., 2005) and bigger corporations in Guatemala (Bahr et al., 2007), where 36% of Guatemalans consider that CSR will improve and 55% that it will remain the same for the following year. Although it is hard to make an objective comparison, because these studies consider different time frames for future engagement in CSR, it seems that SMEs have higher expectations for the future of CSR.

5.3 WHICH STAKEHOLDERS HAVE THE GREATEST INFLUENCE IN GUATEMALAN SMEs?

Guatemalan SMEs consider that internal stakeholders have more influence on their decisions regarding CSR than external ones. These findings emulate the current literature on the influence of stakeholders among SMEs (Collins et al., 2010; Murillo and Lozano, 2006; Revell et al., 2009; Pedersen, 2009; Jenkins, 2004; Vives, 2005), where it has been identified that internal stakeholders are usually the ones creating pressure for the adoption of CSR among SMEs (Jenkins, 2004; Murillo & Lozano, 2006; Revell et al., 2009; Pedersen, 2009). Moreover, it reflects the contextual factor that developing nations usually have less pressure from external stakeholders ((PriceWaterhouseCoopers, 2004; Roitstein, 2009; Luetkenhorst, 2004; Vives et al., 2005).

The highest-ranked internal stakeholder was managers. This emulates the existing literature on the importance of the values of owners/managers in the engagement of CSR in SMEs and in Latin America in general (Williams & Schaefer, 2012; Pedersen, 2009; Murillo & Lozano, 2006; Collins et al., 2010; Luetkenhorst, 2004). That is to say

that owners/managers are key players to ensure the viability of any CSR programme (Sweeney, 2007; Hammann et al., 2009) that might be implemented in SMEs in Guatemala.

Employees are another important stakeholder for Guatemalan SMEs, as they have a direct impact on the performance of the SME (Hammann et al., 2009). Guatemalan SMEs are similar to European SMEs (EC study, cited in Jenkins, 2004), as they do not consider the attraction of employees to the organisation as a reason to engage in CSR. Perhaps, this relates more to the nature of the close relationships that owner and employees have in SMEs (Hammann et al., 2009; Spence, 1999; Murillo & Lozano, 2006). Therefore, it can be concluded that managers/owners and employees are crucial to decisions related to CSR practices in Guatemalan SMEs.

External stakeholders ranked lower than internal ones in Guatemalan SMEs. Consequently, it is not surprising that only 6% of Guatemalan SMEs consider the pressure of external stakeholders as a reason to engage in CSR. This is similar to what has been commonly found in SMEs (Jenkins, 2004; Pedersen, 2009), where it has been argued that SMEs are less visible because of their size (Jenkins, 2004). Thus, it is not surprising to see that Guatemalan SMEs ranked the influence of NGOs quite low, which can be due to the fact that external stakeholders concentrate their efforts on making sure that bigger corporations are being responsible (Vives, 2005).

There was a divided perception about the influence of customers and government, with no evident conclusion of what is causing this phenomenon. Regarding the government, it might be possible that it is more related to the expectations that SMEs have about the role of the government. For example, Guatemalan SMEs that ranked the government in first place also believed that the lack of government support is a barrier for them to implement CSR practices. In addition to this, 87% of Guatemalan SMEs believed that the government should be promoting and ensuring responsible behaviour in businesses. Therefore, these findings suggest that it is possible that Guatemalan SMEs are not experiencing much pressure from the government, a similar situation to other Latin American SMEs (Vives et al., 2005), but that they would rather like to see the government taking a more active role. Regarding customers, it is interesting to see a divided response in terms of the influence this group has over the decisions of

Guatemalan SMEs, because improving the relationships with community and public relationships was stated as the main reason to engage in CSR. However, an explanation for this might be that Guatemalan SMEs do not experience pressure as such from their customers, as it is common in SMEs (Jenkins, 2004; Pedersen, 2009). Instead, their motivation in considering customer opinions stems from the possible benefit from the recognition of being an important part of the local community, which has an effect on their performance in the long run (Russo & Perrini, 2010).

5.4 WHY DO GUATEMALAN SMEs IMPLEMENT CSR PRACTICES?

Guatemalan SMEs display a mix of strategic and moral reasons to engage in CSR. Moral motives are based on how businesses can deliver a positive outcome to society, while strategic motives are the ones that have the end goal of improving financial results (van de Ven & Graafland, 2006).

The most common reason for Guatemalan SMEs to engage in CSR practices is to improve relationships with the local community and to use it for public relationships, which is mainly a strategic reason (van de Ven & Graafland, 2006). This is similar to Yu and Bell's (2007) findings in Chinese SMEs, where the main reason for CSR was to improve the public image. However, this has usually been identified as one of the main reasons for big corporations to engage in CSR (Ansett, 2007; Solano, 2005), and it is interesting to notice that Guatemalan SMEs value external factors to engage in CSR. A potential risk of this approach is that Guatemalan SMEs could see CSR as a mere public relations invention (Frankental, 2001) instead of considering it a legitimate business strategy (Porter & Kramer, 2006; Vives et al., 2005) to contribute to society in the long term (Roitstein, 2009).

The second most common reason to engage in CSR is the religious and ethical values of owners of Guatemalan SMEs. It is interesting to see that marketing purposes was the most common reason for Guatemalan SMEs to engage in CSR, as it has usually been argued that from a developing nation, a Latin American and an SME perspective, religious values and intrinsic motivators usually have more influence than external ones (Jenkins, 2004, 2006; Jamali & Mirshak, 2007; Vives, 2005; Paladino & Mohan, 2002; Sanborn & Portocarrero, 2003; Gutiérrez et al., 2006). Therefore, it is not surprising that

ethical and religious values came in second place and were also rated highly by Guatemalan SMEs as reasons to implement CSR practices. This is a more intrinsic reason and can be considered a moral motivator (van de Ven & Graafland, 2006). It reflects how the Catholic Church has affected the way businesses operate in all Latin American countries (Paladino & Mohan, 2002; Sanborn & Portocarrero, 2003; Gutiérrez et al., 2006) and also the importance of the values of owners/managers on decisions regarding CSR (Williams & Schaefer, 2012; Pedersen, 2009; Murillo & Lozano, 2006; Collins et al., 2010; Luetkenhorst, 2004).

Another important motivator for Guatemalan SMEs is the work satisfaction of their employees, which has been identified by Vives et al. (2005) as the main reason for SMEs in Latin America to engage in internal practices. The consideration of work satisfaction as a reason to implement CSR practices in Guatemalan SMEs can be a mix of moral/strategic motivators. That is to say that is a moral motivator because it is driven by the strong relationships between owner and employees (Hammann et al., 2009; Spence, 1999; Murillo & Lozano, 2006), but it is also strategic, as the employees' satisfaction can have an effect on the performance of the organisation (Hammann et al., 2009). Therefore, this also relates to the fact that employees are considered important stakeholders among Guatemalan SMEs.

5.5 WHAT BARRIERS DO GUATEMALAN SMEs FACE WHEN ENGAGING IN CSR?

By far the most common barrier for Guatemalan SMEs in implementing CSR practices was the lack of financial resources, which Vives et al. (2005) also found to be the most common one in Latin American SMEs. However, these results differ from SMEs in the developed world that identified time and human constraints as their main barriers to engage in CSR (Revell et al., 2010; Hillary, 200b). Moreover, this also relates to the fact that SMEs struggle to find access to capital in Latin America and Guatemala (Vives et al., 2005; Maul et al., 2011), especially if they are looking for money to implement CSR practices, which usually are a more medium to long-term investment (Vives et al., 2005). Thus, there is a need to involve financial institutions in the support of CSR (Corral et al., 2007) in order to make any progress among SMEs and the implementation of CSR practices.

Guatemalan SMEs also place big emphasis on the lack of governmental support. Even though the Vice Minister of Economy and NGOs run programmes to support SMEs in the implementation of CSR practices (Ministerio de Economia, n.d.), 75% of Guatemalan SMEs do not even know where to find support to implement CSR practices. In addition to this, Maul et al. (2011) found that 75% of Guatemalan entrepreneurs believed that government programmes to support new businesses are inefficient and 86% consider that they do not meet their needs. Therefore, there is a need to re-evaluate the existing programmes to create effective public incentives to engage even more SMEs in CSR practices (Ludevid, 2000).

Guatemalan SMEs face several barriers to engage in CSR, which are strongly related to the contextual economic and political institutions. This is important, as it has been identified that these institutions play a crucial role in the development of CSR (Williams & Aguilera, 2008; Mohan, 2007; Baughn et al., 2007; WBCSD, n.d.; Blowfield & Frynas, 2005) by providing the settings that will either foster or constrain the development of CSR (Baughn et al., 2007). In the case of Guatemala, it seems that the institutional context is not providing the environment needed to make further progress in the development of CSR in SMEs.

6. CONCLUSION

The research proposition guiding this thesis is:

“Many Guatemalan SMEs are already engaged in many different CSR practices without naming them as such, the so-called “silent CSR” (Jenkins, 2004; Perrini, 2006). Taking into consideration that an underlying premise of this research is that CSR is a context-dependent concept, I suggest that the approach of Guatemalan SMEs towards CSR might be different from SMEs in developed nations. The practices of SMEs will also differ from the ones implemented by big corporations due to the particularities and limitations of SMEs.

This chapter will discuss the findings in relation to the proposition. In addition, it will provide an overview of the implication of findings. Furthermore, the limitation of the study and opportunities for future research will be presented. Finally, a discussion of the contribution of this study will be included.

6.1 ADDRESSING THE RESEARCH PROPOSITION

CSR was defined as an umbrella term (Blowfield & Frynas, 2005; Lockett et al., 2006; Dahlsrud, 2008) containing the environmental, social, economic, voluntariness and stakeholder dimensions (Dahlsrud, 2008). Taking this into consideration, it was found that most Guatemalan SMEs are implementing CSR practices, where the most developed activities are the internal practices related to the wellbeing of employees. Likewise, external and environmental practices are also common, but with a less strategic approach. This confirmed the first part of the proposition:

“Many Guatemalan SMEs are already engaged in many different CSR practices without naming it as such, the so-called “silent CSR” (Jenkins, 2004; Perrini, 2006).

With the second part of the proposition, it is important to start by considering how Guatemalan SMEs see themselves in comparison to SMEs in the developed world. Even though the concept of CSR has been considered a Western idea (Carroll, 1999; Vives et

al., 2005), which has only recently been introduced in Latin America (Vives et al., 2005), three out of four Guatemalan SMEs believe that CSR applies equally to businesses in developed and developing nations. However, taking into consideration that CSR is a context-dependent concept (Moon, 2007; Vives, 2006; Dahlsrud, 2008; van Marrewijk, 2003), there are differences in how SMEs perceive CSR and how they apply it in Guatemala compared to the SMEs in the developed world.

Guatemalan SMEs differ from SMEs in the developed world, but relate to their developing world counterparts in three ways. First, the engagement in external practices at a higher level of engagement related to activities that should be covered by the government, such as support for educational activities, similar to the rest of Latin American region (Vives et al., 2005). Second, government regulations are usually weaker in Latin America and Guatemala (Fox, 2004; Luetkenhorst, 2004; Vives et al., 2005). Moreover, even though external stakeholders are usually less influential in SMEs around the world (Jenkins, 2004; Pedersen, 2009), it has been recognised that their influence is even weaker in developing nations (PriceWaterhouseCoopers, 2004; Roitstein, 2009; Luetkenhorst, 2004; Vives et al., 2005). In addition, Guatemalan SMEs identified the lack of finances as the main barrier for CSR; a situation similar to the rest of Latin American SMEs (Vives et al., 2005). However, in the developed world, SMEs tend to emphasise the lack of time (Revell et al., 2010; Hillary, 2000b). Lastly, the strong religious beliefs of the owners/managers of Guatemalan SMEs play an important role in their engagement in CSR, which is common in developing nations (Jamali & Mirshak, 2007; Vives et al., 2005). Therefore, the context does have an influence on the CSR practices that SMEs engage in, and this confirms the second part of the proposition:

“Taking into consideration that an underlying premise of this research is that CSR is a context-dependent concept, I suggest that the approach of Guatemalan SMEs towards CSR might be different from other SMEs in developed nations.”

Now with the third part of the proposition, it is good to acknowledge that even though the CSR debate in Guatemala and around the world has concentrated on big corporations (Jenkins, 2004; Jamali et al., 2009; Vives et al., 2005), most Guatemalan

SMEs considered to have a shared social responsibility together with big multinational companies. That is to say that Guatemalan SMEs are aware of their responsibility. This contrasts with the perception that Latin American SMEs only consider CSR important for big corporations (Vives et al., 2005), which is a good start for the development of CSR in SMEs.

It was found that Guatemalan SMEs diverge from big corporations and converge with SMEs around the world in the following aspects. First, the approach to CSR from Guatemalan SMEs remains informal and sporadic, similar to SMEs elsewhere (Perrini, 2006; Vives et al., 2005; Corral et al., 2007; European Commission, 2012a). Consequently, practices in Guatemalan SMEs that require a bigger investment of resources, such as money and time, in addition to expecting results on a long-term basis are the least common. However, these practices increase with the size of the SME, a tendency also found elsewhere (Azmat & Samaratunge, 2009; Vives et al., 2005; Corral et al., 2007; Murillo & Lozano, 2006; Collins et al., 2007; Perrini et al., 2007). In addition, Guatemalan SMEs experience a stronger influence on their CSR decisions from internal stakeholders, especially from managers/owners. This has usually been the case for SMEs (Williams & Schaefer, 2012; Pedersen, 2009; Murillo & Lozano, 2006; Collins et al., 2010; Luetkenhorst, 2004), while, for big companies, external stakeholders are more influential than internal ones (Pagell & Wu, 2007; Holt, 2004; Hall, 2000). That is to say that Guatemalan SMEs differ from big corporations in the way they approach CSR and in the perception of the influence of stakeholders in CSR decisions. Therefore, the following proposition was also confirmed:

I suggest that the practices of Guatemalan SMEs will also differ from the ones implemented by big corporations due to the particularities and limitations of SMEs.”

6.2 IMPLICATIONS OF FINDINGS

The findings of this study have implications for practitioners and for external agents, such as the government and organisations that support CSR. Thus, these implications will be highlighted in this section.

6.2.1 Implications for practitioners

Guatemalan SMEs have less access to resources to engage in CSR practices, and, because of their size, some CSR issues can be too complex for individual SMEs to deal with. Therefore, Guatemalan SMEs could promote the creation of business associations, clusters and/or business networks to deliver support for them when engaging in CSR (Ludevid, 2000; Fox, 2004; Porter & Kramer, 2006; Moore & Manring, 2009; Battisti & Perry, 2009; Raynard & Forstater, 2002). These associations can encourage an environment where SMEs can learn from the examples of others (Roberts et al., 2006) and create more appropriate strategies instead of trying to apply generic strategies that might not be suitable for them (Porter & Kramer, 2006).

Considering that only a small proportion of Guatemalan SMEs know about organisations that support CSR implementation, I believe that SMEs are doing what they can with the knowledge they have. Therefore, I consider that owners/managers need to make use of the support of these organisations to learn how to link CSR to their business strategy (Jenkins, 2004) and how to measure the effectiveness of CSR practices (Solano, 2005; González, 2008), among other managerial skills that will provide a better approach towards CSR.

6.2.2 Implications for external agents

It is interesting to notice that SMEs shared many commonalities around the world despite their context. Therefore, it can be concluded that some strategies and lessons from other regions can be adapted to Guatemalan SMEs, although keeping in mind that values and cultural background affect the perceptions of CSR and the state of CSR at different stages as well. For example, Vives (2005) argues that, in Latin America, a good approach for SMEs to engage more strongly in CSR would be to appeal to their strong religious/ethics beliefs. In addition to this, the practices have to be aligned with the development priorities of each country and/or region (Fox, 2004). Likewise, developing nations, like Guatemala, which suffer from weak governmental institutions, do not have the capability to regulate and monitor social and environmental practices (Fox, 2004). Therefore, increasing regulations might not be the solution; a better approach would be to create initiatives between the private and the public sectors

(Jamali & Mirshak, 2007; Lozano et al., 2008) to promote better practices, while eradicating bad practices (Fox, 2004) through the provision of useful information, training and financial assistance (Ludevid, 2000; Fox, 2004).

There is a lack of information for Guatemalan SMEs on where to find support to implement CSR practices. This reveals that these institutions are not reaching their target group or do not have the capacity to reach all SMEs. Therefore, including other intermediary organisations (Fox, 2004) to promote CSR among Guatemalan SMEs is highly recommended. For example, the engagement of microfinance institutions in promoting CSR among their clients is as sensible solution (Corral et al., 2007), considering that the lack of finances is a major barrier to implement CSR practices for SMEs.

Universities and business schools can also be a great channel by providing owners/managers with appropriate tools to implement CSR (Kliksberg, n.d.) in a way that generates a competitive advantage for the business (Porter, 2003; Roberts et al., 2006). This in turn should eventually increase the strategic approach towards CSR, which is essential for CSR to be effective (Lozano et al., 2008; Porter & Kramer, 2006). It is good to see that some steps have already been taken towards incorporating CSR in universities. For example, in 2012, the university “Universidad del Istmo” together with CentraRSE and IPRES started offering a Master Programme in CSR (UNIS, 2012). Although, it seems that the programme is focused on executives that work for big corporations, it does represent an initial step for the promotion of CSR and shows the increased interest in the topic in Guatemala. In conclusion, all actors of the Guatemalan society need to play their role to increase the support for SMEs to develop a more strategic approach of CSR which in turn will benefit society as a whole.

6.3 LIMITATIONS

Some limitations have been identified in this study. First, there were time and distance constraints, which represented a challenge for the collection of the data. Also, because of security reasons, the researcher was not able to obtain access to the organisations’ member database. Therefore, most of the organisations supporting the project served as intermediaries, which constrained direct communication to follow up participants and to

increase the response rate. Another limitation was the use of the internet to reach the sample. Although the internet is useful to reach a dispersed sample in different locations, it also limits the sample to a particular demographic. In the case of Guatemala, less than 20% of the population have access to the internet (Batres, 2011). Thus, the use of this channel could have implications on the demographic of the sample, by failing to provide a more diverse perspective. Lastly, CSR as a concept has only recently been introduced in Guatemala, which could have influenced the attraction of only SMEs that have a positive interest in the topic of CSR to participate in the study (Macpherson & Wilson, 2003; Collins et al., 2010).

6.3.1 Opportunity for future research

Considering that this is the first study of CSR in Guatemalan SMEs, the opportunity for future research is vast. Therefore, this study provides an initial assessment of the current situation of SMEs in Guatemala and their engagement in CSR, which can be used as a basis for future research.

Some suggestions for future research are as follows. Longitudinal studies offer the potential to evaluate how CSR is evolving in Guatemalan SMEs. This is important, as these studies can provide essential information to evaluate how the different policies and strategies to promote CSR are influencing the engagement of Guatemalan SMEs in CSR and thus provide a good framework for policy makers to make decisions. Also, taking into consideration that SMEs are a very heterogeneous group (Revell et al., 2010; Jenkins, 2009; Hammann et al., 2009; Gerstenfeld & Roberts, 2000), there is a need to look more specifically at the different industries and develop material which provides practical examples of the “business case” for CSR in Guatemalan SMEs. This material would be useful for business associations and intermediary organisations like CentraRSE to promote and support SMEs.

This study has revealed that the characteristics of SMEs play an important role in shaping the behaviour of Guatemalan SMEs towards CSR. These particularities also mean that their behaviour is different from big corporations. That is to say that there is a need to develop tools and mechanisms appropriate for Guatemalan SMEs, instead of applying the existing ones that have been mainly developed for bigger corporations

(Jenkins, 2004; Perrini et al., 2007; Azmat & Samaratunge, 2009; Sweeney, 2007; Jamali et al., 2009; Baden et al., 2008; Fox, 2004; Battisti & Perry, 2011).

In addition to this, contextual factors also have great influence on how CSR is defined and applied in the Guatemalan context; therefore, I consider that there is a need to develop a CSR concept that takes into consideration these contextual factors. Moreover, comparative analyses between regions and/or countries (i.e. Williams & Aguilera, 2008; Vives et al., 2005; Corral et al., 2007; Vives, 2008) including Guatemala can also expand the current knowledge on how contextual factors play an important role in shaping CSR. Moreover, future research on how to create effective policies and institutional support for the implementation of CSR in SMEs is also crucial, because, at the moment, the existing support is not seen as effective in Guatemala (Maul et al., 2011).

Also, there is a vast field of opportunity regarding CSR and the supply chain. This study only analysed the perspective of CSR requirements from the buyers of SMEs and how these are translated along the supply chain to the suppliers of SMEs. However, there is a need to develop strategies to promote CSR among SMEs. For example, the areas of collaboration among supply chain partners (Horvath, 2001; Green, Zelbst, Bhadauria & Meacham, 2012; Attaran & Attaran, 2007) and third party certifications (Awaysheh & Klassen, 2010; Vermeulen & Seuring, 2009; Müller, dos Santos & Seuring, 2009) are practices that offer a potential to improve CSR in supply chains where SMEs are involved.

6.5 CONTRIBUTION TO THE FIELD OF CSR

This study recognises the importance of SMEs in the Guatemalan economy and society and provides an initial assessment to gain a better understanding of what Guatemalan SMEs are already doing regarding CSR, what their perspectives and expectations are and the reasons and challenges they face when implementing CSR practices. Moreover, it contributes to the growing body of knowledge about CSR in the Latin American context, which is the least developed region on CSR research (Visser, 2008; Peinado-Vara & Vives, 2010), and in the Guatemalan context. In addition, it contributes to the recognition of CSR as a context-dependent concept (Moon, 2007; Frankental, 2001;

Halme et al., 2009; Welford et al., 2007) and to the importance of including SMEs in the CSR debate (Jenkins, 2004, 2006; Pedersen, 2009; Hillary, 2000a; Luetkenhorst, 2004; Ciliberti et al., 2008; Perrini et al., 2007; Vives et al., 2005).

The information provided in this study is useful to comprehend the state of CSR in Guatemalan SMEs, which can be used to design CSR programmes that are tailored to the needs of SMEs and to their own challenges, instead of creating generic strategies (Porter & Kramer, 2006) that will not be applicable for SMEs considering their particular characteristics (Jenkins, 2004).

6.6 CONCLUDING REMARKS

This study starts a journey of research on CSR in the Guatemalan SME context by providing theoretical and empirical findings which are of relevance for academics, practitioners and external agents for the promotion of CSR in Guatemalan SMEs. In conclusion, it can be said that some aspects of the culture and the context shape the behaviour of Guatemalan SMEs towards CSR, which makes them different from other SMEs around the world. But there are also shared commonalities that come about from the particular characteristics that SMEs have because of their size, regardless of whether they are from the developed or the developing world. Therefore, it can be concluded that the behaviour of Guatemalan SMEs towards CSR is modelled by two aspects. One is their small size, which they share with all SMEs around the world. Second, the context also plays a part by shaping their attitudes and the way they engage in CSR, depending on the needs they perceive from their surroundings.

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APPENDICES

APPENDIX 1. QUESTIONNAIRE IN ENGLISH



Dear Participant,

Thank you for showing an interest on this project; your input is valuable. Please, read this information carefully before deciding whether or not to participate.

My name is Jennifer Leech. I am a Guatemalan student studying a Master of Business at the Otago School of Business, Dunedin, New Zealand. This project is part of the requirements for the completion of my studies and it is supported by CentraRSE (Center of Corporate Social Responsibility in Guatemala).

The objective of it is to understand the practices of small and medium enterprises in Guatemala. Should you agree to take part in this project, you will be asked to answer a survey, which will take around **20** minutes. However, you can access the questionnaire as many times as you wish to finish it, using the same location from where you access before. Every time, that you push the “next” button, the information you have already entered will be saved. When you have completed the survey, push the “done” button on the last page. Please, keep in mind that there are no right or wrong answers.

By filling out this survey, you are hereby consenting for these data to be collected, and for any resulting data to be publish and may be available at the University of Otago Library (Dunedin, New Zealand). However, all data will be managed, presented and stored in a safe manner, assuring your anonymity and confidentiality.

Please be aware that you may decide not to take part in the project without any disadvantage to yourself of any kind.

For more information about the project, click here (link to complete information sheet form). Please if you have any further questions about our project, feel free to contact either:

Jennifer Leech; Department of Management; leeje377@student.otago.ac.nz

Dr. Sara Walton; Department of Management; sara.walton@otago.ac.nz

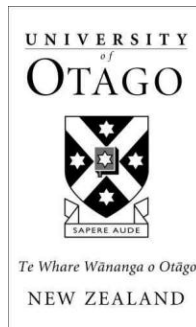
In appreciation of your time, you can enter a draw to win a beautiful book of New Zealand landscapes for completing the survey. Once again, thank you.

Do you agree to take part in this project?

No ☐

Yes ☐

Note: if participants tick YES the survey will continue, if they tick NO they will exit the survey.



***SOCIAL AND ENVIRONMENTAL RESPONSIBLE PRACTICES IN SMALL AND
MEDIUM ENTERPRISES IN GUATEMALA***
**INFORMATION SHEET FOR
PARTICIPANTS**

Thank you for showing an interest in this project. Please read this information sheet carefully before deciding whether or not to participate. If you decide to participate we thank you. If you decide not to take part there will be no disadvantage to you and we thank you for considering our request.

What is the Aim of the Project?

This project is being undertaken as part of the requirements for the Master of Business, at the Otago School of Business, Dunedin, New Zealand. It aims to identify Corporate Social Responsible practices in small and medium enterprises in Guatemala, and the main drivers, barriers and reasons to implement these practices. This project looks specifically at the external, internal, supply chain and environmental responsible activities of the business.

What Type of Participants are being sought?

This project is supported by CentraRSE (Centre of Corporate Social Responsibility in Guatemala) and the Chamber of Commerce of Guatemala; and the participants being sought for this project are owners or managers of small and medium enterprises located in Guatemala. A link to the questionnaire online will be sent to all of CentraRSE and Chamber of Commerce members. After the completion of the project, you will have access to the results from it.

What will Participants be Asked to Do?

Should you agree to take part in this project, you will be asked to answer a questionnaire online, which will take around **20** minutes. For completing the survey, you will have the option to go into a draw to win a book of New Zealand landscapes.

Please be aware that you may decide not to take part in the project without any disadvantage to yourself of any kind.

What Data or Information will be Collected and What Use will be Made of it?

The data collected on this project is related to what the company does in terms of Corporate Social Responsibility, what are the perceptions of managers and owners in terms of drivers, barriers and reasons to implement CSR activities. Personal information, such as gender and ethnicity will be used to analyse the different perspectives on CSR. Information on the company such as number of employees and years of existence will be useful to make comparison between these factors. The information collected on this project will be used to generate statistics to get a better understanding on the state of CSR in small and medium enterprises in

Guatemala. This report will be useful to expand the knowledge on what are Guatemalan enterprises doing in terms of CSR.

People that will have access to the data or information during the project are myself and supervisors.

The data collected will be securely stored in such a way that only those mentioned below will be able to gain access to it. At the end of the project any personal information will be destroyed immediately except that, as required by the University's research policy, any raw data on which the results of the project depend will be retained in secure storage for five years, after which it will be destroyed.

The results of the project may be published and will be available in the University of Otago Library (Dunedin, New Zealand) but every attempt will be made to preserve your anonymity. All data will be in a collated form.

There will be no opportunity to view, correct or withdraw the data or information provided. However, you can receive an electronic copy of the final results of the study if you wish. If so, please include your email address at the end of the questionnaire.

Can Participants Change their Mind and Withdraw from the Project?

You may withdraw from participation in the project at any time and without any disadvantage to yourself of any kind.

What if Participants have any Questions?

If you have any questions about our project, either now or in the future, please feel free to contact either:-

Jennifer Leech

and/or

Dr. Sara Walton

Department of Management

Department of Management

Phone: (+64) 3 4795108

leeje377@student.otago.ac.nz

sara.walton@otago.ac.nz

“This proposal has been reviewed and approved by the Department of Management, University of Otago”. If you have any concerns about the ethical conduct of the research you may contact the Committee through the Human Ethics Committee Administrator (ph 03 479-8256). Any issues you raise will be treated in confidence and investigated and you will be informed of the outcome.

SECTION 1. GENERAL INFORMATION

PERSONAL INFORMATION

1. Position in the business

Owner ☐ General Manager ☐ Other, Specify: _____

2. Gender:

Male ☐ Female ☐

3. Culture

Maya ☐ Garífuna ☐ Xinca ☐ Ladino ☐ Foreigner ☐
Others, Specify: _____

4. Highest level of education completed

Primary ☐ Middle ☐ High School ☐ Tertiary ☐

BUSINESS INFORMATION

5. Years in operation: _____ Years

6. Number of Employees: _____

7. Please, indicate the number of employees in each category

Part time	☐	Full time	☐
Female	☐	Male	☐
Permanent contract	☐	Fixed Term	☐

8. Geographic scale of the business. Please tick all that apply

Local ☐ Regional ☐ National ☐ Global ☐

9. Which of the following industries best describes the sector your company is operating?

Sector	
Manufacturing	
Agroindustry	
Agriculture, Fishing	
Forestry	
Wholesale	
Retail	
Logistics (Transportation, Storage)	
Tourism (Hotels, Restaurants, travel agencies)	
Mining	
Services	
Construction	

Other, please specify: _____

SECTION 2. ACTIVITIES

1. What activities, if any, is your business doing to be involved with the community?

- LOW – Activities that are done on an occasional basis
- MEDIUM – Activities that are done on a regular basis BUT are NOT part of the business' strategy
- HIGH - Activities that are done on a regular basis AND are part of the business' strategy

ACTIVITIES	HIGH	MED	LOW	NONE
Support to low-income groups				
Support of educational activities				
Community participation				
Support of cultural activities				
Support for activities related to wellbeing and health				
Support of sports activities				
Support of environmental activities				

Others, Specify: _____

2. What are the main ways you support the activities selected above? Tick all that apply

Donation of products/services

Financial donations

Sponsorship

Participation of owners/managers in socially responsible activities

Participation of employees in socially responsible activities

Cause related marketing

Others, Specify: _____

3. Please, indicate if there are any activities that have been implemented within your business that involve any of the aspects below. Select all that apply.

ACTIVITY	YES	NO	Don't know
Procedures for the prevention of health and safety risks			
Grant of periodical medical check-ups			
Employees training on security and the prevention of occupational hazards			
Respect of the established working hours and days off			
Provide flexible schedule for employees to attend training programmes			
Provide financial assistance (full or part) for employees to attend external courses			
Organizing specific training courses for employees			
A written training plan for all employees			
Open dialogue spaces on a regular basis between employees and directors			
Respect of the different collective and work agreements of the productive sector			
System where the employees take part of the social capital and/or benefits			
Social benefits to employees beyond the ones regulated by law			
Provide flexible working schedules			
Provision of special permissions for employees that go beyond what is regulated by law (e.g. leave to attend a sick family member)			

Policy of equal opportunities for hiring, without gender discrimination			
Policy of equal opportunities for hiring, without ethnical or racial discrimination			
Independent accounting audit system			
Supervision of suppliers/subcontractors on CSR activities			
Quality management control system			
Internal anti-corruption policies			
Support to suppliers/subcontractors on implementing CSR practices			

4. **What activities and in what degree has your business implemented different environmental responsible practices?**

	HIGH	MED	LOW	N/A
Programmes to reduce energy use				
Programmes to reduce, recycle and manage waste				
Programmes to reduce water use				
Considers the environmental impact of products, process and/or services				
Environmental Management System (ISO 14,001 or similar)				
The requirement of environmental certification for suppliers and subcontractors.				

Others, Please specify: _____

5. **Do your customers have specific requirements for your business in the following areas?**

Quality	☐
Environment	☐
Health and safety	☐
Labour rights	☐
Human rights	☐
Corruption	☐
No requirements	☐

6. **If they do, what practices do they use to monitor that you comply with their requirements?**

7. **Where are your main suppliers located? Tick all that apply.**

Guatemala	☐
United States of America	☐
Asia	☐
Central American countries	☐
Others, specify: _____	

8. If you have any requirements for your suppliers, could you indicate in which of the following areas?

Quality	☐
Environment	☐
Health and safety	☐
Labour rights	☐
Human rights	☐
Corruption	☐
No requirements	☐

SECTION 3. PERCEPTIONS ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

1. Please, indicate if you agree/disagree with the following statements

(Note: The term CSR refers to Corporate Social Responsibility)

	Agree	Disagree	Don't know
A responsible business is the one that complies strictly to labour and environmental laws			
Responsible businesses go beyond what is required by law and have a positive impact in society.			
CSR is equivalent to charity/philanthropy.			
CSR is a voluntary activity			
CSR includes activities to protect the environment			
CSR is more important for companies in developed countries than companies in developing ones.			
CSR is more relevant to the manufacturing than to the services sector.			
The government is the one that should promote and make sure that businesses are socially responsible.			
CSR is rather the obligation of large multinational companies than Smaller businesses			
Small and medium businesses don't have a negative impact on the environment because of their size			
Being socially responsible also extends to ensure that business partners behave in a responsible manner (e.g. suppliers)			
The main motivation to implement responsible practices are to improve public relationships and marketing purposes			
Getting involved in business responsible activities is costly and requires too much time and money.			
Implementing social responsible activities generates a competitive advantage for the business			
Being a responsible business can increase profits			
The development of activities related to being socially and environmentally responsible is a priority for my business.			

2. Please rank which stakeholders have more influence in the implementation of social and environmental activities in your company? Being 1 the highest and 7 the lowest.

Managers	☐
Employees	☐
Customers	☐
NGO's	☐
Government	☐
Suppliers	☐
Competitors	☐

3. What would be the main reasons to implement socially and/or environmentally responsible practices in your company? Select all that apply.

Ethical and/or religious reasons	☐
Improve relationship with the community / public relationships / reputation and brand.	☐
To improve customers and suppliers loyalty.	☐
To attract employees to the organization.	☐
To improve the relationship with business partners and investors.	☐
To improve the work satisfaction of employees.	☐
To improve the financial results (reduce cost / increase sales)	☐
Apply own codes of conduct for social responsibility.	☐
Pressure from external stakeholders	☐
To use incentives and existing public subsidies.	☐
Access to new markets	☐
Access to capital	☐
To comply with actual social legislation.	☐
Adapt to the actual environmental legislation.	☐
Don't know	☐
Others. Please, specify: _____	☐

4. What do you consider are the main barriers to adopt socially and/or environmentally responsible activities in your company? Select all that apply.

Lack of time	☐
Lack of human resources.	☐
Lack of financial resources.	☐
Lack of technological resources.	☐
Lack of governmental support.	☐
The business has not considered it before.	☐
There are activities that are not related to the company.	☐
The business does not have any environmental impact.	☐
It is expensive and there is no expected benefit from it.	☐
Other activities are more important	☐
Others. Please, specify: _____	☐

5. Taking into account the practices mentioned before, do you consider that your business has already implemented at least some social and environmental responsible practices?

Yes ☐
No ☐

Note: If yes, continue with question 6, if No continue with question 7.

6. If you have already implemented socially and/or environmentally responsible activities, what are your expectations for them in the next 5 years?

To reduce ☐
To continue ☐
To increase ☐
Don't know ☐

7. If you have NOT implemented any socially and/or environmentally responsible activities, what are your expectations for the next 5 years?

Not thinking of implementing any ☐
Considering to implement ☐
Planning to start implementing some ☐
Don't know ☐

8. Do you know any organizations that could help you to implement socially and/or environmentally responsible practices in your company?

No ☐
Yes ☐ Specify: _____

9. Are you a member of CentraRSE?

Yes ☐
No ☐

Tick here, if you would like to get an electronic copy of the results of this study ☐
Tick here, if you would like to enter a draw to win a book of New Zealand landscapes ☐

Please include your email address, if you ticked any of the options above:

APPENDIX 2. QUESTIONNAIRE IN SPANISH



Estimado Participante,

Muchas gracias por mostrar interés en este proyecto; su contribución es muy valiosa. Por favor, lea cuidadosamente esta información antes de decidir si desea participar o no.

Mi nombre es Jennifer Leech. Soy una estudiante guatemalteca becada realizando una Maestría en Negocios en la Universidad de Otago, Dunedin, Nueva Zelanda. Este proyecto es parte de los requisitos para completar mis estudios y es apoyado por CentraRSE (Centro de Responsabilidad Empresarial en Guatemala).

El objetivo es comprender y analizar las prácticas de pequeñas y medianas empresas en Guatemala. Si usted está de acuerdo en tomar parte de este proyecto, se le pedirá contestar un cuestionario, que tomará alrededor de 30 minutos. Sin embargo, usted puede ingresar a la encuesta cuantas veces desee para completarla utilizando la misma ubicación de la cual accedió anteriormente. Cada vez que presione el botón “siguiente”, la información que usted ya ha ingresado será almacenada. Cuando haya terminado la encuesta presione el botón “Listo” en la última página. Por favor, tenga en mente que no hay respuestas correctas o incorrectas.

Al llenar esta encuesta, usted está dando su consentimiento a que la información recolectada y los resultados de la misma sean usados para publicación y estén disponibles en la biblioteca de la Universidad de Otago (Dunedin, Nueva Zelanda). Sin embargo, toda la información será manejada y almacenada de forma segura, garantizando la confidencialidad y el anonimato.

Por favor, este consciente que usted puede decidir no tomar parte en este proyecto sin ningún tipo de desventaja para su persona.

Para más información sobre este proyecto haga clic aquí. Si tiene alguna pregunta adicional, ya sea ahora o en un futuro, no dude en contactar a:

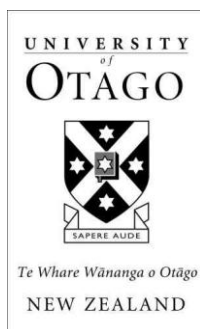
Jennifer Leech; Department of Management; leeje377@student.otago.ac.nz

Dr. Sara Walton; Department of Management; sara.walton@otago.ac.nz

Como una muestra de agradecimiento por su tiempo, usted podrá participar en el sortero de un hermoso libro de paisajes de Nueva Zelanda. Una vez más, muchas gracias

Por favor, marque como señal que está de acuerdo en tomar parte en este proyecto.





**PRÁCTICAS DE RESPONSABILIDAD SOCIAL EMPRESARIAL EN PEQUEÑAS Y
MEDIANAS EMPRESAS EN GUATEMALA
HOJA INFORMATIVA PARA
PARTICIPANTES**

Gracias por mostrar interés en este proyecto. Por favor, lea la hoja informativa cuidadosamente antes de decidir si desea participar o no. Si decide participar, se lo agradecemos. Si decide no tomar parte en este estudio, no habrá ninguna desventaja para su persona y le agradecemos por considerar nuestra propuesta.

Cuál es el objetivo de este proyecto?

Este proyecto es parte de los requisitos para completar la Maestría en Negocios de la Universidad de Otago, Dunedin, Nueva Zelanda. Su objetivo es identificar prácticas empresariales socialmente responsables en pequeñas y medianas empresas ubicadas en Guatemala; cuales son los principales motivadores, las barreras y las razones para implementar las mismas. Este proyecto examina específicamente las prácticas responsables en el ámbito externo, interno, del medio ambiente y de la cadena de abastecimiento de la empresa.

Qué tipo de participantes se están buscando?

Este proyecto cuenta con el apoyo de CentraRSE (Centro de Responsabilidad Social Empresarial) y de la Cámara de Comercio de Guatemala. Los participantes que se están buscando son dueños y/o gerentes de pequeñas y medianas empresas ubicadas en Guatemala. El link para el cuestionario en línea será enviado a los miembros de CentraRSE y de la Cámara de Comercio. Después de finalizado el proyecto, ustedes podrán obtener acceso a los resultados del mismo.

Qué se les pedirá hacer a los participantes?

Si usted está de acuerdo en participar en este proyecto, se le solicitará responder un cuestionario en línea, el cual tomara alrededor de 20 minutos. Usted también tendrá la opción de entrar a un sorteo de un hermoso libro de paisajes de Nueva Zelanda por completar la encuesta.

Por favor, este consiente que usted puede decidir no tomar parte en este proyecto sin ningún tipo de desventaja para su persona.

Qué datos o información serán recolectados y para que serán utilizados?

La información recolectada está relacionada a las prácticas que la empresa hace en términos de responsabilidad social, cuales son las percepciones de los dueños/gerentes en cuestión de motivaciones, barreras y razones para implementar las mismas. Información personal, como género y cultura, será únicamente utilizada para analizar diferentes perspectivas en cuestión de responsabilidad social empresarial. Información de la empresa, tales como la cantidad de empleados, años de existencia, entre otros; será de utilidad para poder hacer comparaciones. La

información recolectada será utilizada para generar estadísticas que ayudaran a comprender mejor el estado de las actividades de responsabilidad empresarial entre pequeñas y medianas empresas en Guatemala. Este reporte será de utilidad para expandir el conocimiento de lo que las empresas Guatemaltecas están haciendo al respecto.

Las personas que tendrán acceso a los datos e información durante este proyecto son mi persona y mis supervisores.

La información recolectada será almacenada de manera segura, de tal forma que únicamente las personas mencionadas anteriormente tendrán acceso. A la conclusión del proyecto, cualquier información personal será destruida inmediatamente, excepto la información que es requerida por la política de investigación de la Universidad; cualquier dato en bruto del cual dependen los resultados de la investigación será conservados en un lugar seguro durante cinco años, luego del cual serán destruidos.

Es posible que los resultados de este proyecto sean publicados y estén disponibles en la Biblioteca de la Universidad de Otago (Dunedin, Nueva Zelanda), pero se hará todo lo posible para preservar el anonimato.

No habrá oportunidad para ver, corregir o retirar cualquier información que ha sido provista. No obstante, usted podrá recibir una copia electrónica de los resultados finales si así lo desea. Por favor, incluya su dirección de correo electrónico al final del cuestionario para hacerle llegar la copia.

Pueden los participantes cambiar de parecer y retirarse del proyecto?

Usted podrá retirar su participación del proyecto en cualquier momento sin ninguna desventaja de ningún tipo para su persona.

Qué pasa si los participantes tienen preguntas?

Si tiene alguna pregunta sobre nuestro proyecto, ya sea ahora o en un futuro, por favor no dude en contactar a:

Jennifer Leech
Department of Management
leeje377@student.otago.ac.nz

y/o

Dr. Sara Walton
Department of Management
sara.walton@otago.ac.nz
Tel: (+64) 34795108

Esta propuesta ha sido revisada y aprobada por “Department of Management, University of Otago”.

Si tiene alguna inquietud acerca de la conducta ética de la investigación usted podrá contactar al Comité a través del Administrador del Comité de Ética Humana (tel. +64 3479-8526). Cualquier asunto que usted plantee será tratado confidencialmente, será investigado y usted será informado del resultado.

PÁGINA 1. INFORMACIÓN GENERAL

INFORMACIÓN PERSONAL

1. Posición en la empresa

Dueño ☐

Gerente General ☐

Otro, Especifique:

2. Sexo:

Masculino ☐

Femenino ☐

3. Cultura

Maya ☐

Garífuna ☐

Xinca ☐

Ladino ☐

Extranjero ☐

Otro, Especifique: _____

4. Máximo nivel de educación alcanzado

Primaria ☐

Secundaria ☐

Bachillerato ☐

Universitario ☐

INFORMACIÓN DE LA EMPRESA

5. Tiempo de existencia del negocio _____ años

6. Número de Empleados _____

7. Por favor, indique el número de empleados en cada categoría.

Medio tiempo

Tiempo completo

Mujer

Hombre

Contrato por tiempo indefinido

Plazo Fijo

8. Escala geográfica del negocio. Seleccione todas las que apliquen.

Local ☐

Regional (Departamental) ☐

Nacional ☐

Global ☐

9.Cuál de los siguientes describe mejor el sector al cual pertenece?

Sector	
Sector Industrial	
Sector Agroindustrial	
Agricultura, Pesca	
Forestal	
Comercio al por mayor	
Comercio al por menor	
Logística (Transporte, almacenamiento)	
Turismo (hoteles, restaurantes, agencias de viaje)	
Minería	
Servicios	
Construcción	

Otros, especifique: _____

PÁGINA 2. ACTIVIDADES REALIZADAS POR LA EMPRESA

1. Que actividades, si es que alguna, tu empresa realiza como apoyo a la comunidad?

- BAJO - Realizan actividades ocasionales
- MEDIO – Realizan actividades habitualmente pero no ligadas con la estrategia de la empresa
- ALTO – Se realizan actividades habituales y están ligadas con la estrategia de la empresa

ACTIVIDADES	ALTO	MEDIO	BAJO	NADA
Apoyo a sectores o grupos vulnerables				
Apoyo a actividades educativas y formativas				
Participación en actividades publicas				
Apoyo a actividades culturales				
Apoyo a actividades ligadas al bienestar y la salud				
Apoyo a actividades deportivas				
Apoyo a actividades medioambientales				

Otras, Especifique: _____

2. Cuáles son los principales modos de apoyo a la realización de estas actividades?

Seleccione todas las que apliquen.

Donaciones en especie

Donaciones monetarias

Actividades de patrocinio

Participación de propietarios/gerentes en actividades socialmente responsables

Participación de empleados en actividades socialmente responsables

Marketing con causa

Otros, especifique: _____

☐
☐
☐
☐
☐
☐

3. Por favor indique si alguna de estas prácticas ha sido implementada en su empresa. Seleccione todas las que apliquen

ACTIVIDAD	SI	NO	No sé
Procedimientos para la prevención de riesgos laborales			
Reconocimientos médicos periódicos al personal			
Actividades formativas para el personal sobre seguridad y prevención de riesgos laborales			
Respeto de las horas establecidas de trabajo y las jornadas de descanso de los empleados			
Facilidades de horario para la asistencia del personal a formación			
Financiación (parcial o total) a la asistencia del personal a cursos externos			
Organización directa de cursos de formación específicos			
Plan de formación (por escrito) de su plantilla			
Espacios de diálogo entre los trabajadores y los directivos que se reúnen periódicamente			
Respeto de los convenios colectivos/acuerdos laborales existentes en el sector			
Sistemas de participación de los trabajadores en capital social y/o beneficios			
Beneficios sociales a sus empleados más allá de los establecidos por la ley			
Facilidades de elección de horarios de trabajo/existencia de fórmulas de trabajo flexible			
Facilidades para la obtención de permisos especiales			

Política de igualdad de oportunidades en la contratación, sin atender a razones de género			
Política de igualdad de oportunidades en la contratación, sin atender a razones étnicas/ raciales			
Sistema independiente para la auditoría de cuentas de la empresa			
Supervisión de la actuación socialmente responsable de proveedores/subcontratistas			
Implementación de sistema de gestión de la calidad			
Políticas internas contra prácticas de corrupción			
Apoyo a proveedores en establecimiento de prácticas responsables			

4. Por favor podría indicar en qué grado han sido implementadas las siguientes actividades en su empresa para proteger el medio ambiente?

	ALTO	MED	BAJO	NO
Programas de eficiencia en el consumo de energía				
Programas para la reducción, reciclaje o tratamiento de residuos				
Programas de eficiencia en el consumo de agua				
Considera el impacto de los productos, procesos y servicios en el medio ambiente				
Sistema integrado de gestión ambiental (ISO 14,001 o similar)				
Exigencia de certificaciones medioambientales a proveedores / subcontratistas				

Otras actividades, Por favor Especifique: _____

5. Por favor, indique si sus clientes tienen requerimientos específicos para su empresa en las siguientes áreas.

Calidad	☐
Ambiente	☐
Salud y seguridad Laboural	☐
Derechos de trabajo	☐
Derechos Humanos	☐
Políticas anti-Corrupción	☐
No tienen ningún requerimiento	☐

6. Si tienen ciertos requerimientos, que prácticas utilizan sus clientes para verificar que se estén cumpliendo con los mismos?

7. Sus principales proveedores/subcontratistas están ubicados en? Seleccione todos los que apliquen

Guatemala	☐
Estados Unidos	☐
Asia	☐
América Central	☐
Otros, especifique: _____	

8. Por favor, indique si su empresa tiene requerimientos específicos para sus proveedores en las siguientes áreas.

Calidad	☐
Ambiente	☐
Salud y seguridad Laboural	☐
Derechos de trabajo	☐
Derechos Humanos	☐
Políticas anti-Corrupción	☐
No tengo ninguno	☐

PÁGINA 3. PERCEPCIÓN DE LA RESPONSABILIDAD SOCIAL EMPRESARIAL (RSE)

1. Por favor, indique si está de Acuerdo o en Desacuerdo con los siguientes enunciados

	De Acuerdo	Des-acuerdo	N/S N/R
La empresa socialmente responsable es la que obedece estrictamente las leyes medioambientales y laborales			
Las empresas responsables van más allá de lo requerido por la ley teniendo un impacto positivo en la sociedad			
La RSE es equivalente a caridad o filantropía			
Ser social y ambientalmente responsable es una actividad voluntaria			
La RSE incluye actividades para proteger el medio ambiente			
La responsabilidad social y ambiental empresarial es más importante para empresas ubicadas en países desarrollados que en países en vías de desarrollo			
La responsabilidad social y ambiental empresarial se aplica más al sector manufactura que al área de servicios			
El gobierno debería promover y velar porque las empresas sean socialmente responsables			
Ser social y ambientalmente responsables es más bien la obligación de grandes empresas multinacionales que de las pequeñas y medianas empresas			
Las pymes no tienen un impacto negativo en el medio ambiente			
La responsabilidad social empresarial se extiende a las prácticas/actividades de otros colaboradores de la empresa (por ejemplo: proveedores)			
La principal motivación para involucrarse en actividades socialmente responsables es para mejorar las relaciones públicas y usarlo para mercadeo			
Involucrarse en actividades socialmente responsables es costoso y requiere de mucho tiempo y dinero			
Implementar actividades de responsabilidad social empresarial genera una ventaja competitiva para la empresa			
Ser una empresa responsable puede generar un incremento en las utilidades de la empresa			
El desarrollo de acciones ligadas con la RSE es una prioridad en mi empresa			

2. ¿Cuáles son los grupos de interés que considera más influyentes en la implementación de acciones social y ambientalmente responsables? Siendo 1 el más influyente y 7 el menos influyente

Gerencia	☐
Empleados	☐
Clientes	☐
ONG's	☐
Gobierno	☐
Proveedores	☐
Competidores	☐

3. Cuáles son las principales razones por las cuales ha implementado prácticas social y/o ambientalmente responsables?

Razones éticas y/o religiosas	☐
Para mejora relación con la comunidad / relaciones publicas / reputación y marca	☐
Para mejorar la lealtad de clientes y proveedores	☐
Para atraer empleados a la organización	☐
Para mejorar la relación con otros socios empresariales e inversores	☐
Mejorar la satisfacción laboral de los trabajadores	☐
Mejorar los resultados económicos (disminuir costos / aumentar ventas)	☐
Aplicar código de conducta propio de responsabilidad social	☐
Presiones de terceras partes	☐
Utilizar incentivos / subsidios públicos existentes	☐
Acceso a nuevos mercados	☐
Acceso a financiamiento	☐
Cumplir con la legislación social existente	☐
Adaptación a la legislación medioambiental existente	☐
No sabe/ no contesta	☐
Otro, Por favor especifique: _____	

4. Cuáles considera que son las principales barreras para adoptar actividades sociales y/o ambientalmente responsables en su empresa?

Seleccione todas las que apliquen

Falta de tiempo	☐
Falta de recursos humanos	☐
Falta de recursos financieros	☐
Falta de recursos tecnológicos	☐
Falta de apoyo público	☐
La empresa nunca se lo ha planteado	☐
No son actividades relacionadas con la empresa	☐
La empresa no tiene ningún impacto ambiental	☐
No se prevé ningún beneficio de las mismas / Es costoso	☐
Otras actividades son más importantes	☐
Otras razones, Por favor especifique: _____	

5. Tomando en cuenta las diferentes prácticas que se han mencionado anteriormente; considera que su empresa ya ha implementado ciertas prácticas social y/o ambientalmente responsables?

Si
No

☐
☐

Si su respuesta es SI continúe con la pregunta 6 de la página 3, Si su respuesta es NO continúe con la pregunta 7 de la página 3.

6. Si ya ha implementado algún tipo de práctica social y medioambientalmente responsable, cuáles son sus proyecciones para los próximos 5 años?

Reducir
Continuar
Incrementar
No sabe / no responde

☐
☐
☐
☐

7. Si NO ha implementado ningún tipo de práctica social y medioambientalmente responsable, cuáles son sus proyecciones para los próximos 5 años?

No se prevé apoyar
Se está considerando apoyar
Está planeando comenzar a apoyar
No sabe / no conoce

☐
☐
☐
☐

8. Tiene conocimiento de organizaciones que podrían apoyarle en la implementación de prácticas social y ambientalmente responsables en su empresa?

No
Si

☐
☐

Especifique: _____

9. Es usted miembro de CentraRSE?

Si
No

☐
☐

- ☐ Marque, si desea recibir una copia electrónica de los resultados de este estudio
- ☐ Marque, si desea entrar al sorteo de un libro de Paisajes de Nueva Zelanda

Por favor, provea su dirección de correo electrónico, si seleccionó alguna de las opciones anteriores: _____

APPENDIX 3. OBJECTIVE OF EACH QUESTION INCLUDED IN THE SURVEY

SECTION 1. GENERAL INFORMATION OF BUSINESS	
Question	Objective or purpose of the question
S1Q1. Position in the Business	It is important to know who is the person answering the survey; as if he/she is the owner or general manager they will have a more holistic view of the company.
S1Q2. Gender	Provides a description of the sample
S1Q3. Culture	Provides a description of the sample
S1Q4. Highest level of education completed	Provides a description of the sample
S1Q5. Years in operation	It provides a profile of the company
S1Q6. Number of employees in each category Part time vs. Full time Female vs. Male Permanent contract vs. Fixed term	Dividing the question of number of employees into the different categories is useful to have a better insight into the company. For example, the ratio female/male can be used to compare their answer to question S2Q3, which relates to gender discrimination.
S1Q7. Geographical scale of the business	The geographical scale of the business can reveal if there are any significant differences between local, national and global companies.
S1Q8. Which of the following industries best describes the sector your company is operating?	Are there significant differences between manufacturing and service companies?
SECTION 2. ACTIVITIES	
Question	Objective or purpose of the question
S2Q1. What activities, if any, is your business doing to be involved with the community? <i>Question, scale and answers taken from Vives et al. (2005).</i>	The objective is to find out what are the main activities SMEs implement regarding the external community. Also to find out to what extent these practices are adopted.
S2Q2. What are the main ways you support the activities selected above? <i>Question and answers taken from Vives et al. (2005).</i>	This question reveals what are the preferred ways of SME's engaging with the external community.
S2Q3. Please, indicate if there are any activities that have been implemented within your business that involve any of the aspects below. <i>Question and options taken from Vives et al. (2005).</i>	The purpose is to identify what are the most common activities that SMEs implement regarding their internal collaborators. The main areas that were explored are: health and wellbeing of employees, training of employees, employees' participation, work-family balance, equal opportunities and corporate governance.

S2Q4. What activities and in what degree has your business implemented different environmental responsible practices? <i>Question and optional answers adapted from Vives et al. (2005). However, one of the option was eliminated which referred to taking advantage of by-products.</i>	The objective is to determine the activities and in to what degree SME's are implementing environmental practices.
S2Q5. Do your customers have specific requirements for your business in the following areas? <i>Question and optional answers adapted from Jorgensen and Knusden (2006). However, the option "Quality" was included, as Welford (1992) agreed that having a quality control system is a start to move to environmental management.</i>	The objective is to identify if customers influence them in their CSR practices and in which areas they are more demanding.
S2Q6. If they do, what practices do they use to monitor that you comply with their requirements? <i>Question taken from Jorgensen and Knusden (2006).</i>	There are many ways that customers can use to monitor suppliers. Therefore, this question was designed as an open one to see what businesses have to say about the way customers check that they are complying with their requirements.
S2Q7. Where are your main suppliers located?	This question helps to identify if there are any differences on the requirements businesses have depending on supplier's location.
S2Q8. If you have any requirements for your suppliers, could you indicate in which of the following areas? <i>Question and optional answers adopted from Jorgensen and Knusden (2006). The option "quality" was added³²</i>	The objective of this question is to identify if they have specific requirements for their suppliers in terms of CSR. Also, to see if companies that receive requirements from customers also apply requirements for their suppliers.
SECTION 3. PERCEPTIONS OF CSR	
Question	Objective or purpose of the question
S3Q1. Please, indicate if you agree/disagree with the following statements. <i>Question and statements adopted from UNIDO, 2012.</i>	This question consists of 17 statements that reveal what are the general perceptions of the population in terms of the concept of CSR. These statements are also useful to see if the respondents' perceptions have an effect on their engagement in CSR practices.
S3Q2. Please rank which stakeholders have more influence in the implementation of social and environmental activities in your company?	The purpose is to determine who participants recognize of having more influence in their engagement with CSR

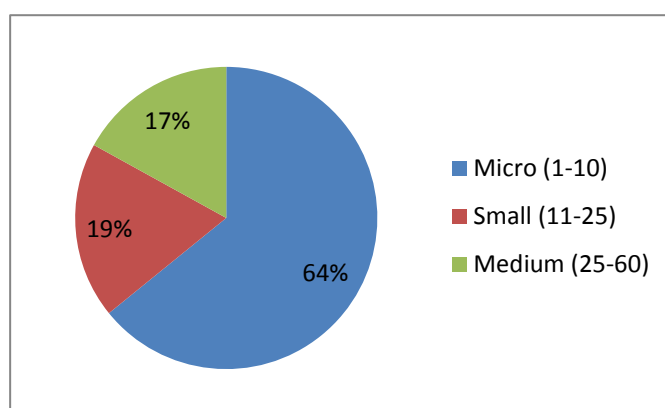
³² See explanation on S2Q5.

<i>Question and optional answers adopted from PriceWaterHouseCoopers, 2003. However, the option of shareholders and headquarters was taken out as it usually does not apply for SMEs (Jenkins, 2004)</i>	activities. Having to rank them, makes participants to decide which stakeholders have more influence than others.
S3Q3. What would be the main reasons to implement socially and/or environmentally responsible practices in your company? <i>Question and optional answers adopted from Vives et al. (2005), Collins et al. (2007) and PriceWaterhouseCoopers, 2003.</i>	The objective is to see if the reasons in Guatemalan SME's are similar or different to the ones in other contexts (e.g. Latin America)
S3Q4. What do you consider are the main barriers to adopt socially and/or environmentally responsible activities in your company? <i>Question and optional answers adopted from Vives et al. (2005), Collins et al. (2007) and PriceWaterhouseCoopers, 2003.</i>	The objective of this question is to identify the barriers that businesses face when adopting CSR practices.
S3Q5. Taking into account the practices mentioned before, do you consider that your business has already implemented at least some social and environmental responsible practices?	This question is mainly self-reflective and it is also a filter question for the following ones about future expectations.
S3Q6. If you have already implemented socially and/or environmentally responsible activities, what are your expectations for them in the next 5 years? <i>Question and optional answers taken from Vives et al. (2005)</i>	Knowing what the participants' expectations are can be useful to determine what could be the state of CSR in the near future. It can also be used in longitudinal studies to see if their expectations for the future were met or not.
S3Q7. If you have NOT implemented any socially and/or environmentally responsible activities, what are your expectations for the next 5 years? <i>Question and optional answers taken from Vives et al. (2005)</i>	
S3Q8. Do you know any organizations that could help you to implement socially and/or environmentally responsible practices in your company?	The objective is to determine if the information of organizations that support CSR practices are widely spread or not.
S3Q9. Are you a member of CentraRSE?	The purpose is to identify and make comparisons between member and non-members of the Center of Social Responsibility (CentraRSE).

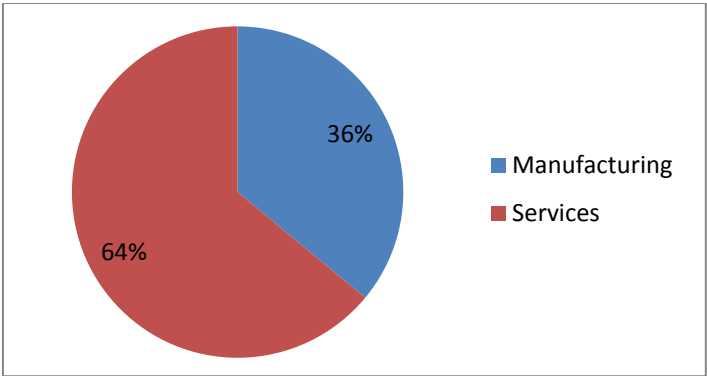
APPENDIX 4. QUESTIONS TAKEN OUT OF THE ORIGINAL QUESTIONNAIRE

Question	Reason
What are your main export markets?	This question was intended to reveal the main markets and if they have any influence on customers' requirements. However, the geographical scale of the business reveals similar information.
Do you keep any record of the amount you invest in CSR activities?	The purpose was to identify if companies keep track of how much money it is invested in CSR related activities. This question provides an insight of what businesses are doing but is not strongly related to the main overarching questions.
What do you use to communicate the business CSR practices?	PriceWaterHouseCoopers (2004) argued that in Costa Rica almost 1 out of 2 companies don't provide any information of their CSR practices. Therefore, it would have been interesting to see what the case in Guatemala was. However, this information is not relevant to see how CSR is defined and applied in Guatemala.
Are you using any third party auditors of environmental activities?	It was found that about 30% of companies around the world that communicate their CSR practices look for third party auditors to verify this information (PriceWaterHouseCoopers, 2004). Is it the same in Guatemala? However, the question is not directly related to the main research questions.
Are you using any third party auditors of social activities?	

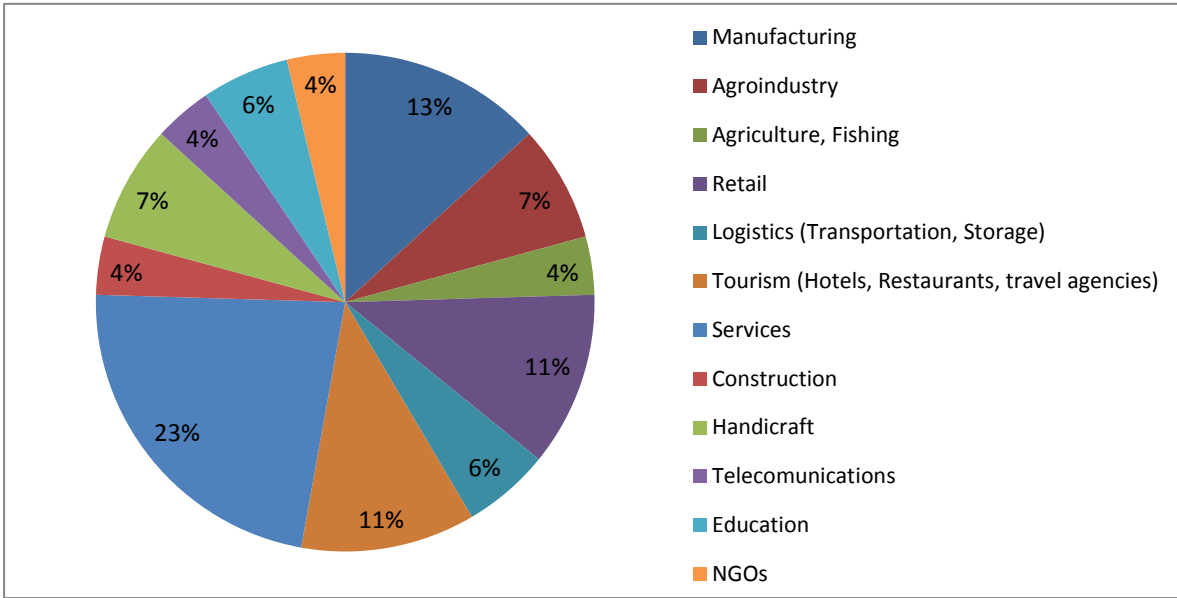
APPENDIX 5. DISTRIBUTION OF SAMPLE ACCORDING TO BUSINESS SIZE



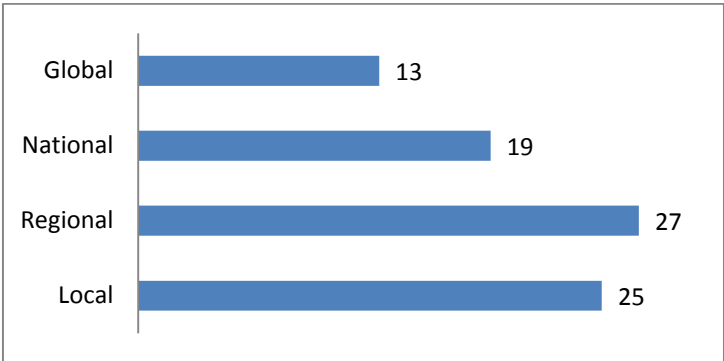
APPENDIX 6. ECONOMIC SECTORS REPRESENTED IN THE SAMPLE



APPENDIX 7. DETAILED ECONOMIC SECTORS REPRESENTED IN THE SAMPLE



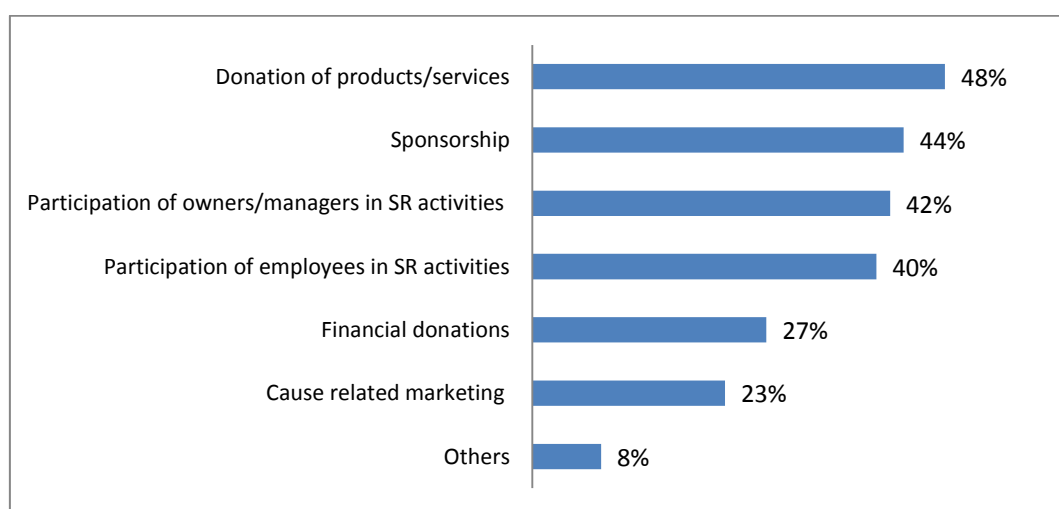
APPENDIX 8. GEOGRAPHICAL SCALE OF THE SAMPLE



APPENDIX 9. NUMBER OF GUATEMALAN SMEs THAT HAVE IMPLEMENTED EXTERNAL PRACTICES (in per cent)

Support of sports activities	72%
Community participation	74%
Assistance to low-income groups	75%
Support for activities related to wellbeing and health	75%
Support of educational activities	79%
Support of environmental activities	79%
Support of cultural activities	81%
AVERAGE	77%

APPENDIX 10. WAYS OF SUPPORT FOR EXTERNAL ACTIVITIES



APPENDIX 11. CROSS TABULATION BETWEEN BUSINESS SECTOR AND THE ENGAGEMENT IN EXTERNAL PRACTICES AT THE HIGH, MEDIUM AND LOW LEVEL (in per cent)

	Manufacturing (n=19)				Services (n=34)			
	High	Med	Low	No	High	Med	Low	No
Assistance to low-income groups	47	16	21	16	18	32	21	29
Support of educational activities	37	16	21	26	35	32	15	18
Community participation	26	32	26	16	15	32	21	32
Support of cultural activities	11	42	32	16	24	26	29	21
Support for activities related to wellbeing and health	16	37	16	32	26	29	24	21
Support of sports activities	5	16	37	42	21	21	41	18
Support of environmental activities	32	21	32	16	26	32	18	24
AVERAGE	25	26	26	23	24	29	24	23

APPENDIX 12. CROSSTABULATION BETWEEN SIZE OF BUSINESS AND THE ENGAGEMENT IN EXTERNAL PRACTICES AT THE HIGH, MEDIUM AND LOW LEVEL (in per cent)

	Micro (n = 34)				Small-Med (n=19)			
	High	Med	Low	No	High	Med	Low	No
Assistance to low-income groups	26	21	24	29	32	37	16	16
Support of educational activities	24	29	21	26	58	21	11	11
Community participation	21	29	21	29	16	37	26	21
Support of cultural activities	15	26	35	24	26	42	21	11
Support for activities related to wellbeing and health	21	21	26	32	26	53	11	11
Support of sports activities	12	12	35	41	21	32	42	5
Support of environmental activities	18	26	26	29	47	32	16	5
AVERAGE	19	24	27	30	32	36	20	11

APPENDIX 13. CHI-SQUARE TEST BETWEEN BUSINESS SIZE AND THE ENGAGEMENT IN SUPPORT OF EDUCATIONAL ACTIVITIES

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.557 ^a	3	.087
Likelihood Ratio	6.589	3	.086
Linear-by-Linear Association	5.328	1	.021
N of Valid Cases	53		

a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is 3.23.

Symmetric Measures			
		Value	Approx. Sig.
Nominal by Nominal	Phi	.352	.087
	Cramer's V	.352	.087
N of Valid Cases		53	

APPENDIX 14. CHI-SQUARE TEST BETWEEN BUSINESS SIZE AND THE ENGAGEMENT IN SUPPORT OF ENVIRONMENTAL ACTIVITIES

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.956 ^a	3	.047
Likelihood Ratio	8.591	3	.035
Linear-by-Linear Association	7.769	1	.005
N of Valid Cases	53		

a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is 3.94.

Symmetric Measures			
		Value	Approx. Sig.
Nominal by Nominal	Phi	.387	.047
	Cramer's V	.387	.047
N of Valid Cases		53	

APPENDIX 15. FREQUENCY OF IMPLEMENTATION OF ACTIVITIES RELATED TO HEALTH AND WELLBEING OF EMPLOYEES (in per cent)

ACTIVITIES	YES	NO	DONT KNOW
Procedures for the prevention of health and safety risks	55%	42%	4%
Grant of periodical medical check-ups	28%	70%	2%
Employees training on security and the prevention of occupational hazards	51%	47%	2%
Respect of the established working hours and days off	94%	4%	2%
AVERAGE	57%	41%	2%

APPENDIX 16. CROSS TABULATION BETWEEN BUSINESS SECTOR AND THE IMPLEMENTATION OF ACTIVITIES RELATED TO HEALTH AND WELLBEING OF EMPLOYEES

ACTIVITIES	Manufact (n=19)	Services (n=34)
Prevention of health and safety risks	47%	59%
Grant of periodical medical check-ups	16%	35%
Training on security and prevention of occupational hazards	58%	47%
Respect of established working hours and days off	89%	97%
AVERAGE	53%	60%

APPENDIX 17. CHI-SQUARE TEST FOR BUSINESS SECTOR AND PERIODICAL MEDICAL CHECK-UPS

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.782 ^a	2	.151
Likelihood Ratio	4.197	2	.123
Linear-by-Linear Association	3.161	1	.075
N of Valid Cases	53		

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is .36.

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.267	.151
	Cramer's V	.267	.151
N of Valid Cases		53	

APPENDIX 18. CROSS TABULATION BETWEEN BUSINESS SIZE AND THE IMPLEMENTATION OF ACTIVITIES RELATED TO HEALTH AND WELLBEING OF EMPLOYEES

ACTIVITIES	Micro (n=34)	SMEs (n=19)
Prevention of health and safety risks	53%	58%
Grant of periodical medical check-ups	21%	42%
Training on security and prevention of occupational hazards	44%	63%
Respect of established working hours and days off	97%	89%
AVERAGE	54%	63%

APPENDIX 19. CHI-SQUARE TEST FOR SIZE OF BUSINESS AND PERIODICAL MEDICAL CHECK-UPS

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.036 ^a	2	.081
Likelihood Ratio	5.261	2	.072
Linear-by-Linear Association	1.361	1	.243
N of Valid Cases	53		

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is .36.

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.308	.081
	Cramer's V	.308	.081
N of Valid Cases		53	

APPENDIX 20. FREQUENCY OF IMPLEMENTATION OF ACTIVITIES RELATED TO TRAINING OF EMPLOYEES

ACTIVITIES	YES	NO	DONT KNOW
Provide flexible schedule for employees to attend training programmes	89%	9%	2%
Provide financial assistance (total or in part) for employees to attend external training courses	64%	36%	0%
Organizing specific training courses for employees	62%	38%	0%
A written training plan for all employees	40%	57%	4%
AVERAGE	64%	35%	1%

APPENDIX 21. CROSS TABULATION BETWEEN BUSINESS SECTOR AND THE IMPLEMENTATION OF ACTIVITIES RELATED TO TRAINING OF EMPLOYEES

ACTIVITIES	Manufact (n=19)	Services (n=34)
Flexible schedule to attend training programmes	84%	91%
Financial assistance to attend external courses	58%	68%
Organizing specific training courses for employees	53%	68%
A written training plan for all employees	37%	41%
AVERAGE	58%	67%

APPENDIX 22. CROSS TABULATION BETWEEN BUSINESS SIZE AND THE IMPLEMENTATION OF ACTIVITIES RELATED TO TRAINING OF EMPLOYEES

INTERNAL PRACTICES	Micro (n=34)	SMEs (n=19)
Flexible schedule to attend training programmes	85%	95%
Financial assistance to attend external courses	68%	58%
Organizing specific training courses for employees	56%	74%
A written training plan for all employees	21%	74%
AVERAGE	57%	75%

APPENDIX 23. CHI-SQUARE TEST FOR SIZE OF BUSINESS AND HAVING A WRITTEN TRAINING PLAN FOR ALL EMPLOYEES

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.590 ^a	2	.001
Likelihood Ratio	15.402	2	.000
Linear-by-Linear Association	13.619	1	.000
N of Valid Cases	53		

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is .72.

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.525	.001
	Cramer's V	.525	.001
N of Valid Cases		53	

APPENDIX 24. FREQUENCY OF IMPLEMENTATION OF ACTIVITIES RELATED TO EMPLOYEE PARTICIPATION (in per cent)

ACTIVITIES	YES	NO	DONT KNOW
Open dialogue spaces between employees and directors	83%	13%	4%
Respect of the different collective and work agreements of the productive sector	77%	15%	8%
System were the employees take part of the social capital and/or benefits	34%	62%	4%
Social benefits to employees beyond the ones regulated by law	62%	38%	0%
AVERAGE	64%	32%	4%

APPENDIX 25. CROSS TABULATION BETWEEN BUSINESS SECTOR AND THE IMPLEMENTATION OF ACTIVITIES RELATED TO EMPLOYEE PARTICIPATION (in per cent)

ACTIVITIES	Manufact (n=19)	Services (n=34)
Open dialogue spaces between employees and directors	84%	82%
Respect of the collective and work agreements of the productive sector	79%	76%
System to share social capital and/or benefits	21%	41%
Social benefits to employees beyond the ones regulated by law	68%	59%
AVERAGE	63%	65%

APPENDIX 26. CHI-SQUARE TEST FOR BUSINESS SECTOR AND HAVING A SYSTEM IN WHICH EMPLOYEES TAKE PART OF SOCIAL CAPITAL

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.248 ^a	2	.325
Likelihood Ratio	2.341	2	.310
Linear-by-Linear Association	2.105	1	.147
N of Valid Cases	53		

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is .72.

Symmetric Measures

	Value	Approx. Sig.
Nominal by Nominal Phi	.206	.325
Cramer's V	.206	.325
N of Valid Cases	53	

APPENDIX 27. CROSS TABULATION BETWEEN BUSINESS SIZE AND THE IMPLEMENTATION OF ACTIVITIES RELATED TO EMPLOYEE PARTICIPATION (in per cent)

ACTIVITIES	Micro (n=34)	SMEs (n=19)
Open dialogue spaces between employees and directors	82%	84%
Respect of the collective and work agreements of the productive sector	76%	79%
System to share social capital and/or benefits	35%	32%
Social benefits to employees beyond the ones regulated by law	62%	63%
AVERAGE	64%	51%

APPENDIX 28. FREQUENCY OF THE IMPLEMENTATION OF ACTIVITIES RELATED TO WORK-FAMILY BALANCE, EQUAL OPPORTUNITIES & MINORITY UNIONS

ACTIVITIES	YES	NO	DONT KNOW
Provide flexible working schedules	68%	30%	2%
Provision of special permissions for employees that go beyond what is regulated by law (e.g. leave to attend a sick family member)	98%	0%	2%
Policy of equal opportunities for hiring, without gender discrimination	89%	9%	2%
Policy of equal opportunities for hiring, without ethnical or racial discrimination	89%	9%	2%
AVERAGE	86%	12%	2%

APPENDIX 29. CROSS TABULATION BETWEEN BUSINESS SECTOR AND THE IMPLEMENTATION OF ACTIVITIES RELATED TO WORK-FAMILY BALANCE, EQUAL OPPORTUNITIES AND MINORITY UNIONS

ACTIVITIES	Manufact (n=19)	Services (n=34)
Provide flexible working schedules	68%	68%
Provision of special permissions for employees that go beyond what is regulated by law	100%	97%
Equal opportunities without gender discrimination	89%	88%
Equal opportunities without ethnical discrimination	89%	88%
AVERAGE	87%	85%

APPENDIX 30. CROSS TABULATION BETWEEN BUSINESS SIZE AND THE IMPLEMENTATION OF ACTIVITIES RELATED TO WORK-FAMILY BALANCE, EQUAL OPPORTUNITIES AND MINORITY UNIONS

ACTIVITIES	Micro (n=34)	SMEs (n=19)
Provide flexible working schedules	79%	47%
Provision of special permissions for employees that go beyond what is regulated by law	97%	100%
Equal opportunities without gender discrimination	88%	89%
Equal opportunities without ethnical discrimination	85%	95%
AVERAGE	88%	83%

APPENDIX 31. CHI-SQUARE TEST FOR BUSINESS SIZE AND THE PRACTICE OF PROVIDING FLEXIBLE WORKING SCHEDULES

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.343 ^a	2	.025
Likelihood Ratio	7.512	2	.023
Linear-by-Linear Association	3.866	1	.049
N of Valid Cases	53		

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is .36.

Symmetric Measures			
		Value	Approx. Sig.
Nominal by Nominal	Phi	.372	.025
	Cramer's V	.372	.025
N of Valid Cases		53	

APPENDIX 32. FREQUENCY OF IMPLEMENTATION OF ACTIVITIES RELATED TO CORPORATE GOVERNANCE

ACTIVITIES	YES	NO	DONT KNOW
Independent accounting audit system	58%	30%	11%
Supervision of suppliers/subcontractors on CSR activities	26%	64%	9%
Quality management control system	55%	40%	6%
Internal anti-corruption policies	60%	32%	8%
Support to suppliers/subcontractors on implementing CSR practices	43%	47%	9%
AVERAGE	49%	43%	9%

APPENDIX 33. CROSS TABULATION BETWEEN BUSINESS SECTOR AND THE IMPLEMENTATION OF ACTIVITIES RELATED TO CORPORATE GOVERNANCE

ACTIVITIES	Manufact (n=19)	Services (n=34)
Independent accounting audit system	63%	56%
Supervision of suppliers/subcontractors on CSR activities	42%	18%
Quality management control system	63%	50%
Internal anti-corruption policies	53%	65%
Support to suppliers/subcontractors on implementing CSR practices	47%	41%
AVERAGE	54%	46%

APPENDIX 34. CROSS TABULATION BETWEEN BUSINESS SIZE AND THE IMPLEMENTATION OF ACTIVITIES RELATED TO CORPORATE GOVERNANCE

ACTIVITIES	Micro (n=34)	SMEs (n=19)
Independent accounting audit system	56%	63%
Supervision of suppliers/subcontractors on CSR activities	24%	32%
Quality management control system	50%	63%
Internal anti-corruption policies	53%	74%
Support to suppliers/subcontractors on implementing CSR practices	35%	58%
AVERAGE	44%	58%

APPENDIX 35. FREQUENCY OF THE IMPLEMENTATION OF ENVIRONMENTAL PRACTICES AND THE LEVELS OF ENGAGEMENT

ENVIRONMENTAL ACTIVITIES	HIGH	MED	LOW	NONE
Reduce energy use	36%	36%	19%	9%
Reduce, recycle and manage waste	40%	34%	15%	11%
Reduce water use	30%	43%	11%	15%
Considers impact	42%	28%	15%	15%
Environmental Management System	4%	19%	4%	74%
Requirement of suppliers certification	8%	17%	13%	62%
AVERAGE	26%	30%	13%	31%

APPENDIX 36. CROSS TABULATION BETWEEN BUSINESS SECTOR AND THE LEVELS OF IMPLEMENTATION OF ENVIRONMENTAL PRACTICES (in per cent)

ENVIRONMENTAL PRACTICES	Manufacturing (n=19)				Services (n=34)			
	High	Med	Low	No	High	Med	Low	No
Programmes to reduce energy use	26	37	32	5	41	35	12	12
Programmes to reduce, recycle and manage waste	53	11	26	11	32	47	9	12
Programmes to reduce water use	26	32	26	16	32	50	3	15
Considers the environmental impact of products, process and/or services	53	21	16	11	35	32	15	18
Environmental Management System (ISO 14,001 or similar)	5	21	5	68	3	18	3	76
The requirement of environmental certification for suppliers and subcontractors.	5	32	0	63	9	9	21	62
AVERAGE	28	25	18	29	25	32	10	32

APPENDIX 37. CHI-SQUARE TEST FOR BUSINESS SECTOR AND THE IMPLEMENTATION OF PROGRAMMES TO REDUCE, RECYCLE AND MANAGE WASTE

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.542 ^a	3	.036
Likelihood Ratio	9.324	3	.025
Linear-by-Linear Association	.033	1	.856
N of Valid Cases	53		

a. 3 cells (37.5%) have expected count less than 5. The minimum expected count is 2.15.

Symmetric Measures			
		Value	Approx. Sig.
Nominal by Nominal	Phi	.401	.036
	Cramer's V	.401	.036
	Contingency Coefficient	.373	.036
N of Valid Cases		53	

APPENDIX 38. CHI-SQUARE TEST FOR BUSINESS SECTOR AND THE IMPLEMENTATION OF PROGRAMMES TO REDUCE THE USE OF ENERGY

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.841 ^a	3	.279
Likelihood Ratio	3.797	3	.284
Linear-by-Linear Association	.608	1	.436
N of Valid Cases	53		

a. 3 cells (37.5%) have expected count less than 5. The minimum expected count is 1.79.

Symmetric Measures			
		Value	Approx. Sig.
Nominal by Nominal	Phi	.269	.279
	Cramer's V	.269	.279
	Contingency Coefficient	.260	.279
N of Valid Cases		53	

APPENDIX 39. CROSS TABULATION BETWEEN BUSINESS SIZE AND THE LEVELS OF ENGAGEMENT IN ENVIRONMENTAL PRACTICES (in per cent)

ENVIRONMENTAL ACTIVITIES	Micro (n=34)				Small-Med (n=19)			
	High	Med	Low	No	High	Med	Low	No
Programmes to reduce energy use	38	38	15	9	32	32	26	11
Programmes to reduce, recycle and manage waste	35	32	21	12	47	37	5	11
Programmes to reduce water use	44	32	9	15	26	42	16	16
Considers the environmental impact of products, process and/or services	38	35	15	12	47	16	16	21
Environmental Management System (ISO 14,001 or similar)	0	18	3	79	11	21	5	63
The requirement of environmental certification for suppliers and subcontractors.	6	18	12	65	11	16	16	58
AVERAGE	27	29	12	32	29	27	14	30

APPENDIX 40. CROSS TABULATION BETWEEN BUSINESS SECTOR AND CUSTOMER REQUIREMENTS

	Manufact (n=19)	Services (n=34)
Quality	79%	74%
Environment	58%	41%
Health and safety	32%	35%
Human rights	21%	21%
Labour rights	11%	29%
Corruption	5%	18%
No requirements	21%	24%
No requirements (without quality option)	42%	50%

APPENDIX 41. CROSS TABULATION BETWEEN BUSINESS SIZE AND CUSTOMER CSR REQUIREMENTS

	Micro (n=34)	Small- Med (n=19)
Quality	79%	68%
Environment	47%	47%
Health and safety	26%	47%
Human rights	24%	16%
Labour rights	26%	16%
Corruption	12%	16%
No requirements	26%	16%
No requirements (without quality option)	47%	37%

APPENDIX 42. FREQUENCY OF WAYS IN WHICH CUSTOMERS MONITOR GUATEMALAN SMEs' COMPLIANCE TO THEIR CSR REQUIREMENTS

Way of monitoring	Frequency (n=30)
Supervising that SMEs Comply to technical specifications	8
Direct Supervision	7
Asking SMEs to Have internal quality controls	6
Customers have regular evaluations and visits	5
Formal and Informal meetings	3
Requirement of Certifications	2
Audits	1
Codes of conduct	1

APPENDIX 43. CHI-SQUARE TEST FOR BUSINESS SIZE AND PRACTICE OF GIVING SUPPORT TO SUPPLIERS TO IMPLEMENT CSR PRACTICES

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.650 ^a	2	.266
Likelihood Ratio	2.677	2	.262
Linear-by-Linear Association	2.453	1	.117
N of Valid Cases	53		

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is 1.79.

Symmetric Measures			
		Value	Approx. Sig.
Nominal by Nominal	Phi	.224	.266
	Cramer's V	.224	.266
N of Valid Cases		53	

APPENDIX 44. CROSS TABULATION BETWEEN BUSINESS SIZE AND REQUIREMENTS FOR SUPPLIERS

	Micro (n=34)	Small- Med (n=19)
Quality	82%	84%
Environment	47%	47%
Health and safety	26%	32%
Human rights	9%	5%
Labour rights	21%	11%
Corruption	12%	16%
No requirements	21%	11%
No requirements (without quality option)	53%	47%

APPENDIX 45. CROSS TABULATION BETWEEN REQUIREMENTS FOR SUPPLIERS AND BUSINESS SECTOR

	Manufact (n=19)	Services (n=34)
Quality	95%	76%
Environment	53%	44%
Health and safety	26%	29%
Human rights	5%	9%
Labour rights	11%	21%
Corruption	5%	18%
No requirements	5%	24%
No requirements (without quality option)	42%	56%

APPENDIX 46. CHI-SQUARE TEST FOR LOCATION OF SUPPLIERS AND ENVIRONMENTAL REQUIREMENTS

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	4.158 ^a	1	.041	.049	.040
Continuity Correction ^b	3.057	1	.080		
Likelihood Ratio	4.209	1	.040		
Fisher's Exact Test					
Linear-by-Linear Association	4.079	1	.043		
N of Valid Cases	53				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 8.49.

b. Computed only for a 2x2 table

Symmetric Measures			
		Value	Approx. Sig.
Nominal by Nominal	Phi	.280	.041
	Cramer's V	.280	.041
N of Valid Cases		53	

APPENDIX 47. CHI-SQUARE TEST FOR LOCATION OF SUPPLIERS AND HEALTH AND SAFETY REQUIREMENTS

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	6.324 ^a	1	.012	.022	.015
Continuity Correction ^b	4.809	1	.028		
Likelihood Ratio	6.129	1	.013		
Fisher's Exact Test					
Linear-by-Linear Association	6.205	1	.013		
N of Valid Cases	53				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 5.09.

b. Computed only for a 2x2 table

Symmetric Measures			
		Value	Approx. Sig.
Nominal by Nominal	Phi	.345	.012
	Cramer's V	.345	.012
N of Valid Cases		53	

APPENDIX 48. FREQUENCIES FOR EVERY STATEMENT ON THE SECTION PERCEPTIONS OF CSR

PERCEPTIONS	AGREE	DIS- AGREE	DONT KNOW
A responsible business is the one that complies strictly to labour and environmental laws	74%	23%	4%
Responsible businesses go beyond what is required by law and have a positive impact in society.	94%	4%	2%
CSR is equivalent to charity/philanthropy.	25%	64%	11%
CSR is a voluntary activity	79%	19%	2%
CSR includes activities to protect the environment	92%	2%	6%
CSR is more important for companies in developed countries than companies in developing ones.	25%	74%	2%
CSR is more relevant to the manufacturing than to the services sector.	32%	66%	2%
The government is the one that should promote and make sure that businesses are socially responsible.	87%	9%	4%
CSR is rather the obligation of large multinational companies than Smaller businesses	13%	87%	0%
Small and medium businesses don't have a negative impact on the environment because of their size	21%	79%	0%
Being socially responsible also extends to ensure that business partners behave in a responsible manner (e.g. suppliers)	89%	6%	6%
The main motivation to implement responsible practices are to improve public relationships and marketing purposes	40%	57%	4%
Getting involved in business responsible activities is costly and requires too much time and money.	30%	66%	4%
Implementing social responsible activities generates a competitive advantage for the business	94%	4%	2%
Being a responsible business can increase profits	92%	0%	8%
The development of activities related to being socially and environmentally responsible is a priority for my business.	70%	13%	17%

APPENDIX 49. CROSS TABULATION BETWEEN PERCEPTION THAT THE MAIN MOTIVATION FOR CSR IS FOR MARKETING PURPOSES AND THE IMPLEMENTATION OF DIFFERENT PRACTICES

Implementation of activities	Level	Motivation is for marketing purposes	
		YES (n=21)	NO (n=30)
External Practices	High	25%	22%
	Med	28%	29%
	Low	20%	29%
	No	22%	21%
Internal Practices	Yes	64%	67%
	No	36%	33%
Environmental Activities	High	35%	22%
	Med	29%	30%
	Low	7%	16%
	No	29%	32%
Supply Chain Practices (Requirement for suppliers)	Yes	27%	19%
	No	73%	81%

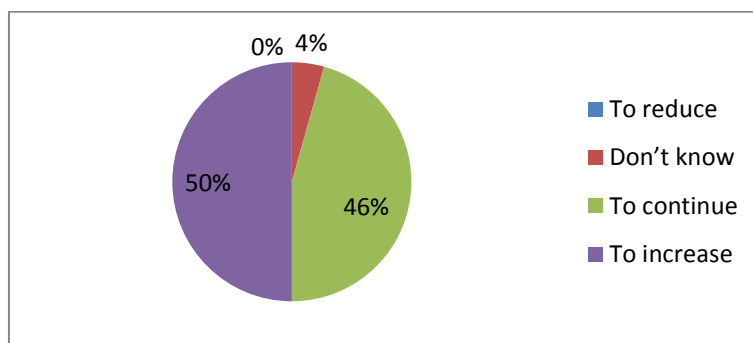
APPENDIX 50. CROSS TABULATION BETWEEN PERCEPTION OF CSR AS BEING A PRIORITY FOR GUATEMALAN SMEs AND THE IMPLEMENTATION OF DIFFERENT CSR PRACTICES

Implementation of activities	Level	Priority for my business		
		YES (n=37)	NO (n=7)	Don't Know (n=9)
External Practices	High	29%	8%	17%
	Med	29%	27%	27%
	Low	22%	35%	27%
	No	21%	31%	29%
Internal Practices	Yes	63%	62%	64%
	No	33%	35%	33%
	Don't know	4%	3%	3%
Environmental Practices	High	29%	17%	22%
	Med	33%	19%	22%
	Low	11%	19%	15%
	No	26%	45%	41%
Supply Chain Practices (Requirement for suppliers)	Yes	29%	3%	13%
	No	71%	97%	87%

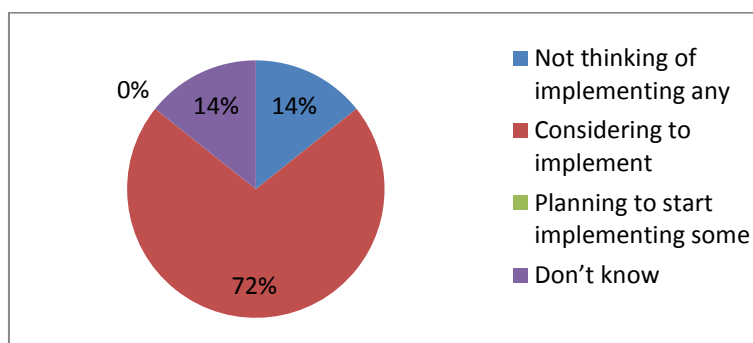
APPENDIX 51. ALREADY IMPLEMENTED SOME SOCIALLY AND ENVIRONMENTALLY RESPONSIBLE PRACTICES

ANSWER	n	%
YES	46	87%
NO	7	13%

APPENDIX 52. EXPECTATIONS FOR THE FUTURE IN BUSINESSES THAT HAVE ALREADY IMPLEMENTED CSR



APPENDIX 53. EXPECTATIONS FOR THE FUTURE IN BUSINESSES THAT HAVE NOT IMPLEMENTED CSR



APPENDIX 54. KNOWLEDGE OF SMEs ABOUT ORGANISATIONS THAT SUPPORT CSR

