The effect of firm size and firm activities on CSR practices of selected Chinese–Filipino–owned MSMEs in Metro Manila∗

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Abstract: Socially-responsible business and ethical behavior of companies have been of interest to academia and practice for decades, but the focus has almost exclusively been on large corporations, while small and medium-sized enterprises (SMEs) have not received as much attention (Hammann, et al., 2009). Worthington, et al (2006) recognized the need to encourage socially-responsible business practices among the 90 per cent or more of the world’s businesses that are classified as SMEs. Perrini, et al (2007) found that size explains the differences in firms’ willingness to define and implement such specific corporate social responsibility (CSR) strategies, while Murillo and Lozano (2006) concluded that it still remains to be explored whether manufacturing companies tend to apply CSR more extensively, or whether businesses oriented to other business have a tendency to incorporate CSR into their management patterns to a higher degree. Moreover, President Gloria Macapagal-Arroyo, in her 7 June, 2002 speech, recognized the importance of Chinese-Filipinos in helping improve the Philippine economy, and yet, not much research had been done on this sub-sector. Thus, this paper focuses on the effect of firm size and firm activities on the social responsibility practices of selected 30 micro, small and medium-sized enterprises (MSMEs) in Metro Manila which are owned by Chinese-Filipinos. Survey questionnaires and interview were used for gathering data, while a correlations test was used to analyze the data and to conclude whether firm size and firm activities have an effect on the sampled companies’ CSR practices.

Key words: social responsibility; micro-enterprises; firm size; firm activities; Chinese-Filipinos

1. Introduction

Since steel baron Andrew Carnegie published The Gospel of Wealth in 1889, the argument that businesses are trustees of societal property that should be managed for the public good has been seen as one end of a continuum, while at the other end, is the belief that profit maximization is management’s only legitimate goal (Pearce & Doh, 2005).

Worthington, et al (2006) recognized the need to promote and encourage socially-responsible business practices among the 90 per cent or more of the world’s businesses that are classified as small and medium-sized enterprises (SMEs). Jenkins (2006) noted that there is evidence that stakeholder theory may provide a framework in which SMEs and corporate social responsibility (CSR) can be understood. The study of Russo and Tencati (2009) also provides evidence that, based on stakeholder theory, small businesses’ use of CSR reflects an attempt to secure their license to operate in the communities.

The stakeholder theory, developed by Ed Freeman in 1984, addresses values in managing an organization, and requires management to balance ethical interests, and to consider the consequence of its decisions for the

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well-being of all affected groups known as stakeholders (Mariano, 2009).

The main objective of this paper is to determine if firm size and firm activities significantly affect the different CSR practices of selected Chinese-Filipino-owned micro, small and medium-sized enterprises (MSMEs) in Metro Manila.

Specifically, the objectives of this paper are:

(1) To determine whether Chinese-Filipino-owned MSMEs’ CSR policies related to the different stakeholders (owners, employees, customers, suppliers, community, environment and other stakeholders) differ because of firm size;

(2) To determine whether Chinese-Filipino-owned MSMEs’ CSR policies related to the different stakeholders differ because of firm activity;

(3) To provide recommendations to Chinese-Filipino-owned MSMEs regarding their CSR policies.

The results of this study would have implications on the CSR practices of current and prospective Chinese-Filipino business owners; The findings of this study would also contribute to the limited literature on Chinese-Filipino business practices.

2. Related literature and hypotheses

2.1 Corporate social responsibility (CSR)

The Philippine business for social progress (PBSP) defines corporate social responsibility (CSR) as a business principle which proposes that the long-term sustainability of business is best served when profitability and growth are attained alongside the development of communities, the protection and sustainability of the environment, and the improvement of the people’s quality of life (APEC economy paper, 2005).

CSR is not alien to the Philippines as it is rooted in its culture, and the economy’s poor economic conditions further emphasize the need for corporations to practice CSR activities, and act as the driving force in the implementation of CSR activities (APEC economy paper, 2005).

2.2 Chinese-Filipinos

In a multi-cultural business community, the content and delivery of a message promoting greater social responsibility needs to accommodate different cultural contexts and traditions (Worthington, et al., 2006). Miralao and Makil (2007) observed that globalization appears to have aided the mainstreaming of Chinese Filipinos by reinvigorating the Chinese-Filipinos’ engagements with China.

According to mongabay website (www.mongabay.com), in 1990, the approximately 600,000 ethnic Chinese made up less than one per cent of the population of the Philippines. Currently, Filipinos of Chinese descent, who had been settling in the Philippines since pre-Hispanic times, totaled 2,200,000, or about two per cent of the country’s population (www.yawiki.org & www.nationmaster.com).

2.3 Stakeholders

Stakeholder is defined as groups and individuals who are vital to survival and success of corporation or whose interests are vitally affected by corporate actions (Mariano, 2009). Jenkins (2006) noted that while the term stakeholder was not used explicitly by all companies, it was implied in every description of CSR and that the key stakeholders were shareholders, employees, customers and suppliers, the community and the environment.

Owners or shareholders would be concerned on the return on their capital, employees about their job security, suppliers about the companies’ ability to pay them, customers about product quality and satisfaction, and
community about improving livelihood. Businesses should also care for the environment and nature, especially during this time when climate change and global warming are issues which demand serious attention. Other stakeholders such as trade associations would also be concerned with a company’s CSR practices.

2.4 Small and medium-sized enterprises (SMEs)

Small and medium-sized enterprises (SMEs) are multi-purpose companies which balance their economic, social and environmental responsibilities (Enderle, 2004). By their nature, particularly in terms of governance, ownership and goals, SMEs are a fertile ground for the development of responsible behavior (Vives, 2006).

According to Jenkins (2006), SMEs have the following characteristics that can aid the adoption of CSR: (1) SMEs are flexible and adaptable, and can therefore respond quickly to changing circumstances; (2) SMEs are often creative and innovative, which can be applied to the development of innovative approaches to CSR; (3) The owner-manager is closer to the organization, and can therefore more easily influence the values and culture of the company and champion CSR throughout the company; (4) Communications in SMEs are more fluid and open, therefore allowing values to be embedded across the organization and CSR information to be rapidly disseminated; (5) Leaner, less hierarchical management structure facilitates the involvement of all employees in CSR programs; (6) The benefits of undertaking any action are felt more immediately, particularly those relating to personal satisfaction and motivation.

2.4.1 Firm size

Firm size for micro, small and medium-sized enterprises (MSMEs) may be classified into micro, small and medium. As defined under Small and medium enterprise development council resolution No. 01 series of 2003, by asset size, micro firms have assets up to P 3,000,000, small firms have assets from P 3,000,001 to P 15,000,000, and medium-sized firms have assets from P 15,000,0001 to P 100,000,000. Furthermore, if employment size is considered, micro firms have up to nine employees, small firms have 10 to 99 employees and medium-sized firms have 100 to 199 employees (Gutierrez & Goboleo, 2005).

SMEs rarely use the language of CSR to describe their activities, but informal CSR strategies play a large part in them (Russo & Tencati, 2009). Vives (2006) concluded that SMEs are very different from the larger businesses for which most of the concepts and methodologies of CSR have been developed, since SMEs have very different stakeholders. In particular, many are family-owned … Thus, SME activities may reflect the values, character, education, background, and the like of the owner/entrepreneur, and Enderle (2004) concluded that this will have a direct impact on the firm’s corporate responsibility.

Perrini, et al (2007) found that size explains the differences in firms’ willingness to define and implement such specific CSR strategies. Avram and Kuhne (2008) concluded that SMEs will usually experience more difficulties than their larger counterparts when engaging in business actions, especially regarding issues involving external stakeholders or the natural environment because of a lack of discretionary slack or even financial and personnel resources. Thus, the alternative hypotheses relating to firm size are as follows:

\[ H_{11} \]: Firm size significantly influences owner-related CSR practices of Chinese-Filipino-owned MSMEs in Metro Manila.

\[ H_{12} \]: Firm size significantly influences employee-related CSR practices of Chinese-Filipino-owned MSMEs in Metro Manila.

\[ H_{13} \]: Firm size significantly influences customer-related CSR practices of Chinese-Filipino-owned MSMEs in Metro Manila.

\[ H_{14} \]: Firm size significantly influences supplier-related CSR practices of Chinese-Filipino-owned MSMEs in Metro Manila.
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Metro Manila.

Ha5: Firm size significantly influences community-related CSR practices of Chinese-Filipino-owned MSMEs in Metro Manila.

Ha6: Firm size significantly influences environment-related CSR practices of Chinese-Filipino-owned MSMEs in Metro Manila.

Ha7: Firm size significantly influences other stakeholder-related CSR practices of Chinese-Filipino-owned MSMEs in Metro Manila.

2.4.2 Firm activity

Firm activity is classified into service, trading and manufacturing. Firms which offer skills and labor would be classified under service; Those firms which has buying and selling as their main line of business would be classified under trading; Firms involved in the transformation of inputs into outputs would be classified under manufacturing.

In Philippines, according to Gutiérrez and Goboleo (2005), priority has been given to SMEs in the Medium-term philippine development plan (MTPDP) 2004-2010 as engine of economic growth and job creation. The authors indicated that these SMEs comprised 99.6 per cent of the total establishments in operation for the year 2003, generated 3.9 million jobs, or 7.9 per cent of total employment, and contributed 32 per cent of the gross domestic product, indicating their importance to economy.

Moreover, most of these SMEs are into wholesale and retail (53 per cent), manufacturing (15 per cent) and hotels and restaurants (11 per cent). An analysis of geographic distribution of enterprises throughout the country indicates a high concentration in the National Capital Region (NCR), which accounts for 24.4 per cent of all establishments and 40.1 per cent of all employees, and around two-thirds of SMEs are concentrated in the NCR region and regions III, IV, VII, and XI (Lagua, n.d.). Metro Manila is commonly referred to as NCR.

Murillo and Lozano (2006) concluded that it still remains to be explored whether manufacturing companies tend to apply CSR more extensively, or whether businesses oriented to other business have a tendency to incorporate CSR into their management patterns to a higher degree. Thus, the alternative hypotheses relating to firm activity are stated as follows:

Ha8: Firm activity significantly influences owner-related CSR practices of Chinese-Filipino-owned MSMEs in Metro Manila.

Ha9: Firm activity significantly influences employee-related CSR practices of Chinese-Filipino-owned MSMEs in Metro Manila.

Ha10: Firm activity significantly influences customer-related CSR practices of Chinese-Filipino-owned MSMEs in Metro Manila.

Ha11: Firm activity significantly influences supplier-related CSR practices of Chinese-Filipino-owned MSMEs in Metro Manila.

Ha12: Firm activity significantly influences community-related CSR practices of Chinese-Filipino-owned MSMEs in Metro Manila.

Ha13: Firm activity significantly influences environment-related CSR practices of Chinese-Filipino-owned MSMEs in Metro Manila.

Ha14: Firm activity significantly influences other stakeholder-related CSR practices of Chinese-Filipino-owned MSMEs in Metro Manila.
3. Scope and limitations

This study covers 30 selected Chinese-Filipino-owned micro, small and medium-sized enterprises located in Metro Manila selected based on proximity to the researcher.

The sampled companies are classified twice—based on their size and based on their activities. The classification of the companies’ firm size is based on total firm assets. If such information is unavailable, the basis for said classification is the number of employees.

The evaluation of the different CSR policies of sampled firms is based on the results from the paired samples correlations test and is limited to the impact of firm size and firm activity. Other factors, such as the owner’s values and background, which might affect the CSR practices of Chinese-Filipino firms are not incorporated in this particular study.

4. Methodology

4.1 Procedure for data collection

The researcher finalized a survey questionnaire which is composed mostly of open-ended questions regarding the existence of CSR policies and programs in the sampled companies. This survey questionnaire was given either personally or through e-mail to the respondents who are either owners or managers of the sampled companies. The completed survey form, in turn, was obtained by the researcher through direct contact, fax or e-mail. A total of 18 out of the 50 survey questionnaires sent were returned to the researcher. To meet the statistical minimum of 30 respondents, representatives from 12 other companies were interviewed by the researcher through phone. The sampled companies were selected based on physical proximity to the researcher.

4.2 Procedure for data analysis

To evaluate the results of the study, the researcher tallied the answers on CSR policies per stakeholder of the respondents, who were first classified according to firm size. The same methodology was applied as the respondents were then classified according to firm activities.

The data was then run on the SPSS statistics software version 17, and the results on the paired samples correlations were gotten. A paired samples correlations test would solve for the correlation between each of the pairs of variables, the pairs being the CSR policies per stakeholder and firm size or firm activity. Correlation is calculated if the objective is to measure both $X$ (firm size) and $Y$ (firm activity) in each subject (in this case CSR policies per stakeholder) and quantify how well they are associated (http://www.microbiologybytes.com/maths/spss3.html).

A one-way ANOVA, which tests whether several means for different conditions or groups are equal across one variable, was done to verify the results of the correlation test (http://academic.reed.edu/psychology/RDDAwebsite/spssguide/anova.html).

Based on the statistical results, the researcher then came up with the conclusion and recommendation.

5. Results and discussion

5.1 Profile of sample companies

In Table 1, it can be observed that in relation to firm size, 20 out of the 30 respondents or about 66 per cent are micro businesses, while both small and medium-sized businesses are composed of five companies each or approximately 17 per cent of the sample. This is no surprise as Lagua (n.d.) indicated in his presentation that micro enterprises account for 743,949 (91.6 per cent), small enterprises 61,759 (7.6 per cent), and medium
enterprises 2,923 (0.4 per cent). The remaining percentages refer to large enterprises.

| Firm size | Service | Trading | Manufacturing | Total |
|-----------|---------|---------|---------------|-------|
| Micro     | 8       | 12      | 0             | 20    |
| Small     | 2       | 2       | 1             | 5     |
| Medium    | 0       | 1       | 4             | 5     |
| Total     | 10      | 15      | 5             | 30    |

Table 1  Profile of sample companies

When it comes to firm activities, of the 30 respondents, ten companies or approximately 33 per cent are service-oriented businesses which includes law firm, leasing company, printing services company, clinic, food services company, optical shop and freight company. Fifteen companies or 50 per cent are engaged in trading which mostly involves construction supply, fabric, plastics, medicines and chemicals. Five companies or approximately 17 per cent are manufacturing businesses (see Table 1).

5.2 Effect of firm size on CSR policies and programs

From Table 2, it can be observed that 80 per cent of the sampled firms with existing CSR policies related to owners are micro businesses, while the other 20 per cent came from the medium size category. A closer look into Table 2 reveals that more than 60 per cent of the sampled firms with existing CSR policies are micro firms—approximately 62 per cent for employee-related CSR policies, around 81 per cent each for customer-related and supplier-related CSR policies, approximately 67 per cent for environment-related CSR policies, and 100 per cent for both community-related and other stakeholder-related CSR policies.

Table 2  Number of micro, small and medium-sized enterprises with existing CSR policies and programs in relation to total sampled firms with existing CSR policies and programs

| Stakeholders | Micro | Small | Medium | Total |
|--------------|-------|-------|--------|-------|
| Owners       | Frequency | Percent | Frequency | Percent | Frequency | Percent |
| Owners       | 4     | 80.00  | 0       | 0.00   | 1         | 20.00   |
| Employees    | 8     | 61.54  | 2       | 15.38  | 3         | 23.08   |
| Customers    | 13    | 81.25  | 2       | 12.50  | 1         | 6.25    |
| Suppliers    | 9     | 81.82  | 1       | 9.09   | 1         | 9.09    |
| Community    | 8     | 100.00 | 0       | 0.00   | 0         | 0.00    |
| Environment  | 8     | 66.67  | 1       | 8.33   | 3         | 25.00   |
| Others       | 2     | 100.00 | 0       | 0.00   | 0         | 0.00    |

Since micro businesses represent approximately 67 per cent of the sampled firms, Table 3 was developed to highlight the stakeholder focus of each firm size category.

From Table 3, it can be observed that the current CSR policies and programs of micro businesses recognizes the needs of customers (65 per cent), suppliers (45 per cent), employees, community and environment (each at 40 per cent), owners (20 per cent), and other stakeholders at 10 per cent. Meanwhile, small businesses’ CSR programs focus more on employees and customers (both at 40 per cent) and suppliers and environment (both at 20 per cent). For medium-sized businesses, the CSR programs are more for employees and environment (both at 60 per cent), and owners, customers and suppliers are each at 20 per cent.
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Table 3  Number of micro, small and medium-sized enterprises with existing CSR policies and programs in relation to total firms under respective firm size category

| Stakeholders | Firm size | Micro | | Small | | Medium | |
|--------------|-----------|-------|---|------|---|-------|---|
|              | Frequency | Per cent | Frequency | Per cent | Frequency | Per cent |
| Total        | 20        | 100.00  | 5             | 100.00  | 5           | 100.00  |
| Owners       | 4         | 20.00   | 0             | 0.00    | 1           | 20.00   |
| Employees    | 8         | 40.00   | 2             | 40.00   | 3           | 60.00   |
| Customers    | 13        | 65.00   | 2             | 40.00   | 1           | 20.00   |
| Suppliers    | 9         | 45.00   | 1             | 20.00   | 1           | 20.00   |
| Community    | 8         | 40.00   | 0             | 0.00    | 0           | 0.00    |
| Environment  | 8         | 40.00   | 1             | 20.00   | 3           | 60.00   |
| Others       | 2         | 10.00   | 0             | 0.00    | 0           | 0.00    |

From the survey questionnaires and interviews, it was gathered that both small and medium-sized businesses prioritized employees more to abide by the law, while micro businesses have normally their return-exchange policy for its customers. Interestingly, medium-sized businesses place the same emphasis on employees and the environment. This may be attributed to the emerging awareness of companies regarding environmental problems, however, one medium-sized company admitted that it is simply to obey the law. To determine which hypothesis to accept, a paired samples correlations test was done.

Table 4 shows the results of paired samples correlations between CSR practices per stakeholder and firm size. It can be concluded that firm size significantly influences the community-related CSR practices of Chinese-Filipino-owned MSMEs in Metro Manila, thus, null hypothesis 5 is not accepted, while null hypotheses 1, 2, 3, 4, 6 and 7 are accepted. The results from one-way ANOVA on the different stakeholder-related CSR practices of sampled companies yield the same results as the correlations test (see Appendix 1 to Appendix 7).

Table 4  Results of paired samples correlations test between stakeholders and firm size

|                | N | Correlation | Sig. |
|----------------|---|-------------|------|
| Pair 1 Owners & Firm size | 30 | -0.059 | 0.759 |
| Pair 2 Employees & Firm size | 30 | 0.132 | 0.486 |
| Pair 3 Customers & Firm size | 30 | -0.350 | 0.058 |
| Pair 4 Suppliers & Firm size | 30 | -0.226 | 0.229 |
| Pair 5 Community & Firm size | 30 | -0.395 | 0.031* |
| Pair 6 Environment & Firm size | 30 | 0.089 | 0.640 |
| Pair 7 Other stakeholders & Firm size | 30 | -0.175 | 0.355 |

Note: * significant at 0.05 confidence level.

In general, firm size does not significantly affect CSR practices of Chinese-Filipino-owned MSMEs in Metro Manila. Based on the sample used in this study, the conclusion of Perrini’s study (2007) that the size of the firm is considered as a strong influence on specific choices in the CSR area only holds true for community-related CSR policies and programs.

This conclusion stems from the fact that medium-sized businesses have more resources (both financially and in terms of manpower) than small or micro-sized businesses, and therefore medium-sized businesses have more capabilities to improve its community’s livelihood than its smaller counterparts (Avram & Kuhne, 2008).

5.3 Effect of firm activities on CSR policies and programs
Referring to Table 5, it can be seen that trading firms constitute most of the sampled firms with existing CSR policies and programs. For owner-related CSR policies, trading firms have equal percentage as service firms with 40 per cent; For employee-related CSR policies, approximately 62 per cent are trading firms; For customer-related, supplier-related, and community-related CSR policies, trading firms comprise approximately 56 per cent, 73 per cent and 63 per cent, respectively. Fifty per cent of firms with existing CSR policies related to environment are trading firms, while both service and trading firms each comprise 50 per cent of the firms with other stakeholder-related CSR policies.

Table 5  Number of service, trading and manufacturing firms with existing CSR policies and programs in relation to total sampled firms with existing CSR policies and programs

| Stakeholders | Service | Trading | Manufacturing | Total |
|--------------|---------|---------|---------------|-------|
|              | Frequency | Percent  | Frequency | Percent  | Frequency | Percent  | Frequency | Percent  |
| Owners       | 2        | 40.00   | 2         | 40.00    | 1         | 20.00    | 5         | 100.00   |
| Employees    | 1        | 7.69    | 8         | 61.54    | 4         | 30.77    | 13        | 100.00   |
| Customers    | 5        | 31.25   | 9         | 56.25    | 2         | 12.50    | 16        | 100.00   |
| Suppliers    | 2        | 18.18   | 8         | 72.73    | 1         | 9.09     | 11        | 100.00   |
| Community    | 3        | 37.50   | 5         | 62.50    | 0         | 0.00     | 8         | 100.00   |
| Environment  | 2        | 16.67   | 6         | 50.00    | 4         | 33.33    | 12        | 100.00   |
| Others       | 1        | 50.00   | 1         | 50.00    | 0         | 0.00     | 2         | 100.00   |

A closer look into the details per firm activity can be found in Table 6.

Based on Table 6, service businesses' CSR policies and programs are more for customers (50 per cent), community (30 per cent), owners, suppliers and environment (all at 20 per cent), and employees and other stakeholders (each at 10 per cent). Trading businesses have CSR policies and programs in place for customers (60 per cent), employees and suppliers (both at approximately 53 per cent), environment (40 per cent), community (approximately 33 per cent), owners (approximately 13 per cent) and other stakeholders at approximately seven per cent. The current CSR programs of manufacturing businesses put more emphasis on employees and environment (at 80 per cent), customers (at 40 per cent) and owners and suppliers (each at 20 per cent).

Although customers are the primary stakeholders benefited by the CSR programs of service businesses, it is quite disappointing to note that the said programs only averaged 50 per cent. One would actually assume that service businesses would always have programs in place to protect their customers, but unfortunately, such cannot be concluded.

On the other hand, since most trading and manufacturing businesses have more employees than a service business, these companies have emphasized their employees in their CSR programs. The usual CSR policies and programs in place would revolve around the mandatory employee benefits of SSS, among others. One of the trading businesses, however, has an accident insurance benefit for all employees and health insurance for employees who have stayed with the company for at least five years.

As is expected, manufacturing businesses have placed environment on top of their priority list, since majority of these businesses have recognized that environmental costs of not having one would be far greater than the cost of proper waste management and disposal. Statistical results on the correlation between firm activity and CSR practices related to each stakeholder are in Table 7.

Table 7 shows the results of paired samples correlations between CSR practices per stakeholder and firm activity. It can therefore be concluded that firm activity significantly influences both employee-related and
environment-related CSR practices of Chinese-Filipino-owned MSMEs in Metro Manila, thus, null hypotheses 9 and 13 are not accepted, while null hypotheses 8, 10, 11, 12 and 14 are accepted. These same results were found by doing a one-way ANOVA on the different stakeholder-related CSR practices of sampled companies (see Appendix 1 to Appendix 7).

Table 6  Number of service, trading, and manufacturing firms with existing CSR policies and programs in relation to total firms under respective firm activity category

| Stakeholders | Service |          |          |          |          |          |          |          |
|--------------|---------|----------|----------|----------|----------|----------|----------|----------|
|              | Frequency | Percent | Frequency | Percent | Frequency | Percent |
| Total        | 10       | 100.00   | 15       | 100.00   | 5         | 100.00   |
| Owners       | 2        | 20.00    | 2        | 13.33    | 1         | 20.00    |
| Employees    | 1        | 10.00    | 8        | 53.33    | 4         | 80.00    |
| Customers    | 5        | 50.00    | 9        | 60.00    | 2         | 40.00    |
| Suppliers    | 2        | 20.00    | 8        | 53.33    | 1         | 20.00    |
| Community    | 3        | 30.00    | 5        | 33.33    | 0         | 0.00     |
| Environment  | 2        | 20.00    | 6        | 40.00    | 4         | 80.00    |
| Others       | 1        | 10.00    | 1        | 6.67     | 0         | 0.00     |

Table 7  Results of paired samples correlations test between stakeholders and firm activity

| Pair  | Stakeholders & Firm activity | Frequency | Correlation | Significance |
|-------|------------------------------|-----------|-------------|--------------|
| 8     | Owners & Firm activity       | 30        | -0.022      | 0.909        |
| 9     | Employees & Firm activity    | 30        | 0.506       | 0.004**      |
| 10    | Customers & Firm activity    | 30        | -0.032      | 0.865        |
| 11    | Suppliers & Firm activity    | 30        | 0.084       | 0.659        |
| 12    | Community & Firm activity    | 30        | -0.183      | 0.334        |
| 13    | Environment & Firm activity  | 30        | 0.396       | 0.030*       |
| 14    | Other stakeholders & Firm activity | 30 | -0.130 | 0.495 |

Notes: * significant at 0.05 confidence level; ** significant at 0.01 confidence level.

For the purposes of this study, firm activity significantly influences employee-related CSR practices since most of the service businesses sampled were family-owned businesses with one or two employees who are usually related to the owner by consanguinity. Therefore majority of these service firms’ employees’ mandatory benefits required by the Labor Code become optional on the part of the owners. The same, however, cannot be said for trading and manufacturing businesses, which have bigger number of employees.

When it comes to environment-related CSR practices, manufacturing businesses are tasked to dispose of their industrial wastes properly (especially hazardous and toxic wastes). Thus, most manufacturing businesses have environmental policies in place. Service and trading businesses, on the other hand, adopt their own environmental policies out of concern to the environment, except for a clinic which is tasked to dispose of used injections properly. An example of the sampled trading company would be a supermarket which utilizes reusable bags for packaging.

6. Conclusion and recommendation

The findings of this study revealed the following: (1) Firm size significantly affects CSR practices of Chinese-Filipino-owned MSMEs in Metro Manila when it concerns the community; (2) Firm activity significantly affects employee-related CSR practices of Chinese-Filipino-owned MSMEs in Metro Manila; (3) Firm activity
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significantly affects environment-related CSR practices of Chinese-Filipino-owned MSMEs in Metro Manila. These findings can be further verified by the statistical results based on one-way ANOVA per stakeholder (see Appendix 1 to Appendix 7).

These findings may have been limited by the fact that many respondents were not able to identify any CSR policies and programs currently in place of their company. Lepoutre and Heene (2006) mentioned in their paper that most MSMEs do not recognize specific social responsibility issues. In fact, an article on CSR (n.d.) revealed that many of these businesses were actually practicing CSR, with most just unaware of the term itself. According to the article, 80 per cent of SMEs use local suppliers, 72 per cent support local charities and initiatives and 65 per cent have increased recycling, but these companies still do not treat these activities as CSR.

One of the respondents revealed that her business currently does not have any CSR policies and programs in place, simply because all the people in the company already know it by heart, so there did not see the benefit of putting everything in writing or formally.

The researcher therefore agrees with Russo and Tencaiti (2009) that what MSMEs still lack are formal tools such as codes, reports, social, environmental and ethical standards. These tools require, among other things, the investment of time, financial resources and competencies to implement new organizational routines that MSMEs are not ready to provide.

The Asia-Pacific economic cooperation (APEC) has even indicated in its Economy Paper 2005 that written policy statements are necessary to define the company’s behavior and guide the internal stakeholders’ decision-making process for the practice of CSR, and the CSR programs must be well-defined and based on the shareholder expectations and business needs.

Also, the suggestion of Vives in his 2006 study for SMEs to take a gradual approach to CSR issues should be considered by owner-managers. The owner-managers can become more effective in small business social responsibility action by actively seeking partners in the market, government, society or the entire supply chain, and by developing the capabilities that will take away the barriers they experience for small business social responsibility action (Lepoutre & Heene, 2006).

All of these can be done, first and foremost, by an awareness campaign among owner-managers of MSMEs. It is therefore recommended to the academe and/or other institutions to organize seminars on CSR to Chinese-Filipino businessmen, especially those who own micro businesses.

For future researchers, it is recommended that other factors such as values, character, education and background of the owner should be incorporated in analyzing the CSR practices of MSMEs. The study may extend to other nationalities and ethnicities, not just to Chinese-Filipinos.

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### Appendix 1 Results of one-way ANOVA on owner-related CSR practices

| Sum of squares | df | Mean square | F | Sig. |
|----------------|----|-------------|---|-----|
| Between groups | 0.007 | 1 | 0.007 | 0.013 | 0.909 |
| Within groups | 14.160 | 28 | 0.506 | | |
| Total | 14.167 | 29 | | | |

### Appendix 2 Results of one-way ANOVA on employee-related CSR practices

| Sum of squares | df | Mean square | F | Sig. |
|----------------|----|-------------|---|-----|
| Between groups | 3.624 | 1 | 3.624 | 9.624 | 0.004** |
| Within groups | 10.543 | 28 | 0.377 | | |
| Total | 14.167 | 29 | | | |

### Appendix 3 Results of one-way ANOVA on customer-related CSR practices

| Sum of squares | df | Mean square | F | Sig. |
|----------------|----|-------------|---|-----|
| Between groups | 0.015 | 1 | 0.015 | 0.029 | 0.865 |
| Within groups | 14.152 | 28 | 0.505 | | |
| Total | 14.167 | 29 | | | |

Note: **significant at 0.01 confidence level.
### Appendix 4  Results of one-way ANOVA on supplier-related CSR practices

|                     | Sum of squares | df | Mean square | F      | Sig.  |
|---------------------|----------------|----|-------------|--------|-------|
| **Firm activity**   |                |    |             |        |       |
| Between groups      | 0.100          | 1  | 0.100       | 0.198  | 0.659 |
| Within groups       | 14.067         | 28 | 0.502       |        |       |
| Total               | 14.167         | 29 |             |        |       |
| **Firm size**       |                |    |             |        |       |
| Between groups      | 0.897          | 1  | 0.897       | 1.513  | 0.229 |
| Within groups       | 16.603         | 28 | 0.593       |        |       |
| Total               | 17.500         | 29 |             |        |       |

### Appendix 5  Results of one-way ANOVA on community-related CSR practices

|                     | Sum of squares | df | Mean square | F      | Sig.  |
|---------------------|----------------|----|-------------|--------|-------|
| **Firm activity**   |                |    |             |        |       |
| Between groups      | 0.473          | 1  | 0.473       | 0.968  | 0.334 |
| Within groups       | 13.693         | 28 | 0.489       |        |       |
| Total               | 14.167         | 29 |             |        |       |
| **Firm size**       |                |    |             |        |       |
| Between groups      | 2.727          | 1  | 2.727       | 5.169  | 0.031*|
| Within groups       | 14.773         | 28 | 0.528       |        |       |
| Total               | 17.500         | 29 |             |        |       |

Note: *significant at 0.05 confidence level.

### Appendix 6  Results of one-way ANOVA on environment-related CSR practices

|                     | Sum of squares | df | Mean square | F      | Sig.  |
|---------------------|----------------|----|-------------|--------|-------|
| **Firm activity**   |                |    |             |        |       |
| Between groups      | 2.222          | 1  | 2.222       | 5.209  | 0.030*|
| Within groups       | 11.944         | 28 | 0.427       |        |       |
| Total               | 14.167         | 29 |             |        |       |
| **Firm size**       |                |    |             |        |       |
| Between groups      | 0.139          | 1  | 0.139       | 0.224  | 0.640 |
| Within groups       | 17.361         | 28 | 0.620       |        |       |
| Total               | 17.500         | 29 |             |        |       |

Note: * significant at 0.05 confidence level.

### Appendix 7  Results of one-way ANOVA on other stakeholder-related CSR practices

|                     | Sum of squares | df | Mean square | F      | Sig.  |
|---------------------|----------------|----|-------------|--------|-------|
| **Firm activity**   |                |    |             |        |       |
| Between groups      | 0.238          | 1  | 0.238       | 0.479  | 0.495 |
| Within groups       | 13.929         | 28 | 0.497       |        |       |
| Total               | 14.167         | 29 |             |        |       |
| **Firm size**       |                |    |             |        |       |
| Between groups      | 0.536          | 1  | 0.536       | 0.884  | 0.355 |
| Within groups       | 16.964         | 28 | 0.606       |        |       |
| Total               | 17.500         | 29 |             |        |       |