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CORPORATE SOCIAL RESPONSIBILITY (CSR) IN ACTION: ENGAGING MALAYSIAN SMEs TO INITIATE CSR CIRCLE MODEL

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Abstract:

Corporate social responsibility urges businesses and companies to divert their courses of doing business from solely focusing on profit maximization to showing some consideration to others wellbeing as well. Most CSR involvements discussed either at the international level or national level are widely circling around multinational corporations, public listed companies and most of other large corporations. Small and medium-sized enterprises (SMEs) which are considered as 'backbone' of most world economies are often neglected. Overall, SMEs constitute more than 90% of businesses worldwide. In Malaysia more than 95% of the business establishments consist of SMEs that provide jobs for more than 7.3 million workers equivalent to 48.4% of Malaysian total employment. Majority of the SMEs are privately owned, run by their sole owner/entrepreneur or a few individuals who are, most probably, family related. The owners usually have the ultimate power to influence most of the strategic decisions. Therefore, the objectives of this conceptual paper is to discuss and propose the point of origin as to where and how the process of inculcating the CSR culture in Malaysia should actually spark. Thru thorough literature search this study managed to propose CSR Circle Model that shall guide SMEs involvement in CSR. SMEs' visions and missions portray very much of their owner-managers' beliefs. If the individual business's owners strongly and sincerely believe in the concept of CSR, they will inspire their businesses and develop a culture of 'caring society' among employees, customers, suppliers and surrounding community. SMEs' owners-managers can lead the initiation of CSR Circle that will tremendously spread the CR culture nationwide.

Keywords:

Corporate Social Responsibility, CSR Circle, Owner-Manager, SMEs

Introduction

Keywords search of ‘Corporate Responsibility’ on the internet using Google search engine brought about 1.7 billion results. This indicates that Corporate Responsibility (CR) or also widely known as Corporate Social Responsibility (CSR) needs no further introduction. However, to begin further discussion, Previously The Commission of European Communities (2001) defined CSR as *"a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis"*. Later the Commission of European Communities (2011) puts forward a new definition of CSR as *"the responsibility of enterprises for their impacts on society"*. As many regulatory bodies and researchers (Commission of European Communities, 2001; Evans & Sawyer, 2010; Perrini, 2006; Siwar & Md Harizan, 2008) put forward numerous definitions of CSR, this concept is basically urging businesses and companies to divert their courses of doing business from solely focusing on profit maximization to showing some consideration to others wellbeing as well.

Milton Friedman’s profit maximization concept which state that *‘there is one and only one social responsibility of business- to use it resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud’* (1970) is hardly believed to be relevant anymore. Collins (1993) labelled it as *‘too short-sighted approach considering the complexity of today’s marketing environment’*. In fact, it may have contributed to so many social problems today such as poverty and also social disparity.

Most researches addressed the ‘what’ and the ‘when’ of CR, this paper whole heartedly addressed the ‘where’ and ‘how’ CR agenda can be implemented. This paper shall propose the point of origin as to where and how the process of inculcating the CR culture in Malaysia should actually spark which subsequently lead to the initiation of CR Circle that will tremendously spread the CR culture nationwide. The paper begins with a brief background of the organization in the discussion and introduces its concept of SSM CR Agenda. The following section discusses on the need to focus on SMEs and how SSM should go about doing it. CR and CSR will be referred to interchangeably throughout the paper.

Literature Review

Background of Companies Commission of Malaysia (CCM)

The Companies Commission of Malaysia (*Suruhanjaya Syarikat Malaysia* or SSM) is a statutory body which regulates companies and businesses. SSM, which came into operation on 16 April 2002, is a statutory body formed as a result of a merger between the Registrar of Companies (ROC) and the Registrar of Businesses (ROB) in Malaysia. The main activity of SSM is to serve as an agency to incorporate companies and register businesses as well as to provide company and business information to the public. As the leading authority for the improvement of corporate governance, SSM fulfils its function to ensure compliance with business registration and corporate legislation through comprehensive enforcement and monitoring activities to sustain positive developments in the corporate and business sectors of the Nation. SSM is responsible for the administration and enforcement of the following legislation:

- Companies Commission of Malaysia Act
- Companies Act 2016

- Interest Scheme Act
- Registration of Businesses Act
- Limited Liability Partnerships Act
- Trust Companies Act
- Kootu Funds

Unlike Bursa Malaysia, SSM holds a greater power over all companies and businesses incorporated and registered in Malaysia. In 2019, a total of 362,600 businesses and 3,943 new limited liability partnerships were registered. This contributed to a total of 7,642,241 businesses, 22,740 limited liability partnerships and a total of 1,345,546 companies were incorporated as of 31 December 2019 (SSM Annual Report 2019) and they are regulated and positioned under a close scrutiny of SSM as the Registrar. Undoubtedly, SSM with the following advantages:

- a. As the Registrar of all companies and businesses in Malaysia
- b. Serves as the starting point to do business in Malaysia
- c. SSM's organizational linkage and networking
- d. Availability of a ready pool of auxiliary supportive elements

SSM holds the best position and greatest potential to drive the CR culture (Suruhanjaya Syarikat Malaysia (SSM), 2009). As, a so called, 'gatekeeper' to the business world, SSM holds a valuable key that can unlock various opportunity including the ground-breaking work to nurture CR culture in Malaysia.

Background of SSM CR Agenda

Accordingly, SSM defines CR as "*commitment by corporations and businesses towards achieving sustainability in the social, economic and environmental conditions in furtherance to the pursuit of profitability.*" In brief, it is a strategic framework that outlines SSM's approach on the subject of corporate responsibility. It will serve as a general roadmap for SSM to drive the CR culture amongst the business community in Malaysia (Borhan, 2009). The framework includes:

- i. Developing the organizational definition of CR
- ii. Establishing the organizational statements on CR
- iii. Identifying the objectives of the pursuit of the CR Agenda
- iv. Classifying the general CR initiative; and
- v. Identifying and developing the organizational approach on CR

Source: SSM (2009): SSM CR Agenda (p. 27)

In ensuring its success, SSM plans to engage not only private sectors but the public sectors as well. Numerous engagements with companies, businesses, organizations, professional bodies, Malaysian Ministries, government agencies, corporate regulators and academic institutions are continuously in discussions to realize its objectives.

SMEs as the Key Player

The Importance of SMEs

When CSR issues are discussed either at the international level, to name a few (see examples: Adensoloro et al 2019, Oeyono, Samy, & Bampton, 2011; Pratama, Adam & Kamardin, 2019) or national level (see examples: Aziz & Haron, 2019; Cheng & Ahmad, 2010; Saleh, Zulkifli, & Muhamad, 2010, Yusof, Nordin, Jais & Sahari; 2019) they are widely circling around

multinational corporations, public listed companies and most of other large corporations. SMEs which are considered as ‘backbone’ (Singh, Garg, & Deshmukh, 2008) and ‘lifeblood’ (Fox, 2005) of most world economies are often neglected (Shaw & Shaw, 2009) and being under researched (Narbaiza, Ibanez, Aragon, & Iturrioz, 2009; Santos, 2011; Sweeney, 2007). Despite of their size, they manage to provide job opportunities and support larger organizations by becoming suppliers of goods and services. Many multinational corporations rely on SMEs in the developing countries for their raw materials, parts and components (Shafi, Liu & Ren, 2020; Raja Kasim, Shahzad & Wan Ibrahim, 2020). Overall, SMEs constitute more than 90% of businesses worldwide (Aras & Crowther, 2009; Kusyk & Lozano, 2007; Pedersen, 2009). Essentially they are the major driver for economic growth (Saturwa, Suharno & Ahmad, 2021; Zaazou & Abdou, 2020; Secinaro, Calandra & Biancone, 2020) and employment.

In Malaysia, there are 907,065 SMEs representing 98.5% of the total establishments with almost 700,000 constitute of micro enterprises (SMECorp, 2020). Malaysian SMEs are defined as firms with sales turnover not exceeding RM50 million or employment not exceeding 200 workers for the manufacturing sector. While, for the services and other sectors, SMEs are firms with sales turnover not exceeding RM20 million or employment not exceeding 75 workers (SMECorp, 2020). For microenterprise, the sales turnover is not more than RM300,000 and the workers less than 5 both for manufacturing and service sector as shown in Figure 1.

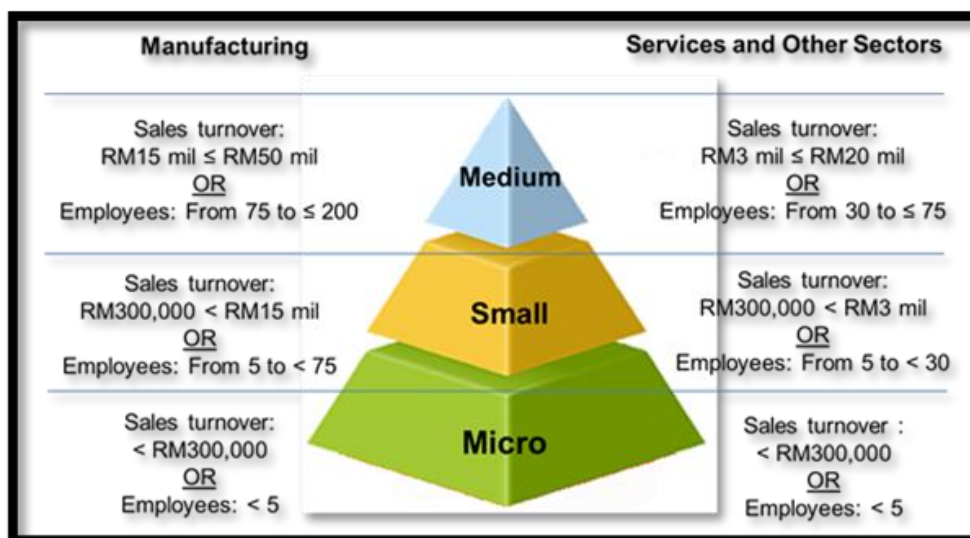


Figure 1: Definition of SMEs in Malaysia

Source: SME Corporation Malaysia Guideline for SME Definition, 2020

In 2019 Malaysian SMEs contributed 38.9 % of the nation’s gross domestic product (GDP) and currently provides 7.3 million jobs to 48.4%% of Malaysia’s workforce (SMECorp, 2020). Therefore, given the nature of the businesses registration to either be sole proprietors or partnerships, there are highly likely that the 7.6 million registered businesses in SSM fall into these categories. Apart from that, a portion of the 1,345,546 companies might still fall under these categories. Undeniable, SSM hold a power to inspire SMEs to nurture CR culture in Malaysia.

The Beauty of Being 'Small'

Size is like a curse to the development of SMEs. Limited in all kind of resources namely financial, time, manpower, knowledge (Nik-Wan, Mohamed Zain, & Atan, 2010b; Redmond, Walker, & Wang, 2008; Siwar & Md Harizan, 2008; Sweeney, 2007) inheritance in their smaller size obstructs SMEs' opportunities to advance further. Though, Hardy (2003) in his book *The Elephant and the Flea* as cited in (Shaw & Shaw, 2009) labeled the large organizations which employing immense numbers of employees, as elephants, which are often hardly controllable and answerable to nobody. In contrast, SMEs are viewed as fleas, '*not as secure and stable as the elephants, but with the superior ability to innovate and achieve often ground breaking results*'. Large corporations are not limited by resources however they have issue on efficiency to be innovative.

In support, SMEs are commonly more flexible (Jenkins, 2006; Sweeney, 2007), having flatter hierarchies (Sarbutts, 2003) leading to less bureaucratic (Karmel & Bryon, 2001) making the process of reaching the top management easier. Flow of top-down or bottom-up information is quicker and direct. It is usually done informally, face-to-face or via weekly morning assembly. Information can be conveyed easier and miscommunication can be avoided. This enables SMEs to receive first-hand information and can respond to any demand and request particularly from the prominence stakeholders faster than large corporations. Accordingly Sarbutts (2003) suggests that '*in some ways, SMEs are better equipped to turn the personification of the reputation to their advantage*'.

Furthermore, changes to the organization or operations structures can be done with less 'inertia' (Karmel & Bryon, 2001) since SMEs have less complicated organizations which usually handling few product lines and not many departments. Besides SMEs relatively employ small numbers of staff where new routines and practices can be taught without incurring much cost as compared to large corporation (Wills, 2003). The employees mostly hold multiple responsibilities without distinct segregation of job descriptions. A production manager might not be responsible for production only but he might also involve in the supervision of the employees, handling suppliers or even customers, management and administration. Increase awareness and understanding of few prominence individuals could effectively spread the CR concept throughout the whole SME's operation.

In addition, most SMEs have fewer stakeholders (Sarbutts, 2003) and serve the local community (Seidel, Seidel, Tedford, Cross, & Wait, 2008) positioning them closer to their stakeholders and relationships can be built easily. In support Fox (2005) states that SMEs are more likely to be embedded in their communities. Geldenhuys (2009) anticipates that SMEs frequently understand the needs of their local community, its cultural and political context better and where most of the time they also form part of the local community. Even sometimes the SMEs might have performed their social consciousness without knowing it to be under the CSR umbrella. Therefore, SMEs 'small' size should be maneuvered to obtain their upmost potentials. SMEs are small and seem insignificant individually however their collective actions could provide great impacts.

Owner-Manager Characteristics

If cash is said to be the lifeblood of the business, owner-manager is then can be said to be the 'heart' of most SME. The owner-manager is fully responsible in driving the business forward (Loucks, Martens, & Cho, 2010). Higher commitments are expected from the owner-managers

as compare to the corporate executives since they have higher personal stakes (Othman, Yahya, Ibrahim, & Ponnu, 2007). The owner-manager risks his personal economic wellbeing if the business failed to triumph. High economic dependency on the businesses positioned the owner-managers in a 'vulnerable' state where they can be easily influenced or inspired to react accordingly in securing their economic wellbeing. Therefore, analysing the nature of ownership and corporate governance could enhance the discussion and understanding of CSR.

Majority of the SMEs are privately owned, run by their sole owner/entrepreneur (Loucks, et al., 2010; Seidel, et al., 2008) or a few individuals (Othman, et al., 2007) who are, most probably, family related. The owners usually have the ultimate power to influence most of the strategic decisions (Man, Lau, & Chan, 2002; Seidel, et al., 2008). Unlike public listed companies where most of the decision making need to pass through the board of directors or top management who are hired on term basis, SMEs' visions and missions portray very much of their owner-managers beliefs (Nik-Wan, Mohamed Zain, & Atan, 2010a). If the individual business's owners strongly and sincerely believe in the concept of CSR, they will inspire their businesses and develop a culture of 'caring society' among employees, customers, suppliers and surrounding community. Major obstacles such as budget issues and other constraints can be overcome (Tzschentke, Kirk, & Lynch, 2008).

In Malaysia, almost 80% of SMEs are micro enterprises (Department of Statistics, 2005) which operate with less than 5 workers and owned by sole proprietors. Owner/entrepreneur's personal value is important to drive the business to engage in corporate social responsibilities practices (Ciliberti, Pontrandolfo, & Scozzi, 2008; Santos, 2011). Hence, raising awareness of the owner-managers is very crucial to guarantee the success of any CR initiative, program or practice and it becomes absolutely fundamental in the case of small enterprises (Murillo & Lozano, 2006).

Methodology

To identify the possible point of origin to inculcate the CSR culture among SMEs in Malaysia, this conceptual study undergone thorough literature review

Discussions

How to Inculcate CSR Culture in SMEs?

Sarre, Doig and Fiedler (2001) categorized three levels of managerial responsibility in fulfilling society's demand for accountability and mitigating corporate risk. The first level is legal responsibility where corporate exercises its responsibility by obeying the law and meeting mandatory standards and codes of conduct. Most companies will abide by any laws imposed on them but in doing so companies only perform their responsibility to meet the minimum requirement only. On the other hand, the second level mentioned as discretionary responsibility in which corporate builds community goodwill by acting as a 'good corporate citizen'. Commonly good corporate citizens are quiet synonymously referred to philanthropic actions. However, in the case of SMEs which usually recognized as having limited financial resources ((Jenkins, 2006; Siwar & Md Harizan, 2008; Sweeney, 2007) such actions could eat up their cash flow faster and worsen the financial condition further.

Instead, the third level identified as strategic responsibility put forward way for company to build 'value' in an attempt to ensure the company's long term sustainability. Company could

responsibly manage the natural environment together with their corporate reputation. By being responsible and act ethically companies can uphold their reputation which will bring about more profit into businesses or at least their good behaviour is not going to jeopardize the companies income in the near future. Consequently Fox (2005) suggests a combination of market-driven and regulatory interventions would be likely to successfully encourage responsible actions by SMEs.

As mentioned by Sarre et al (2001) :

“Accountability is more likely to be effective, and irresponsibility is more likely to be eradicated, where there is a ‘social responsibility’ ethic built into a ‘corporation’s culture’, rather than simply some reliance upon minimum legal standards and the state-based sanctioning system should the corporation fail to meet certain standard”.

Regulating CSR practices among SMEs could possibly force them to participate. However efficient enforcements are necessary to ensure its effectiveness. In fact, with so many different ‘shapes and sizes’ of enterprises that may fall under SMEs categories create a challenge to suggest a one-size-fits-all policy (Geldenhuys, 2009). Instead they need to be inspired by the benefits and long term advantages of being socially responsible so that they can react pro-actively rather sitting back and allow other to do them first. As believed by 24 UK SMEs interviewed by Jenkins (2006) in her study *“ the key to engaging SMEs in CSR is to educate them about the numerous business benefits that abound and highlight the internal characteristics of SMEs that can support the success of CSR.”* A survey on 2,000 SMEs in Portugal by Santos (2011) resulted in the need for ‘learning about best practice’ (77%), ‘training programs’ (71%) and the ‘sharing of experiences’ (68%) as the relevance support necessary for CSR implementation by Portuguese SMEs.

In effectively building the corporate culture, the responsibility rely on none other than the top management namely the board and CEO (Sarre, et al., 2001) and the responsibility in SME tend to be in the hand of its owner-manager (Sweeney, 2007). To effectively inculcate CR culture in SME, we need to get close to its ‘heart’, the owner-manager. Grayson (2004) cited by Perrini, Russo & Tencati (2007) suggests that CSR in SMEs normally initiate with the ‘personal beliefs and values’ of their owners. In support Jenkins (2006) mentions that *“CSR practices can often take a great leap forward when championed by a senior manager”.* Consequently, Murillo and Lozano (2006) in their case studies of four Italian SMEs highlighted the significance of character or values of SME’s founders in implementing CSR concept.

Jenkins (2006) also suggests that focusing on SMEs greatest area of impact is the best way for an SME to start its CSR initiatives. More business case for CSR in SMEs is crucial to act as a role model for others to follow. For the implementation of CSR in Malaysian SMEs, business case from Malaysia is needed rather than copying the one from other countries which hold different backgrounds, cultures and values and simply not ‘scale-down’ version of the large corporation. Language barriers, technical terms should be taken into consideration since majority of SMEs comprise of owner-managers with various academic backgrounds and English is not their mother tongue (Nik-Wan, Mohamed Zain, & Atan, 2012). Again, no single ‘best practice’ model would be considered to be appropriate for all. Since the concept of CR need to be instilled into SMEs day-to-day operation, several business cases might be necessary probably based on industries or their nature of businesses.

Size is always found to be the main barrier hindering SMEs from practicing sustainable development. Smaller size limits their financial, time and other resources to be utilized in the above mentioned concept. However, many studies (Chiu, 2009; Horrigan, 2009; Laudal, 2011; Murillo & Lozano, 2006) also accept the fact that SMEs are heterogeneous in many ways and no blanket scheme is appropriate for all (Nik-Wan, et al., 2010a). SMEs are not simply ‘smaller large firms’ (Seidel, et al., 2008) and the concept understood by their larger counterparts cannot simply be “cut and pasted” on the SMEs reality (Jenkins, 2004).

A survey by (Pimenova & Vorst, 2004) on 250 SMEs in London area identified that time, finances, technology and lack of knowledge are the major obstacles to environmental improvement. Financial constraints, lack of resources and higher cost (Cote, Lopez, Marche, Perron, & Wright, 2008; Parker, Redmond, & Simpson, 2009) are among the reasons given by SMEs for not implementing sustainable development. These reasons are acceptable when SMEs are told to replicate what have been practiced by their larger counterparts. Obtaining ISO 14001-certification for example, is very costly for small firms. Therefore, acceptance of their diverse sizes on top of others in designing training modules, measurement tools or CR best practices would be essential since most of the barriers to implement are circling around the issue of size. The 250 SMEs surveyed by Pimenova and Vorst (2004) prefer printed information (70%), newsletters (40%) and internet information (40%) as oppose to trainings/seminars (10%) or conferences (10%). Limited time and limited human resources hinder them to attend trainings, seminars or conferences. Furthermore, outstation trainings, seminars and conferences will be costly. Due to their constraints SMEs seem to prefer support programs which enable them to refer back and forth when needed.

Barriers that prevent SMEs to implement any CSR activity in the first place should be seriously considered in development of implementation strategies or even enforcement strategies to guarantee its effectiveness.

Proposed CSR Model

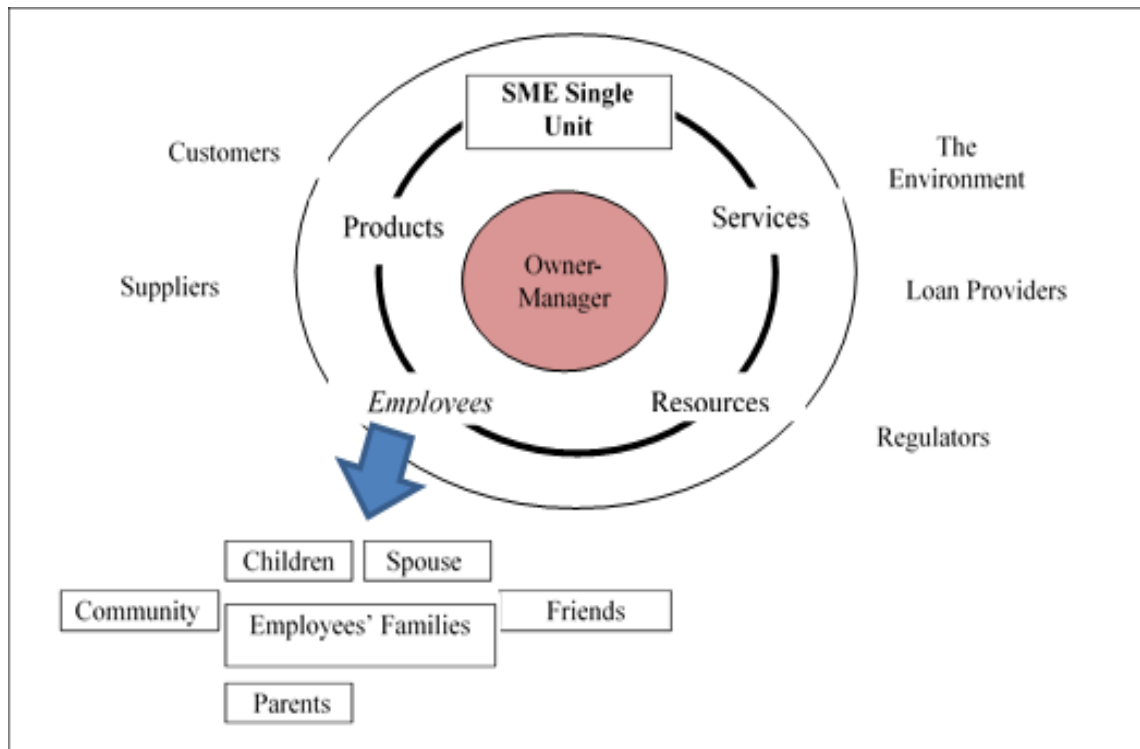


Figure 2: Proposed CSR Model to Inculcate the CSR Culture in Malaysia

Our proposed CSR model begins by firstly considering the SME as a single unit comprising of owner-manager as its ‘core’ representing his role as the key player who is fully responsible in driving the business forward. Given that SMEs operate with limited resources as compared to larger organisations, the owner-manager is considered to be strongly attached to its resources primarily involving financial implications. Owner-manager is responsible significantly in the distributions of SME’s limited resources and with his personal wellbeing at stakes, the owner-manager is also closely influenced by SME’s resources principally financial resources. As a business with its main aim to generate profit, SME will either be producing or trading goods or offering services in achieving its main objective. Even if the SME is identified as a producer or trader of goods, services such as customer’s services, after sales services are still considered to have some implications in generating its profit. This model proposed the existence of employees to assist the owner-manager in running the business. Even though, SME can still operate with its single owner, ideally given the nature of a human being it is considered to be necessary for the owner to seek assistance from others. Even with a number of partners or owner-managers, most of them also take responsibility of the employees as well. Employees are positioned as the ‘gatekeeper’ of the business interaction that bridging the SME, its owner-manager, its products and services with the parties outside the business namely the existing and potential customers, suppliers, regulators, local community and public at large. Furthermore, majority of SMEs serve local market (Seidel, et al., 2008) and most of the employees also form part of the local community. Thus, even outside business hours SME’s employees in some ways are still closely intact with nearly all of the stakeholders and their actions could resemble actions of the SME.

To transform the employees to be this 'CSR agents', they themselves need to grasp the concept of CSR. The owner-manager who is positioned as the core of the SME unit is seen as the key to this understanding and should be presented as a resourceful entity. Given the mutual dependency where employees are depending on the businesses for jobs security to support their living and likewise the business i.e the owner-managers are hoping for highly committed employees to ensure the continuity of their businesses, the accomplishment of information dissemination from owner-manager to their employees seems promising. Information can be in form of instructions which may seem forceful at first but in time instructions will be part of their daily work routines and later on become their working culture. Hence, collaboration efforts of both parties will spread the concepts and practices of CSR nationwide.

Therefore, the main role to be played by SSM is to create the resourceful entity namely the owner-managers that can inspire their employees to inculcate the corporate responsibility concepts. Educating the SMEs about numerous benefits accompanying the implementation of CSR and emphasizing their internal characteristics that can support the success of CSR (Jenkins, 2006) would depict the purpose. SMEs need to be informed of the practical steps to integrate CSR activities into their business activities because once the integration is done, there should not be any more excuse of limited time and resource since CSR is already embedded in their daily business routine. For example, an SME handling chemical substances cannot simply disregard the safety of its employees, the environment and its local community in handling those hazardous substances. It could consider CSR activities given below:

Table 1: Example of Integration of SME's CSR Activities into Business Activities

Business's Operation	Chemicals and chemical products		
Stakeholder Identified	Employees	Environment	Local community
CSR Activities	Making sure the safety of the employees in workplace	Disposing all chemical wastes properly	
Possible Benefits	• Low absenteeism rate • Low medical expenses	• Avoid potential fines • Uphold reputation local community	

Owner-managers also need to be exposed to the experiences of other SMEs which have been practicing CSR since 'the sharing of experiences' are identified as the relevance support necessary for CSR implementation (Santos, Mendes, & Barbosa, 2011). The SMEs leaders from various industries and not only focusing on medium-sized enterprises could be elected for mentoring purposes and became references for others to follow.

Once the owner-managers are aware of the existence of SSM CR Agenda and understood it as well as believing in the overall concepts they can then further instil the idea onto their employees. Their values and beliefs of the concept of 'doing the right thing' shall be translated into their businesses strategies together with their day-to-day operations. Owner-managers who understand the alarming issue of scarcity of clean water resources would not tolerate any waste of such resources. They might prefer to reuse as much as they possibly can. In doing so, they are not only showing their concern on the environment, they will also benefit from reduce utility bills. Importantly, along the journey in translating their beliefs into practices, owner-managers will begin to inspire their employees. Enhance employees' motivations are among

the perceived benefits of implementing CSR activities in SMEs (Jenkins, 2006; M. Santos, 2011). This indicates that CSR practices by SMEs have some influence on their employees.

Owner-managers are the point of origin of the CR Agenda and employees will act as agents to spread it wider and wider. Once the owner-managers' values and beliefs are harmonizing with their employees values and beliefs, the CR culture will soon emerge. Employees will cultivate CR Agenda in their routines for example after sales support and complaints handling systems (Santos, 2011). Additionally, employees create first impression of the businesses. Rude and distress receptionist or telephonist could chase away customers with multi-millionaires' projects. Instead, caring and team spirit shall create pleasant working environment which in turn increase employees' motivation. Recycling and waste minimization will keep the factory clean as well as reducing maintenance and clean-up cost.

Perrini et al (2007) state that SMEs are more willing to involve their employees directly into the local community. The researchers also identified that in relation to community volunteering one of the most important categories of stakeholders that SMEs need to consider is their employees. Here the CR Agenda can spread wider. The employees will bring along their values and beliefs into the community over and above their own families. Being limited by financial resources, SMEs may not be able to afford any major advertising campaign to either promote their products and services or their good efforts on CSR activities. However, employees' word of mouth could be an effective marketing tool giving the locality of the SMEs.

Conclusion

'From small beginnings come great things'. To undertake the whole businesses nationwide single SME seems a good beginning since it constitutes almost 99% of the business establishments in Malaysia. Despite their limitations in all sort of things such as size, resources, time and knowledge, SME also hold some good qualities that could be beneficial to nurture the culture of CR in the Malaysian business environment. In referring to Figure 2, to initiate what we could call as CR Circle, SSM CR Agenda strategies should firstly reach out to the owner-manager of the individual SME. They must be made to believe the overall concepts of CSR because owner-managers values and beliefs are 'the fuel to get the machine running'. Owner-managers need to be informed of the benefits of the overall concepts, ways of going about implementing the CR activities and guidance should be made ready from them to refer later. Once the owner-manager's belief is blended with the whole idea he then can be an inspiration to the employees to act socially responsible not only at workplace but also in their social life as well. Initially, the concept starts with the one individual SME and then the CR Circle will become greater and greater when more and more SMEs owner-managers will be reached out by SSM programs and initiatives towards the realization of the CR Agenda to nurture the CR culture in Malaysia.

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