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UNDERSTANDING CORPORATE SOCIAL RESPONSIBILITY ENGAGEMENT IN SMALL AND MEDIUM TOURISM BUSINESSES

By:

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A thesis submitted in partial fulfilment of the requirements for the degree of **Bachelor of Management (Honours) in Tourism**.

CERTIFICATE OF AUTHORSHIP

I certify that the work in this thesis has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree except as fully acknowledged within the text.

I also certify that the thesis has been written by me. Any help that I have received in my research work and the preparation of the thesis itself has been acknowledged. In addition, I certify that all information sources and literature used are indicated in the thesis.

Signature of Student

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ACKNOWLEDGEMENTS

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LIST OF ABBREVIATIONS

ABS   Australian Bureau of Statistics

BMBA   Blue Mountains Business Advantage

BMCC   Blue Mountains City Council

BMTL   Blue Mountains Tourism Limited

CSR   Corporate Social Responsibility

GBMA   Greater Blue Mountains Area

LGA   Local Government Area

PASW   Predictive Analytics Software

SME   Small and medium enterprise

SMTE   Small and medium tourism enterprise

ABSTRACT

Corporate Social Responsibility (CSR) is a concept founded on the belief that businesses should voluntarily consider and support their stakeholders including employees, customers, suppliers and the community. This may be through, for example, providing a flexible work atmosphere, supporting education or making donations. CSR has become increasingly important in business communities over the last 60 years, as awareness of the benefits that CSR can provide for stakeholders and businesses is increasing.

Small to medium enterprises (SMEs) are businesses with less than 199 employees, and they are believed to struggle with CSR engagement more so than larger businesses. This thesis seeks to understand the CSR engagement of small and medium tourism enterprises (SMTEs). CSR is important in the tourism industry, as tourism has the potential to have negative impacts on societies, and CSR may be able to counteract these negative influences. In addition to this, the tourism industry is abundant in SMEs. It is important that the difficulties that SMTEs face in engaging in CSR are overcome in order for CSR in the tourism industry to be increased.

To explore CSR engagement in SMTEs, four research objectives are addressed in this thesis: 1) understand the characteristics of SMTEs; 2) identify current CSR practices engaged in by SMTEs; 3) investigate the factors that affect CSR engagement in SMTEs; and 4) identify the implications for increasing CSR engagement in SMTEs.

An explanatory mixed methods approach, known as the 'follow-up explanations model' was used in this study, consisting of an online survey, focus groups and interviews. Owners and managers of SMTEs in the Greater Blue Mountains Area of Australia were the targeted research participants. One-hundred survey responses were collected and two focus groups and three interviews were conducted. The purpose of the survey was to gather data on the characteristics of SMTEs, their attitudes to CSR and the CSR practices they engage in. The focus groups and interviews were used to further understand the survey findings and to identify implications for increasing CSR engagement.

The results suggest that whether an SMTE is owner-managed or not has the largest influence on its CSR engagement including: attitudes to CSR; motivations and benefits from engaging in CSR; types of CSR practices; and methods for increasing CSR engagement in the future.

There were several significant findings from this research. First, owner-managed SMTEs engage in CSR for personal reasons and they gain personal benefits from doing so, whereas non owner-managed SMTEs engage in CSR to realise potential business benefits. Second, owner-managed SMTEs are not as constrained as non owner-managed SMTEs by a lack of resources in regards to engaging in CSR. This is because owner-managed SMTEs are spending their own money on CSR and they do not see it as an additional cost because they engage in CSR as a result of their personal values, so it is simply how they do things. In comparison, non owner-managed SMTEs have to justify spending the business's money on CSR, by proving that the benefits of engaging in CSR outweigh the costs. Third, there is a difference in perceptions as to the value of guidelines and tools for increasing a business's CSR engagement. Owner-managed SMTEs do not see value in guidelines and tools for increasing engagement in CSR, rather they believe that increased awareness about CSR is the best way to increase CSR engagement. In contrast, non owner-managed SMTEs believe that guidelines, tools and evidence of the benefits of CSR may help to increase CSR engagement. Finally, a model that explains SMTE engagement in CSR is presented.

CHAPTER 1: INTRODUCTION

1.1 BACKGROUND TO THE RESEARCH

At the turn of the 20th Century large corporations in the United States were attacked by society and the media for being "too big, too powerful and guilty of antisocial and anticompetitive practices" (Post, Lawrence, & Weber, 1999, p. 59). In an effort to counteract these negative views, many of these businesses began voluntarily using their power and resources to address social and environmental issues, and these acts marked the beginning of Corporate Social Responsibility (CSR).

CSR takes as its premise that "companies ought to justify their existence in terms of service to the community rather than mere profit" (Crook, 2005 cited in Bohdanowicz & Zientara, 2008, p. 273). Bohdanowicz and Zientara provide a comprehensive definition of CSR:

> "Corporate social responsibility is, in fact, about the attitude firms adopt towards such 'stakeholders' as workers, consumers, the broader society or even future generations. Hence there are many dimensions to corporate social responsibility. On the one hand, stress is laid on dealing fairly with employees, suppliers and customers, and, on the other, efforts are made to support local communities, to help charities and to promote environmental sustainability" (2008, p. 273).

Some basic examples of CSR include: making donations to charities and community groups; lobbying for a particular cause; encouraging skill development amongst employees; taking responsibility for employee health and well-being; and engaging with disadvantaged groups in the community (Worthington, Ram, & Jones, 2006). These are voluntary acts done on behalf of the business to benefit stakeholders of the business, and in some cases, to benefit the business as well.

Research about why and how businesses engage in CSR and what may encourage more businesses to engage in CSR has focussed mostly on large corporations. This is because they tend to be more highly criticised than small and medium enterprises (SMEs) for negatively affecting stakeholders, so the need for these businesses to practise CSR is considered greater. However, the significance of the accumulative impacts of SMEs is becoming more recognised

(Worthington, et al., 2006). It is important for SMEs to engage in CSR as they make up a significant proportion of business communities worldwide, so accumulatively they have a substantial opportunity to make a large, positive contribution to their social environments. CSR can bring benefits to communities and businesses alike, so businesses at all levels, including SMEs, are encouraged to practise CSR (Dwyer & Sheldon, 2007).

There is minimal research on the factors that affect CSR engagement in SMEs (Perrini, 2006). Research that has been conducted suggests that SMEs face a number of difficulties in engaging in CSR, many of which stem from inherent characteristics of SMEs such as the fact that most SMEs are owner-managed. There is evidence that owner-managed SMEs tend to have a lack of resources, and do not generally plan business operations into the future, which hinders their engagement in CSR. The full range of inhibitors that exist need to be identified and understood in order for practical guidance to be developed and offered to SMEs so that they can successfully implement CSR into their businesses (Business in the Community, 2002). This also requires the facilitators of CSR engagement in SMEs to be identified and further understood, so that they can be used to increase CSR engagement.

While research has been conducted on the characteristics of SMEs in general, and on the generic factors that affect CSR engagement in SMEs, these are yet to be tested in specific sectors. Several authors argue that future research on CSR in SMEs needs to be sector-specific because it is believed that the characteristics of SMEs, and the factors that affect CSR engagement will differ depending on sector, so different sectors may need specialised guidelines and support (Moore & Spence, 2006; Murillo & Lozano, 2006; Roberts, Lawson, & Nicholls, 2006; Spence, 2007; Thompson & Smith, 1991).

The tourism industry relies more heavily on SMEs than most other industries, in fact, 99.5% of businesses in the Australian tourism industry are SMEs (Tourism Research Australia, 2007). The tourism industry has been labelled "the world's largest industry" (Miller, 2006, p. 8), yet the lack of CSR in the global tourism industry is "astounding" (Mowforth & Munt, 2003, p. 168, cited in Miller, 2006, p. 8), especially given the negative impacts that tourism can have on stakeholders (Kasim, 2006; Miller, 2006). Some of these negative impacts include: societal antagonism between host and guest; the commercialisation of local cultures; and an increase in crime such as prostitution and abuse of alcohol and drugs (Holden, 2005; Kasim, 2006). These may decrease the quality of the tourist experience in the long run, which in turn, decreases the viability of the industry as a whole (Kasim, 2006). For these reasons, research on small and medium tourism enterprises' (SMTEs) characteristics, and the factors that affect

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their engagement in CSR, is urgent, as it will allow for the development of targeted guidelines and support to increase the CSR engagement of SMTEs.

The Greater Blue Mountains Area (GBMA) of Australia is the geographical context for the study as it is a touristic region abundant in SMEs. Potts states that the GBMA is dominated by SMEs and explains that there is a highly "competitive small business environment" (2010, p. 9). The average number of employees in any business in the GBMA is 3.2 people, and the sector with the highest average number of employees is the accommodation/cafes/ restaurants sector, with what is still a low average of 13 employees (Business Roadmap, 2007). To add to this, 90% of businesses in the GBMA employ less than 6 people (Blue Mountains Business Advantage, 2006a). The high abundance of small businesses is one reason that the GBMA has been chosen as the geographical context for the research. The other main reason is that the GBMA is a highly touristic area. The GBMA is one of the top 25 tourism destination regions in Australia (Tourism Research Australia, 2010d), and the tourism industry accounts for over 40% of total employment in the GBMA (Blue Mountains City Council, 2009a).

1.2 RESEARCH AIM, OBJECTIVES AND METHOD

Through a review of literature a number of gaps were identified which are addressed in this research. The overall research aim is to understand the CSR engagement of SMTEs. To address this aim, the research objectives are to:

1. Understand the characteristics of SMTEs;
2. Identify current CSR practices engaged in by SMTEs;
3. Investigate the factors that affect CSR engagement in SMTEs; and
4. Identify implications for increasing CSR engagement in SMTEs.

These objectives are addressed using a method similar to that of Worthington, Ram and Jones (2006), who studied CSR in small Asian-owned and Asian-run businesses in the UK. An online survey of SMTE owners and managers in the GBMA is used to gain a general understanding of their perceptions of CSR, CSR practices and management, and also, general data on the type, size, ownership and management structure of the businesses. Following analysis of the survey data, focus groups and interviews are conducted with SMTE owners and managers in the GBMA to expand on the survey data. This approach allows the

researcher to gain a deeper understanding of the factors that affect SMTEs' engagement in CSR, and to identify implications for increasing CSR engagement in SMTEs.

1.3 CONTRIBUTIONS OF THE RESEARCH

This research will contribute valuable knowledge to various groups of people. Objectives 1 and 2 will enhance understanding of the characteristics of SMTEs and how they engage in CSR. Objective 3 will highlight *how* SMTEs' characteristics affect their CSR engagement, and will allow the factors that affect CSR engagement in SMTEs to be better understood. These first three objectives will contribute to academic literature on the characteristics of SMTEs, and how and why they engage in CSR. The implications for increasing CSR engagement in SMTEs will be identified in Objective 4. Industry associations and government groups may find this information useful as it will allow them to develop appropriate CSR guidelines and support for SMTEs.

Overall, it is expected that this research will contribute to the academic literature on CSR in SMEs, as well as the literature on CSR in the tourism industry, which are both relatively new fields of study that urgently require research. In addition to this, policy-makers such as industry associations and governmental groups will benefit from this research as it will create an understanding of the factors that affect CSR engagement, and suggestions will be made for ways to increase CSR in SMTEs. Finally, this research will have implications for SMTE owners and managers, as over time, they will be provided with guidelines and support to engage further in CSR, and in turn, achieve the associated benefits of this.

1.4 OUTLINE OF CHAPTERS

This chapter has provided a brief introduction to the topic, and has justified the need for research to be conducted on CSR in SMTEs. In Chapter 2 the literature will be reviewed, which will reveal the gaps from which the research aim and objectives are devised. Chapter 3 details the methodology that is used to address these objectives and Chapter 4 presents the findings that arise from the research. These findings are discussed in Chapter 5 where the implications of the research are highlighted and conclusions drawn.

CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

The concept of CSR and how it is relevant to SMEs has received increasing attention in academic literature, especially over the last 20 years. CSR came about as a result of large organisations being criticised for partaking in unethical business practices, and it is founded on the principle that "companies ought to justify their existence in terms of service to the community rather than mere profit" (Crook, 2005, cited in Bohdanowicz & Zientara, 2008, p. 273).

CSR is important in the small business community because SMEs make up a great proportion of business communities worldwide (Lepoutre & Heene, 2006). In Australia SMEs comprise over 99% of all businesses (Australian Bureau of Statistics, 2007) and they account for over 70% of total employment (Australian Bureau of Statistics, 2008). This means that their accumulative impacts on people and communities are significant, and the potential for stakeholder groups to benefit from CSR is immense.

The review that follows will first examine the history and development of CSR and a definition of CSR will be provided. SMEs will then be defined, and a discussion of the research linking CSR and SMEs will include: the facilitators of CSR engagement; the benefits that CSR can bring to SMEs; the inhibitors that SMEs face in implementing CSR; and suggestions given for increasing CSR in the future. The gaps in the literature will be highlighted throughout. Finally, the current state of research on CSR in the tourism industry will be analysed in order to contextualise the study.

2.2 HISTORY AND DEVELOPMENT OF CSR

During the 1950s, society, including the media, became aware of, and concerned about, the immense power that businesses possessed (Post, et al., 1999). At this time large corporations were accused of "antisocial and anticompetitive practices" (Post, et al., 1999, p. 59) and this corporate misconduct led people to believe that "capitalism, if left unchecked, would be destructive and exploitative in its 'blind' pursuit of profit" (Bakan 2004; Solomon 1992, cited in Bohdanowicz & Zientara, 2008, p. 273). So at this point, an increasing number of large

corporations began using their power to address societal and environmental issues in order to curb society's distrustful views, and from here, CSR became more widespread.

In the 1950s, Bowen defined CSR as "the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society" (1953, p. 6, cited in Carroll, 2008, p. 25). Bowen (1953, cited in Carroll, 2008) explained that CSR is not a solution for all social problems, but that it is important and should guide business practices in the future. Carroll (2008) explains, that even with a growing understanding of CSR amongst business leaders, the 1950s was a time of more talk than action. At this time, the act of corporations giving gifts and contributions to benefit non-profit community organisations, known as 'corporate philanthropy', was about the only corporate act being undertaken demonstrating CSR (Carroll, 2008).

The 1960s saw a growth in attempts to define CSR. Davis, Frederick and Walton were three prominent writers who similarly defined CSR as the management of businesses in such a way that decisions made go beyond management interests to address social issues (Carroll, 2008). Walton (1967, cited in Carroll, 2008) added that these acts must be voluntary, other voluntary organisations should be involved and costs may be incurred for which economic returns may not result.

Early in the 1970s criticism from one of CSR's greatest sceptics emerged. The New York Times Magazine published an article by Milton Friedman in which he stated that "there is one and only one social responsibility of business – to use its 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" (Friedman, 1970, reproduced in 2008, p. 89). Despite Milton's infamous argument, CSR continued into the 1970s and beyond.

During the 1970s the term 'corporate social performance' (CSP) came about. CSP depicts three categories of a company's intensity of engagement with CSR (Hodgetts, 2001). These three categories are: social obligation (corporate behaviour responding to "market forces or legal constraints"); social responsibility (corporate behaviour that matches the "prevailing social norms, values, and expectations of performance"); and social responsiveness ("the adaptation of corporate behaviour to social needs") (Sethi, 1975, cited in Carroll, 2008, p. 31). This is important to note as these terms continued to be used in the 1980s and 1990s, a period when the focus on CSR shifted to complementary themes and concepts.

In the 1980s and 1990s, complementary themes such as stakeholder theory, business ethics, sustainability and corporate citizenship received significant attention. Stakeholder theory, possibly the most significant of these complementary themes, surfaced as a result of ethical scandals and corporate wrong-doings (Carroll, 2008). Stakeholder theory takes as its premise that companies should consider not only those individuals and groups who have shares in the company, but also any individuals or groups that have a 'stake' in the company (Mele, 2008). This has more recently become one of CSR's key dimensions.

Up until the early 1990s, most research conducted on CSR focused on large corporations, which, given the origins of the concept, is understandable. In 1991, Thompson and Smith reviewed the literature on CSR in SMEs and found that there were only eight significant publications on the matter at that point in time, which led them to make suggestions for further research on the topic. The reason they saw CSR in SMEs as an important issue was that SMEs made up a significant proportion of all businesses at the time (95.3% of businesses in the United States employed fewer than 50 people), and so their accumulative impacts on society and the environment were considered significant (U.S. Department of Commerce 1987, cited in Thompson & Smith, 1991). From this time, an increasing number of publications about CSR in SMEs have been published.

In the 2000s, a focus on CSR best practice became evident and Kotler and Lee (2005) catalogued examples of CSR best practice into six groups: cause promotion; cause-related marketing; corporate social marketing; corporate philanthropy; community volunteering; and socially responsible business practices. This increased interest in CSR in the 2000s was characterised by the growth of the CSR consultancy industry, interest in investment in communities, increased staff dedicated to CSR in companies, an increase in social reporting, incorporation of CSR into corporate systems via codes and standards and a growth in partnerships between companies and governmental and non-governmental organisations (Carroll, 2008).

The 2000s have been marked by a dramatic increase in publications on CSR in SMEs. In 2005, a conference entitled 'SMEs and CSR: identifying the knowledge gaps' was held at Durham University in the UK. From this conference, a special edition of the Journal of Business Ethics was published containing eight articles specifically on the topic of CSR in SMEs. These articles form an important part of current literature on this topic, and several of these authors have published other articles on the topic which also make an important contribution to the current literature. Most of these publications focus on identifying the characteristics of SMEs

in order to understand how SMEs engage in CSR, and most authors then suggest ways that CSR in SMEs can be increased.

This historical background indicates that defining CSR in the 2000s is a problematic task. This is because, as Votaw and Sethi explain, "it means something, but not always the same thing to everybody" (1973, cited in Marrewijk, 2003, p. 96), and this is evident in the wide variety of definitions of CSR developed in the 2000s. Almost all definitions mention stakeholders either directly or indirectly, and imply that CSR is voluntary, but there are still many different foci amongst the definitions examined. A number of authors focus on ethical behaviour, describing CSR as a "useful frame for guiding…'ethical behaviour'" (Dwyer, Jago, Deery, & Fredline, 2007, p. 91), and say that it is concerned with treating stakeholders ethically (Hopkins, 2006; Williams, Gill, & Ponsford, 2007). Sustainable development is prominent in some definitions, and it is often seen as a goal of CSR (Dwyer, et al., 2007; Palimeris, 2006). For example, Dwyer et al. explain that in order to achieve sustainable development, CSR is "crucial" (2007, p. 155). Environmental responsibility is also a common focus in CSR definitions (Dwyer, et al., 2007; Post, et al., 1999), in fact, Dahlsrud (2008) includes the environment as one of the 'five dimensions' of CSR, the others being social, economic, stakeholder and voluntariness.

Henriques (2010) explains that whilst environmental issues do affect people, they are different to social issues in that most environmental issues are quantifiable and measurable. He also argues that environmental issues are usually the sole responsibility of the business, that is, the business causes the problem and society is affected by the business's actions but lacks the power to do anything. Social issues, on the other hand, usually place responsibility on both parties, for example obesity can be blamed on both junk food manufacturers and those who over-eat (Henriques, 2010). Because of the differences between environmental and social issues, and also because environmental initiatives have been well documented in the tourism literature (Williams, et al., 2007), this research will focus solely on Corporate *Social* Responsibility.

Bohdanowicz and Zientara propose that:

> "Corporate social responsibility is, in fact, about the attitude firms adopt
> towards such 'stakeholders' as workers, consumers, the broader society or
> even future generations. Hence there are many dimensions to corporate
> social responsibility. On the one hand, stress is laid on dealing fairly with

employees, suppliers and customers, and, on the other, efforts are made

to support local communities, to help charities and to promote

environmental sustainability" (2008, p. 273).

This definition touches on sustainability, as it mentions responsibility to future generations. Environmental sustainability is also mentioned, but only in terms of promoting it, not in terms of practising it. This definition also highlights that CSR goes further than just dealing ethically with stakeholders, and suggests that an effort needs to be made to actively contribute to the wellbeing of these stakeholders. This is the definition that will be used for the purpose of this research as it is applicable to SMEs, and whilst it acknowledges other related concepts, the focus is on Corporate *Social* Responsibility.

2.3 SMEs AND CSR

Since the early 1990s, when literature on CSR in SMEs first gained prominence, the proportion of SMEs in business communities has remained high, and many authors note that they still form the majority of businesses in the UK and Europe today, where most research on CSR has taken place (Castka, Balzarova, Bamber, & Sharp, 2004; Lepoutre & Heene, 2006; Worthington, et al., 2006). Spence and Lozano state that because of the high proportion of SMEs in business communities, ignoring them in research on CSR is "in fact totally inappropriate" (2000, p. 43, cited in Lepoutre & Heene, 2006, p. 257). This realisation has prompted researchers to build on the literature in this area, and hence, the body of knowledge has been growing steadily over the past two decades. However, even with increasing numbers of studies on the topic of CSR in SMEs, it is a relatively new field of study, and there are still many gaps that need to be addressed.

In order to frame the review that follows, it is important to understand what SMEs are. The most common definition of SMEs in the literature is that they are businesses that employ fewer than 250 people which are owner-managed (Moore & Spence, 2006; Murillo & Lozano, 2006). In addition to these, other defining characteristics such as annual turnover and market share (Lepoutre & Heene, 2006), are sometimes used, however they are less common. In Australia, the Australian Bureau of Statistics (ABS) (2007) uses the number of people employed to categorise business size (Table 1).

Table 1. SME Size Categories

Size Category	Number of Employees
Non-employing [a]	0
Micro	1-4
Small	5-19
Medium	20-199
Large	200+

[a] A non-employing business is a business operated with one person, such as a self-employed tradesperson.

The ABS's size categories will be used in this research as all of the statistics on SMEs in Australia are based on these categories and this research will contribute to the knowledge on CSR in SMEs in the Australian context. The ABS's definition of SMEs does not require that they are owner-managed, so both owner-managed and non owner-managed SMEs will be used in this research.

SMEs are not just different to large businesses because of their size. SMEs are "not little big firms" (Dandridge 1979, cited in Lepoutre & Heene, 2006, p. 257), as they have many characteristics that distinguish them from large companies. These characteristics include that SMEs: are mostly owner-managed; tend to be entrepreneurial; are believed to be embedded in the local community; face external pressures from government bodies and supply chain members; have an informal nature; experience a lack of time, money, skills, knowledge and power; and prioritise general business operations. These characteristics are believed to influence SMEs' engagement in CSR, and how they do this will be discussed in the following sections.

2.3.1 FACILITATORS OF CSR IN SMEs

It has been acknowledged by numerous authors that many of the characteristics of SMEs facilitate their engagement in CSR. These characteristics include that most SMEs are owner-managed, entrepreneurial, embedded in the local community and face external pressures from government bodies and other supply chain members. These will be discussed here.

The fact that most SMEs are owner-managed is the most prominent, well-known facilitator of CSR. This is because the owner-manager is often the sole decision maker, and so their own personal values become integral to the business (Fuller & Tian, 2006). Murillo and Lozano

(2006) state that when looking at the reasons behind CSR in SMEs, the values of the owner-manager are a key factor and Thompson and Smith explain that "small business social actions are only limited by the imagination of the small business owner-managers" (1991, p. 39). Other authors have also found that the owner-manager's personal values and motivations are a key influence on CSR in SMEs (see Jenkins, 2006; Spence, 2007; Tencati, Perrini, & Pogutz, 2004). These values may come through in the form of secular morality, religion, personal satisfaction or the need to be a part of the community (Business in the Community, 2002; Worthington, et al., 2006).

In addition to this, entrepreneurs have certain personality traits that increase the likelihood of their engagement in CSR (Lepoutre & Heene, 2006). These traits are locus of control, high need for achievement, tolerance of ambiguity, Machiavellianism and higher cognitive moral development (Lepoutre & Heene, 2006). So, for SME owner-managers who fit this entrepreneurial description, their personality traits may encourage them to exhibit socially responsible behaviour.

Also, SMEs that are more embedded in the community are believed to have better relationships with community members, acting as leaders and benefactors (Moore & Spence, 2006; Spence, 1999). These relationships with community members and other stakeholders lead to an increased understanding of stakeholders, which may lead to increased CSR engagement. Also, the local community sees the SME owner-manager buy, sell and employ locally, creating jobs and economic growth for a region (Lepoutre & Heene, 2006), and this contribution to the community can be seen as a form of CSR.

Another facilitator of CSR in SMEs is that SMEs face several external pressures, such as the influence of other family members on the business, government legislation, and pressure from supply chain members (Murillo & Lozano, 2006; Roberts, et al., 2006; Worthington, et al., 2006). However, it has been found that these pressures are weak, and that SMEs are not likely to react to external pressures (Jenkins, 2006; Lepoutre & Heene, 2006; Murillo & Lozano, 2006).

Benefits of CSR for SMEs

CSR has the ability to bring many benefits not only to the stakeholders receiving the goodwill, but also to the businesses engaging in CSR. Although it is commonly acknowledged that many of these benefits are intangible, vague, and impressionistic (Jenkins, 2006; Worthington, et al., 2006), they are reported by business owners to be advantageous to the

business in some way. These benefits may act as drivers of CSR engagement in SMEs, or they may simply be positive outcomes that result from engaging in CSR. This distinction is often unclear in the literature, so the benefits of CSR will be included here as facilitators of CSR engagement for SMEs.

One of the most important benefits of CSR for SMEs is that it can have positive effects on employees, and this benefits both the employee and the business. In a study of CSR engagement by ethnic business owners in the UK, regular reference was made to the positive influence that CSR has on employee health and happiness (Worthington, et al., 2006). Murillo and Lozano (2006) interviewed the owners of four SMEs in Catalonia, Spain that were chosen as high social and environmental performers. They found that the main benefits of CSR for SMEs are internal such as a better working climate, increased productivity, the staff being involved in the company's objectives, and decreased staff turnover rates (Murillo & Lozano, 2006). Jenkins (2006) found that not only does CSR have the ability to make current staff more motivated, but it also has the ability to increase the attractiveness of the business to potential recruits.

As early as 1980 it was identified that CSR not only benefits employees, but can also bring benefits to the business. Wilson found this when she interviewed small business owners asking only one question: "How do you see your responsibilities to society?" (1980, p. 18), and one of the most common responses was a "responsibility to the employees" (1980, p. 21). As one business owner put it: "if you take care of your employees, they will take care of you" (1980, p. 21). Since this study, several other studies have found that CSR not only benefits employees, but also delivers business benefits in terms of more committed, motivated employees (Business in the Community, 2002; Murillo & Lozano, 2006; Palimeris, 2006).

Many studies report that CSR can enhance a business's reputation (Business in the Community, 2002; Jenkins, 2006; Tencati, et al., 2004). Vyakarnam (1997, cited in Murillo & Lozano, 2006) states that CSR results in a more professional image, and this can lead to an increase in trust and loyalty from stakeholders. It has also been acknowledged that CSR can provide a competitive advantage for SMEs through providing a more prominent profile and market position (Jenkins, 2006; Murillo & Lozano, 2006; Perrini, 2006).

Other benefits include improved word of mouth and public relations, which can then lead to increased sales and revenue, as was the experience of many Asian business owners surveyed

in the UK (Worthington, et al., 2006). Even in the 1980s it was acknowledged that "doing the socially responsible thing amounts to profit maximisation in the long run" (Wilson, 1980, p. 23).

It is a commonly held belief that business can only be successful in a healthy community (Wilson, 1980). For this reason, many authors cited community welfare, including a more stable workforce, education and community development, as a benefit of CSR (Business in the Community, 2002; Murillo & Lozano, 2006; Perrini, 2006). These are not only advantages for the community, but also, in the long run businesses will realise the benefits as they will have a more highly skilled potential workforce and a more prosperous community to operate in (Business in the Community, 2002).

Other benefits of CSR for SMEs reported in the literature include, but are not limited to: gaining access to markets (Perrini, 2006; Worthington, et al., 2006); increase in confidence; improved relationships with financial bodies (Murillo & Lozano, 2006); pride in ownership; increased customer satisfaction (Wilson, 1980); better strategic and resource planning (Castka, et al., 2004); increased productivity and innovation (Perrini, 2006); cost savings (Jenkins, 2006; Perrini, 2006); and risk management (Jenkins, 2006).

2.3.2 INHIBITORS OF CSR IN SMEs

The inhibitors that SMEs face in engaging in CSR are both perceived and actual. Research has shown that some barriers, for example a lack of time and money, are in actuality only perceived barriers, because SMEs that engage in CSR do not report these to be a problem (Business in the Community, 2002). Barriers, both perceived and actual, as well as strategies to overcome these barriers, are discussed below.

The most commonly cited barrier that SMEs face in implementing CSR is that the language of CSR does not cater for SMEs. The term "corporate" in particular tends to exclude smaller businesses (Roberts, et al., 2006). CSR is seen as an abstract term that SMEs feel uncomfortable using (Murillo & Lozano, 2006). Rather, they prefer to speak of CSR in terms of more specific examples of what it entails, for example, 'donating money to charity' (Business in the Community, 2002). Castka et al. explain that CSR is clearly "incomprehensible and unrealistic" (2004, p. 143) for SMEs. For this reason, many authors adopt other terms such as 'small business social responsibility' (Lepoutre & Heene, 2006) or 'business environmental and social responsibility' (Kasim, 2006) in an attempt to overcome this issue. This language barrier is heightened by the fact that SMEs tend to be informal, and

therefore, the "large-firm language" of CSR, such as "vision statements", "mission statements", "policies" and "strategies" (Spence, 2007, p. 545), is not commonly used in SMEs.

This informal nature often results in the lack of a long-term view or strategic approach, and a tendency to favour informal communications with stakeholders (Graafland, Ven, & Stoffele, 2003; Kotey & Slade, 2005, cited in Moore & Spence, 2006; Spence, 1999). It is because of this that SMEs tend to take a very ad hoc approach to social issues (Horobin & Long, 1996; Moore & Spence, 2006). Having an informal nature prevents many SMEs from embedding CSR into the business culture and thus realising the potential benefits of doing so (Jenkins, 2006).

SMEs' informal nature is also seen in the fact that many SMEs fear bureaucracy (Castka, et al., 2004; Worthington, et al., 2006). The reason for this is that SMEs are, by nature, informal in regards to communication and management, and CSR can bring bureaucracy from third parties in the form of guidelines and reporting requirements (Spence, 1999). This fear of bureaucracy inhibits CSR engagement as SMEs are unlikely to take on codes of conduct and guidelines implemented by third parties.

A lack of resources was also highly cited as a barrier to CSR in SMEs. These resources include a lack of time, financial resources, skills and knowledge, and power. A lack of time appeared to be a particularly significant barrier. However, a lack of time is not a barrier in itself; it only becomes an issue when it leads to a lack of 'organisational slack', which refers to the "cushion of excess resources" (Bourgeois, 1981, p. 29) that businesses can use to address pressures for internal changes and also to respond to the external environment. A lack of organisational slack is common in SMEs given that owner-managers are often multi-tasking and focusing not only on managing the business, but also on the day-to-day functional aspects of keeping the business running (Spence, 1999; Worthington, et al., 2006). In the words of a business owner in Los Angeles: "You work just to keep your head above water and don't have time to think about much else...A small business has its hands full just surviving" (Wilson, 1980, p. 23). Owner-managers need to be able to delegate and use slack resources if they are to have the ability and time to implement CSR (Lepoutre & Heene, 2006; Spence, 1999).

Financial resources are also reported to be lacking in SMEs, and this presents another barrier to engaging in CSR. This barrier is perceived as especially high when it is believed that little or no economic return will result from the initial investment (Worthington, et al., 2006).

Another contributing factor to this lack of financial resources is that SMEs are often 'fire-fighting', which means they deal with urgent financial matters on a day-to-day basis, and this limits their ability to accumulate slack financial resources to invest in CSR initiatives (Spence, 1999).

A lack of skill and knowledge regarding CSR is another barrier facing SMEs. Roberts et al. (2006) explain that a lack of knowledge can result in a perceived lack of time and money because the owner-manager lacks the skills to prioritise CSR management and to accurately assess the time and money required for CSR activities. This lack of knowledge may prevent SME owner-managers from considering CSR and realising its significance and potential benefits (Business in the Community, 2002; Horobin & Long, 1996; Perrini, 2006; Tencati, et al., 2004). Also, it is argued that many SME owner-managers lack knowledge regarding their social impacts, and may believe that they are insignificant, so they neglect to take any action (Lepoutre & Heene, 2006).

A lack of power and influence was cited as a barrier for SMEs engaging in CSR as early as 1980 (Wilson). In a study on CSR in small businesses in Los Angeles, some of the business owners explained that they felt powerless, and that because larger businesses had the power and ability to address social and environmental issues, it should be entirely up to them (Wilson, 1980). It is commonly acknowledged that SMEs tend to follow in the footsteps of the larger businesses in the supply chain (Lepoutre & Heene, 2006). For example, if larger companies in the supply chain encourage CSR, then SMEs will be more likely to engage in it, but if large companies act irresponsibly, it can be difficult for SMEs to go against this norm as it may lead to rejection from the supply chain (Bhide & Stevenson, 1990, cited in Lepoutre & Heene, 2006).

Worthington et al. found that as a result of these resource limitations, SME owners and managers prioritise everyday business concerns, such as "sustained growth… profitability… providing a good product/service to customers" (2006, p. 206) over CSR. Some respondents mentioned broad social objectives and generally responding to stakeholders' expectations, but due to the lack of slack resources there was a tendency to focus on general business operations. This represents a barrier to CSR engagement as SMEs lack discretionary resources, so they prioritise "economic and commercial objectives" (Worthington, et al., 2006, p. 206), and because CSR is not essential for the business to run, it is often neglected.

A lack of simple, cohesive support may also act as a barrier to CSR for SMEs. This is referring both to practical services and financial support (Jenkins, 2006). SMEs in the UK did not cite a lack of support organisations, but rather, they felt that the existing support organisations offered a wide array of conflicting advice (Jenkins, 2006). This is similar to the findings in Roberts et al.'s (2006) study conducted in Northwest England, which found that support was inappropriate, insufficient, and inaccessible, and that fees excluded smaller firms from receiving support. A lack of financial support such as tax reductions and subsidies, has also been cited as an issue (Perrini, 2006).

Finally, a number of minor barriers have been identified including: a risk of suspicion of their motives (Castka, et al., 2004); fear of poorly implementing CSR which can lead to other problems (Roberts, et al., 2006); the operations of SMEs being less visible to stakeholders (Jenkins, 2006; Thompson & Smith, 1991); difficulties getting employees involved; making a connection with the community; and maintaining CSR activities over the long run (Jenkins, 2006).

2.3.3 STRATEGIES TO INCREASE CSR IMPLEMENTATION IN SMEs

Some authors have suggested strategies to overcome the barriers that SMEs face in engaging in CSR. Most importantly, the language of CSR needs to be tailored to SMEs, even if it means the use of new terms altogether. This will help ensure that SMEs perceive CSR as a concept that relates to them, and which they need to address. Roberts et al. (2006) explain that the use of CSR jargon dramatically reduces interest from SMEs, and Jenkins puts the development of "an understanding of CSR and translating this into business principles" (2006, p. 251) as the first step for SMEs to take in championing CSR.

Also, there is evidence that third parties need to work together to provide simple, transparent, local and targeted support for SMEs (Business in the Community, 2002; Roberts, et al., 2006). Third parties trying to encourage the take up of CSR in SMEs need to highlight the potential benefits in order to encourage CSR engagement (Jenkins, 2006; Tencati, et al., 2004).

Several authors argue that for CSR engagement to be increased in SMEs, they need to be provided with tools and guidelines to implement, measure, monitor and report on CSR (Business in the Community, 2002; Castka, et al., 2004; Roberts, et al., 2006). However in order for these tools and guidelines to be designed there needs to be further research conducted on the characteristics of SMEs, and the factors that affect CSR engagement

specific to SMEs (Perrini, 2006). The current lack of information on these was identified as a factor affecting CSR adoption (Dwyer & Sheldon, 2007) at a Business Enterprise for Sustainable Travel Education Network Think Tank in 2006.

There is a strong call for CSR research that is sector specific and focused on specific geographic regions (Moore & Spence, 2006; Murillo & Lozano, 2006; Roberts, et al., 2006; Spence, 2007; Thompson & Smith, 1991). It is believed that the factors that affect CSR engagement, and business and owner-manager types will differ depending on sector and geographic region.

The majority of studies on CSR in SMEs have been conducted in Europe, using very broad geographic locations (Table 2). The use of broad geographic regions means that the findings of these studies are generic. It is recommended that research on CSR engagement in SMEs be conducted in more specific locations since smaller geographic regions have their own culture and way of life, meaning that CSR engagement is likely to vary depending on region (Jenkins, 2006).

Table 2. Studies on CSR in SMEs - Geographic Location and Sector

Author	Geographic Location	Sectors Examined within the Studies
Business in the Community (2002)	Whole of UK	Sector not specified
Fuller and Tian (2006)	Whole of UK	Sector not specified
Graafland et al. (2003)	Two Dutch Provinces	Construction, metal manufacturing, financial services and wholesale traders
Jenkins (2006)	Whole of UK	Printing, construction, service, manufacturing and engineering
Murillo and Lozano (2006)	Whole region of Catalonia, Spain	Chemical supplies and metallurgical services
Perrini (2006)	Whole of Italy	Sector not specified
Roberts et al. (2006)	Whole northwest region of England	Consultancy firms, professional service firms, not for profit organisations, government agencies, business support organisations, unions, industry associations and academic organisations
Tencati et al. (2004)	Whole of Italy	Manufacturing and service industries
Worthington et al. (2006)	10 cities in the UK	Textiles, metal plating, hotels, catering, leisure and travel, transport, construction, IT, communication, retailing, printing and health care

Worthington et al. (2006) used a more specific geographic location, examining CSR engagement in SMEs using just 10 cities in the UK. In addition to this, they focussed only on Asian owned and managed SMEs. This resulted in findings that were specific to a particular type of SME in a particular region. This type of research is important as it allows the business characteristics and factors that affect CSR engagement particular to SMEs in a specific region to be identified. Location specific research, like Worthington et al.'s (2006), will allow for more relevant research findings to be available, and targeted tools, guidelines and support to be developed and offered to businesses in that region (Jenkins, 2006; Roberts, et al., 2006).

Table 2 above also identifies for each of the studies listed, the sectors on which they were focused. Most of the studies used a wide variety of sectors, indeed some of the studies did not specify a sector, so it is possible that this information was not even recorded during the studies. The studies in Table 2 that did identify particular sectors presented the findings as a combined perspective, not as sector specific results. It is argued that sector-specific research

is important as the factors that affect CSR engagement, and the SME characteristics will differ depending on the sector in which the SME operates (Moore & Spence, 2006; Murillo & Lozano, 2006; Roberts, et al., 2006; Spence, 2007; Thompson & Smith, 1991). Sector specific research is important as it could lead to the provision of targeted support and CSR tools for specific sectors of SMEs. Jenkins explains that "there is a need for sector, size and location specific research to reflect the diversity of SMEs and for more relevant case study evidence to be available" (2006, p. 254). To address this need, the research will focus on a specific sector and geographic location.

The tourism industry presents itself as a compatible sector for the research as it is made up almost entirely of SMEs (Baum, 1999; Miller, 2001) and has many negative effects on societies which could be mitigated using CSR. In addition to this, the tourism industry has a "low profile within the realm of corporate social responsibility" (Miller, 2006, p. 8), and this is possibly because very little research has been conducted on CSR in the tourism industry, so ways to increase CSR in the tourism industry have not yet been identified. Section 2.4 will describe the tourism industry in Australia and highlight the research gaps on CSR in SMTEs.

2.4 CSR AND THE TOURISM INDUSTRY

The proposed research seeks to address the call for sector specific studies by identifying the factors that affect CSR engagement in a particular industry sector, which will allow targeted advice and support to be provided for a group of related SMEs. Tourism can be defined as "the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited" (Australian Bureau of Statistics, 2010, p. 615). Businesses in the tourism industry do not all rely solely on tourists, but are generally considered as part of the tourism industry if at least 25%, or a significant amount of their output is consumed by tourists (Tourism Research Australia, 2007). Sectors included in the tourism industry are: cafes and restaurants; clubs, pubs, taverns and bars; retail trade; accommodation; air and water transport; road transport and motor vehicle hiring; education; and manufacturing (Tourism New South Wales, 2009).

In 2008-9, the tourism industry in Australia contributed $33 billion to the country's Gross Domestic Product (GDP), and employed 486,000 people, which represented 4.5% of total employment (Tourism Research Australia, 2010f). In addition to this, tourism generates

around $24 billion in exports, making it Australia's largest services export industry (Tourism Research Australia, 2010f). It is clear that the tourism industry makes a significant contribution to the Australian community through wealth and job creation.

Several authors note that globally, the tourism industry is made up mostly of SMEs (Baum, 1999; Miller, 2001). This is evident when looking at the Australian tourism industry where, in 2007, 50% of tourism businesses were non-employing, 43% were micro or small, 6.5% were medium, and only 0.5% were large (Tourism Research Australia, 2007). This reliance on SMEs in the tourism industry was an important consideration in selecting the tourism industry as the sector in which to conduct this research.

Of the research on CSR in the tourism industry, there has been a narrow focus with two main areas being addressed: consumer preferences for socially and environmentally responsible tourism products; and factors that affect CSR adoption (Bohdanowicz & Zientara, 2008; Goodwin & Francis, 2003; Kasim, 2004; Miller, 2001; Rodriguez & Cruz, 2007). This research is limited by the fact that much of it has been focused on the accommodation sector, just one of the many sectors that make up the tourism industry.

Research suggests that although consumer preferences for socially and environmentally responsible tourism products appear to be growing, this does not always translate into purchasing behaviour, and it is very unlikely that a tourist would pay more for socially responsible tourism products (Goodwin & Francis, 2003; Kasim, 2004). The issue here is that if consumer concern is low, tourism businesses may be less likely to engage in CSR.

The second area of literature addresses the factors that affect the adoption of CSR, and this includes studies that have looked at both the barriers and benefits of CSR engagement for tourism businesses. Rodriguez and Cruz (2007) found that engagement in CSR has the ability to increase return on investments by 2%, and Bohdanowicz and Zientara (2008) found that CSR can produce win-win outcomes, such as happier and healthier staff, improved employee commitment and motivation, increased staff retention, cost savings and increased profits. These benefits may act as facilitators for CSR engagement in the tourism industry.

Miller (2001) found that there are five main factors that affect how responsible a tour operator will be: industry structure; legal requirements; market advantage/negative public relations; cost savings and moral obligation. In regards to industry structure, three main barriers to acting responsibly were identified: lack of control; lack of finance; and the problem of price dictating the market (Miller, 2001). These problems were raised mostly by

small tour operators as they compared themselves to larger ones. In terms of the legal requirements that encourage tourism businesses to engage in CSR, it was found that many smaller tourism businesses operate simply to satisfy the minimum legal requirements, and do not make an effort to go beyond these in terms of CSR. It was also found that the extent to which voluntary codes of conduct are actually voluntary is questionable because campaigning groups pressure smaller businesses into taking them on. Market advantage reasons for engaging in CSR include improved reputation, public relations and word of mouth. Miller (2001) found that cost savings were not a prominent motivation for CSR engagement in SMTEs because owners and managers of SMTEs are hesitant to spend a lot of money on the initial outlay, even if it will result in cost savings in the long run. Finally, reasons of moral obligation were found to motivate CSR engagement in SMTEs. Many of the findings in the tourism literature on CSR overlap with those in the generic literature on CSR in SMEs. For example, moral obligation was found by several authors as a facilitator of CSR in SMEs, and the barriers of a lack of power and financial resources were also found in the general literature on CSR in SMEs.

Researchers have addressed other areas of CSR in the tourism industry but these appear to be isolated studies. For example, Henderson (2007) studied how large hotel chains exhibited CSR after the Indian Ocean tsunami, and Holcomb, Upchurch and Okumus (2007) looked at the level of CSR engagement in the top hotel companies, including how and what CSR activities they report on. Overall, there is minimal research on CSR in the tourism industry. What does exist focuses on consumer preferences for responsible products and the factors affecting CSR adoption. The tourism industry has been criticised of being behind the times in regards to CSR engagement as compared with other industries (Miller, 2006), and thus there is an urgent need for further research on the topic to be conducted in order to increase CSR engagement in the tourism industry (Kasim, 2006). There are gaps in knowledge surrounding tourism business owner-managers' characteristics, the types of CSR practices SMTEs engage in, their motivations for doing so, how they organise and manage their CSR, the factors that affect their engagement in CSR, and the implications for increasing CSR engagement in SMTEs in the future.

2.5 SUMMARY OF THE LITERATURE

The literature reviewed details the history of CSR in SMEs, the characteristics of SMEs, the factors that affect CSR engagement (including the facilitators, benefits and inhibitors of CSR) and suggested strategies to increase CSR engagement in SMEs. Important gaps in the literature remain in terms of geographic location and sector specific research to identify the characteristics of certain types of SMEs, and the factors that affect CSR engagement. There is a lack of successful CSR implementation in SMEs and this is because the research conducted so far has used broad geographic regions and a mix of sectors, so relevant and targeted guidelines, tools and advice have not been developed.

This research seeks to address some of the gaps in the literature by conducting a sector specific study of CSR in SMEs, using the tourism industry. This study seeks to understand the CSR engagement of SMTEs. The research examines the local context in which SMTEs operate in order to understand how the geographic location of a business affects the implementation of CSR. The influence of the owner manager is also examined in order to understand how their values and personality influence the uptake of CSR in SMTEs. The research identifies the factors that affect CSR engagement, and implications for increasing CSR in the future are identified.

CHAPTER 3: METHODOLOGY

3.1 INTRODUCTION

The previous chapter presented literature that informs this study. The purpose of this chapter is to present the research design used to address the overall aim which is to understand the CSR engagement of SMTEs. In order to do this, the following research objectives were addressed. To:

1. Understand the characteristics of SMTEs;
2. Identify current CSR practices engaged in by SMTEs;
3. Investigate the factors that affect CSR engagement in SMTEs; and
4. Identify implications for increasing CSR engagement in SMTEs.

A mixed-methods approach was used to address these objectives, combining both quantitative and qualitative methodologies. The quantitative research stage consisted of an online survey, and the qualitative research was comprised of focus groups and interviews.

This chapter will begin by explaining why the geographical region of the GBMA was chosen as the research context. The chapter then justifies the use of a mixed-methods approach. Next, the data collection process for both the quantitative and qualitative research stages will be described. This section will reveal how the research instruments were designed, how and why pilot tests were conducted, how the participant samples were chosen for each research stage, and how the online survey, focus groups and interviews were administered. Next, the methods of analysis will be explained for the quantitative and qualitative data. Finally, the limitations of the research and the ethical considerations will be discussed.

It is important to comment here on the wording used in the questionnaire, focus groups and interviews. The phrase 'Corporate Social Responsibility' was not used because the literature revealed that many smaller businesses do not respond well to this phrase, especially the word 'corporate' (Roberts, et al., 2006). For this reason, the term 'Social Responsibility' was used as it does not exclude SMEs in any way. In this and following chapters, the terms 'CSR' and 'Social Responsibility' are used interchangeably.

3.2 SELECTION OF GEOGRAPHIC REGION

As the research is looking at CSR in SMEs in the tourism industry, it was necessary to find a touristic region abundant in SMEs. The GBMA presented itself as a suitable region to conduct the research because not only is it an area known predominantly as a touristic region, but it is comprised mostly of small businesses. In 2007 there were over 2500 tourism-related businesses operating in the GBMA, 99.9% of which were SMEs (Tourism Research Australia, 2010e). In the year ending 2009, the GBMA received over 2.5 million visitors, including international trips (70,754), domestic overnight trips (563,000) and domestic day trips (2,082,000) (Tourism Research Australia, 2010a, 2010b, 2010c). This makes the GBMA one of the top 25 tourist regions in Australia (Tourism Research Australia, 2010d). A map of the GBMA can be seen below in Figure 1.

Another important consideration was the geographic accessibility of the region to the researcher. It was important to choose a region that the researcher would be able to visit to conduct the research. The GBMA is close to Sydney, where the researcher resides, enabling the researcher to drive there on day trips when necessary, and to stay there for the duration of the qualitative data collection stage.

Whilst the majority of tourism activity occurs in the Blue Mountains Local Government Area (LGA) (a smaller area within the GBMA which does not include Lithgow and Oberon) (Blue Mountains City Council, 2006), the whole GBMA was used as the setting for the research. This was done for a number of reasons. First, the tourism department of the Blue Mountains City Council (BMCC) works with both the Lithgow and Oberon councils, and together they form Blue Mountains Lithgow and Oberon Tourism. This joint management means that many of the initiatives that are implemented are common to the whole region. Other links across the region include the World Heritage listing; the Blue Mountains Gazette - the local newspaper which is distributed across the whole area; and various tourist magazines, such as iMAG and Blue Mountains Wonderland, which promote businesses and events across the entire GBMA. Second, many researchers have cited the difficulty of accessing small business owners for research purposes, especially regarding CSR (Roberts, et al., 2006; Thompson & Smith, 1991; Worthington, et al., 2006). So, having a larger area in which to conduct the research was of benefit to the researcher in regards to the total number of questionnaire respondents and focus group and interview participants.

Figure 1. Map of the Greater Blue Mountains Area
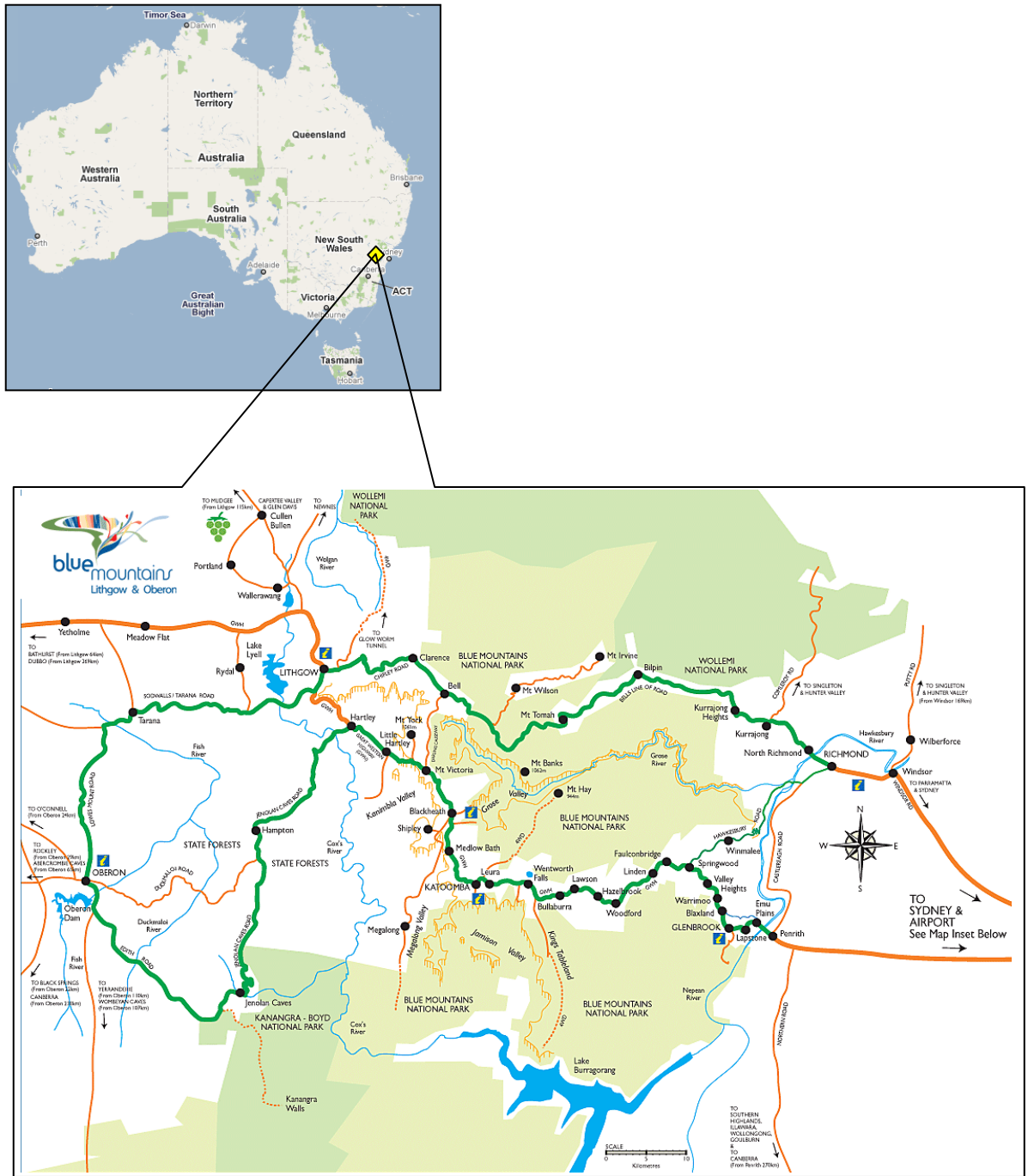
Note: The green line represents the grand tourist drive. This covers all of the towns that are officially part of the GBMA, and that were included in the study. (Adapted from Blue Mountains Lithgow and Oberon Tourism, 2010).

3.3 A MIXED-METHODS APPROACH

This section explains and justifies the use of a mixed-methods approach to understand CSR engagement in SMTEs. Different types of mixed-methods approaches are described, and justification is given for the use of the explanatory mixed-methods approach used in this study.

There are two traditional types of methodologies: quantitative and qualitative. Quantitative methodologies involve the collection of numerical data, commonly from a large number of people, for statistical analysis (Veal, 2006). Qualitative data is concerned with words, rather than numbers (Bryman, 2008), and tends to be used when a deeper and fuller understanding about a certain topic is required from a smaller number of people (Veal, 2006).

Mixed-methods research combines both quantitative and qualitative methodologies. Mixed-methods approaches have gained prominence in recent years, despite arguments against using them. The most common argument against mixed-methods research is that "research methods carry epistemological commitments" (Bryman, 2008, p. 604) or "worldviews" (Creswell & Plano Clark, 2007, p. 21), that cannot be used in conjunction with other research methods associated with different epistemologies. For example, it is argued that participant observation is not simply a way to collect data, but it is a research method that must be consistent with interpretivism, so many authors argue that participant observation is incompatible with research methods that carry other epistemologies with them (Bryman, 2008).

The other side of this debate is the "technical" perspective (Bryman, 2008, p. 606), which prioritises the strengths of various data collection and analysis methods, and views the epistemological assumptions connected to research methods as flexible. Bryman suggests that the technical perspective makes mixed-methods research "both feasible and desirable" as different research methods can be viewed as "compatible" (2008, p. 606). This technical stance highlights the benefits of mixed-methods research. These include: the fact that it allows the researcher to overcome many of the weaknesses of using quantitative or qualitative methods alone; it allows quantitative instruments to be formed using qualitative data; alternatively, it allows quantitative data to be followed up by qualitative research; and as people often understand the world in terms of both numbers and words, it is practical (Bryman, 2008; Creswell & Plano Clark, 2007).

The idea to use a mixed methods approach for this research came from a study conducted by Worthington et al. (2006) who studied CSR in small Asian-owned and Asian-run businesses in the UK. They examined: owner-managers' attitudes to CSR; CSR actions; drivers of CSR; perceptions of business benefits from CSR; structural arrangements for CSR; and barriers to involvement in CSR (Worthington, et al., 2006). Whilst they had a focus on ethnic minority enterprises, their research objectives are similar to those of the researcher, and hence their methodology was of interest.

Worthington et al. (2006) used a mixed-methods approach comprised of a postal survey followed by semi-structured interviews. The focus was on qualitative, rather than quantitative data, and their intention was "not to provide a statistically valid analysis but to paint a meaningful picture of underlying attitudes and behaviour within respondent organisations" (Worthington, et al., 2006, p. 204). The survey allowed the authors to first gain a general understanding of respondents' attitudes to CSR, obtain examples of CSR practices and investigate how CSR is managed in respondent organisations. The interviews then allowed respondents to provide their own interpretations of CSR, explain their motivation for CSR, give examples of community engagement, and suggest the benefits of CSR (Worthington, et al., 2006). Combining the results of both steps resulted in rich data, which would not have been possible using a quantitative or qualitative method alone. Using a similar mixed-methods approach in this study is likely to result in rich data, allowing the researcher to thoroughly address all four research objectives.

There are four categories of mixed-methods research approaches: Triangulation; Embedded Design; Explanatory Design; and Exploratory Design (Creswell & Plano Clark, 2007). Triangulation is used when the researcher wants to compare, contrast or validate quantitative results with qualitative findings. When qualitative data is required to answer a question in a largely quantitative study, or vice-versa, the Embedded Design is used. Researchers may use the Explanatory Design when qualitative data is required to explain or enhance initial quantitative results. The Exploratory Design is used when quantitative instruments require qualitative research for their development, for example, conducting focus groups to finalise response options in a questionnaire.

Each of these categories of mixed-methods approaches has many variants, and the method selected for this research is a version of the Explanatory Design known as the "Follow-up Explanations Model" (Creswell & Plano Clark, 2007, p. 72). In this model the researcher conducts the quantitative research first, and then identifies findings that require further

explanation. Qualitative research techniques are then used to explain and enhance these findings.

This research is conducted in four main stages as indicated in Figure 2: (1) Literature Review; (2) Quantitative Research Stage; (3) Qualitative Research Stage; and (4) Interpretation of Findings. The literature review allows the researcher to identify gaps in the literature to be addressed. The quantitative stage comprises an online survey used to aid in understanding the characteristics of SMTEs, such as their management structure and attitudes towards CSR, as well as the CSR practices they engage in. Once the quantitative data is analysed, results are chosen to be followed up in the qualitative research stage. This stage involves both focus groups and interviews, and these allow the researcher to further understand how business characteristics and other factors affect CSR engagement in SMTEs. During this stage the implications for increasing CSR in the future are investigated. The final research stage involves the interpretation of the quantitative and qualitative data in relation to each other and the literature.

Figure 2. Research Stages
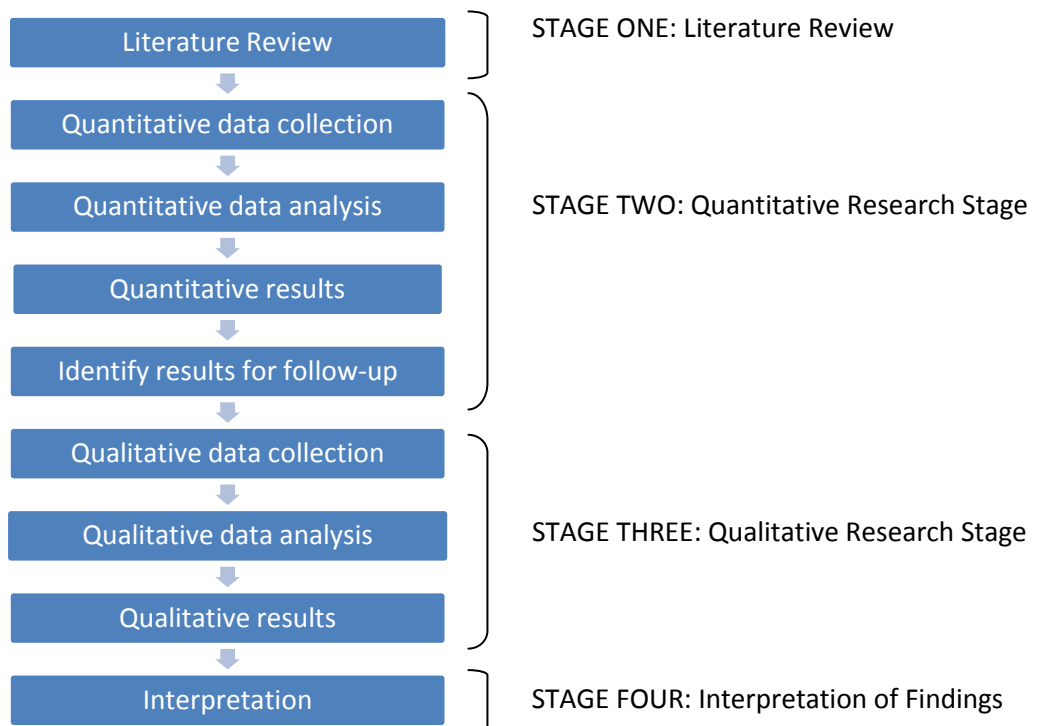
(Adapted from Creswell & Plano Clark, 2007)

3.4 SURVEY

The purpose of the survey used in this study is to gather statistical data about the characteristics of the respondent SMTEs, their attitudes to CSR, and the CSR practices they engage in. An online survey is the chosen research method to collect this information.

A questionnaire is a "formally designed schedule of questions" (Veal, 2006, p. 231) that is used to gather information about a group of individuals. One of the merits of questionnaires is that they allow the researcher to "gather and record simple information on the incidence of attitudes, meanings and perceptions among the population as a whole" (Veal, 2006, p. 233).

It was decided to use an online questionnaire as they have several advantages compared to postal questionnaires. Advantages of online questionnaires include that they are inexpensive, allow for a wide variety of data to be collected, have fast response rates, attractive formats, unrestricted geographical coverage, few unanswered questions and detailed responses to open questions (Bryman, 2008). Therefore, an online survey presented itself as the fastest, cheapest way to gather information quickly and accurately.

Whilst online surveys do have disadvantages, the researcher was able to minimise or overcome these. Low response rates are often associated with online surveys (Bryman, 2008) therefore a $150 dining voucher was offered as an incentive to encourage a higher number of responses. Another disadvantage of online surveys is that they are restricted to online populations (Bryman, 2008). Evidence suggests, however, that most small businesses use an email address and have a website (Burke, 2005). Confidentiality and anonymity issues are also associated with online surveys (Bryman, 2008), so respondents were assured that their responses would be anonymous, and were only asked to leave their details if they wanted to go in the draw to win the incentive or participate in a focus group or interview. These personal details were removed from the survey responses.

The sections that follow will detail elements of the survey design, pilot testing, selection of participants and survey administration.

3.4.1 ONLINE SURVEY DESIGN

To maximise response rates and increase the quality of the findings a number of aspects must be taken into consideration when designing a survey. The purpose of the survey, the type of

questions and their order, and the presentation of the questionnaire all require considerable thought and planning (Bryman, 2008).

The purpose of the survey must be clear to the researcher during its design to ensure that the questions asked allow the research objectives to be answered, and to avoid asking unnecessary questions (Bryman, 2008). The purpose of the survey was to understand the characteristics of SMTEs and identify the CSR practices they engage in. The researcher kept this in mind during the survey development process.

The researcher emailed Professor Ian Worthington for a copy of the questionnaire he and his partners used in their research (2006). Research suggests that incorporating questions that have been used in previous studies has many benefits, including the fact that they have already been pilot tested, and even if they are not used exactly as they are, they may be useful in forming similar questions (Bryman, 2008). Many of the questions in Worthington et al.'s (2006) questionnaire were useful and relevant to the researcher's own objectives, and thus these questions formed the starting point for questionnaire design. A copy of their questionnaire can be found in Appendix 1.

The questionnaire was comprised of both closed questions that give respondents a fixed set of alternatives from which to choose their answer, and open questions in which the respondent is given a space to answer how they like (Bryman, 2008). Closed questions were used where possible as they minimise the time it takes the respondent to answer, and reduce data analysis time as there is less coding to be done. However, due to the nature of the topic, it was impossible for the researcher to devise fixed alternatives for every question, as not enough is known about the topic to inform what those alternatives should be, so open questions were included where necessary. The final questionnaire can be found in Appendix 2.

Most questions were 'forced response' questions, meaning that respondents had to provide an answer in order to advance through the questionnaire. This was deemed appropriate for most questions, especially those where an 'other' or 'unsure' response was provided, as it ensured that respondents would answer every question, minimising missing data.

The questionnaire used in this study was comprised of four sections which followed the general order of Worthington et al.'s questionnaire. This method was also used by Horobin and Long (1996), whose questionnaire started with a series of basic agree/disagree

statements, progressing through to more specific statements and questions about the respondents' businesses' own practices.

Part A of the questionnaire was designed to gather basic characteristics about respondent businesses. The characteristics in Part A, such as number of employees and whether the business is owner-managed or family-owned, were identified in the literature as characteristics that may affect CSR engagement.

Part B examined respondents' attitudes to CSR. Seven statements (adapted from Worthington et al.'s questionnaire (2006)) were given and respondents rated their level of agreement or disagreement with each statement via the use of a Likert scale. A Likert scale is a "measure of a set of attitudes relating to a particular area" (Bryman, 2008, p. 146). A 5-point scale was used, where 1 means 'Strongly Disagree' and 5 means 'Strongly Agree'. Also included was an 'unsure' option because, as will be further explained below, the pilot testing revealed that some respondents could not choose an answer, and preferred to select 'unsure'. Next, two questions modified from Worthington et al.'s study asked about the importance of Social Responsibility compared to profit, and whether Social Responsibility can result in business benefits.

Part C was the longest section in the questionnaire and sought to identify what CSR practices businesses engage in, and how they organise and manage their CSR practices. Respondents were asked to what extent the business practises Social Responsibility, and if the respondent answered that they practise no Social Responsibility, they were excluded from the rest of the questions in Part C. Whilst it is possible that these excluded participants do, in fact, practise CSR but just do not realise that they do, they were excluded from this part of the survey but were asked towards the end why they do not practise CSR. In addition to this, the focus groups and interviews were used to explore participants' perceptions of CSR further. Most of the questions in this section were multiple choice where the respondent could only choose one answer. A space was provided at the end of the section for respondents to make any additional comments.

Previous studies have shown that offering some form of financial incentive can increase response rates. The pilot tests showed that the average completion time of the questionnaire was around 15 minutes. Due to the length of the questionnaire, an incentive was added in an attempt to achieve a reasonable response rate. It was also believed that an incentive would be beneficial because of the type of respondents involved in the research

(SMTE owners who are perceived to suffer from a lack of time), and the fact that online surveys often suffer from low response rates (Bryman, 2008). Whilst it was not possible to offer every respondent a monetary reward, the researcher offered respondents the chance to win a $150 dining voucher for Jamison Views Restaurant in the Katoomba. In Part D respondents were asked to leave their contact details to enter the draw to win the meal voucher. Respondents were also able to leave their contact details if they were interested in attending a follow-up focus group or interview.

The questionnaire was drafted numerous times in conjunction with the researcher's supervisors. This process took several weeks, and every question was thoroughly examined for ambiguity, answerability, and relevance to the research objectives.

The survey was designed using Qualtrics, an online program that allows users to create, distribute and analyse survey responses. The University of Technology, Sydney's logo and colour scheme were applied for a professional appearance. Page breaks were added so that each page had a similar number of questions on it to ensure the questionnaire appeared consistent.

3.4.2 SURVEY PILOT TEST

Pilot tests can be defined as "small-scale 'trial runs' of a larger survey" (Veal, 2006, p. 276) and they are carried out to test not only that the questionnaire is relevant and understandable to respondents, but also to test that the survey as a whole will function properly (Bryman, 2008). Pilot studies reveal issues related to wording, sequencing and layout of questions, relevance of questions to respondents, fieldwork arrangements and analysis procedures (Veal, 2006). In addition to this, they allow the researcher to estimate response rates and questionnaire completion times, identify any potential glitches in the research and "fine tune" (Veal, 2006, p. 276) the entire research process.

Two main groups of respondents were chosen to pilot test the survey. Different groups were used to get alternative points of view on various aspects of the questionnaire.

1. <u>Sample from final respondents</u> - The Marketing and Communications Manager of Blue Mountains Tourism Limited (BMTL) (the BMCC's tourism department) provided the details of four small tourism business owners who agreed to participate in the pilot study. Three of these took part in the pilot testing of the survey. The purpose of using these respondents was to test the questionnaire's relevance to the final

group of respondents. As these were all small business owners or managers, the General Manager and Reservations Manager from the researcher's place of work (a medium-sized tour wholesaler in Sydney) were invited to participate in the pilot test to ensure the questions were also relevant to medium-sized tourism businesses.

2. <u>Academics and friends and family</u> - Academics from the School of Leisure, Sport and Tourism at the University of Technology, Sydney were invited to pilot test the questionnaire. This group of respondents are deemed to have expert experience in survey design, analysis, and administration, so they were asked to pilot test the questionnaire to check the question type and order, and to identify any potential issues with survey administration and analysis. Nine academics participated in the pilot study. Several friends and family members of the researcher also completed the pilot study. These respondents were important as the researcher wanted to ensure the questions could be understood by a broad cross-section of the community.

Respondents were invited by email to participate in the pilot study. A link to the questionnaire was included in the email, as was to be done in the actual study, thereby also testing the fieldwork arrangements. Respondents were asked to provide feedback on the flow, relevance and readability of the questions in feedback boxes provided at the end of each page. Qualtrics recorded the time each person took to complete the questionnaire, allowing the researcher to estimate the average questionnaire completion time. Once the responses were gathered the researcher used Qualtrics to run initial analyses, and also tested the process of exporting the data to Predictive Analytics Software (PASW), thus testing the analysis procedures.

Respondents made comment on content, length, response options and wording of the questionnaire. The introduction did not provide enough background to the topic, so the invitation email was modified to include additional information about the concept of Social Responsibility, the types of questions that would be asked, and the purpose of the survey. Respondents commented that the definition of Social Responsibility was difficult to understand and the responses collected indicated that the definition also needed a more specific focus, as many people gave responses relating to environmental responsibility. In the final questionnaire the definition was first stated, it was then explained that whilst much attention has been given to environmental responsibility the purpose of this survey was to focus on social practices, and some examples were then given.

The feedback revealed that the questionnaire was too long, and some of the questions were deemed wordy or unnecessary. This led to some questions being shortened or simplified, and some of the less informative secondary questions were deleted.

Several pilot study participants reported the need for 'other' or 'unsure' options, as they found some of the forced response questions difficult to answer. This led to the addition of 'other' and/or 'unsure' choices in most of the multiple choice questions.

A number of respondents reported that the use of the phrase 'this business' sounded strange and impersonal. Suggestions were made for more personal wording, such as 'your business'. This use of impersonal language was taken from Worthington et al. (2006), who were concerned about social desirability bias. This is a common concern in social research where "respondents answer questions to conform to the expectations or social norms of the researcher in order to portray themselves in a more favourable light" (Worthington, et al., 2006, p. 205). The use of this detached language minimises social desirability bias as the respondent is less likely to feel personally responsible for the actions of the business, so may answer more truthfully. Therefore, the use of this wording was not changed.

3.4.3 PARTICIPANTS

In research terms, a 'population' is the total category of subjects which comprise the focus of a particular research project (Veal, 2006). The population in this research was SMTE owners and/or managers in the GBMA. In order to access this population, the researcher constructed a database of SMTEs in the GBMA. The information for the database was compiled from touristic pamphlets and magazines, internet research, and referrals from BMTL.

First, the researcher went to three visitor information centres in the GBMA - two in Katoomba and one in Glenbrook. At the information centres, one of every tourism pamphlet was taken, including free tourism newsletters, magazines and newspapers. The businesses listed in these materials were incorporated into a spreadsheet, which included their names and email addresses. The internet was then used to search for any businesses' email addresses that were not included in their pamphlet. From this process, the researcher was able to find email addresses for 171 SMTEs in the GBMA.

Second, the researcher conducted a thorough internet search, using general Google searches, as well as tourism websites (listed in Appendix 3) to identify additional SMTEs in the GBMA.

This process was successful as the researcher was able to identify businesses that did not have a brochure, or even a website of their own, as it was common for them to advertise on other websites where they provided a contact email address. Some businesses had two or more contact emails, and both or all of these were recorded in the database so that if the delivery of the invitation email failed to one of the email addresses, the researcher could forward the email to an alternative email address. An additional 328 businesses were added to the database from this online research approach.

Finally, in order to identify further SMTEs, the researcher contacted BMTL requesting them to promote the survey in their weekly newsletter. The advertisement (see Appendix 4) was included in the newsletter that was sent out on 25th June 2010, and this resulted in two emails to the researcher indicating interest in participating in the survey.

In total, 517 SMTEs in the GBMA were identified and entered into the researcher's database. Whilst this does not reflect the total population, the researcher did exert every effort to identify all SMTEs in the GBMA that have an email address and include them in the database.

3.4.4 SURVEY ADMINISTRATION

Once the survey had been finalised in Qualtrics, the researcher included the URL link in the invitation email to respondents (see Appendix 5). Respondents were able to click on the link and complete the questionnaire online.

The initial survey invitation email was sent on Friday 9th July 2010. Anecdotal evidence suggests that at this stage during the week business owners, managers and employees are often finishing off minor tasks before the weekend, so may have the discretionary time to complete a questionnaire. The email was sent to all 517 email addresses in the researcher's database. A total of 54 emails were returned to the researcher as the email addresses were either not functional or incorrect. The researcher managed to correct 37 of these by finding alternative email addresses. The researcher waited 10 days from the first invitation email to send a reminder, and in this time 70 responses were collected.

On Monday 19th July, the first reminder email was sent, resulting in a further 38 responses. Seven days later the final reminder email was sent, which included the closing date for the survey to encourage respondents to complete the questionnaire urgently. This final reminder saw a further 25 responses collected, and the questionnaire was closed at midnight on 30th July.

Figure 3 shows when the initial and subsequent reminder emails were sent and the number of responses on each day, and accumulatively over the 22 days.

Figure 3. Response Rates to Online Questionnaire
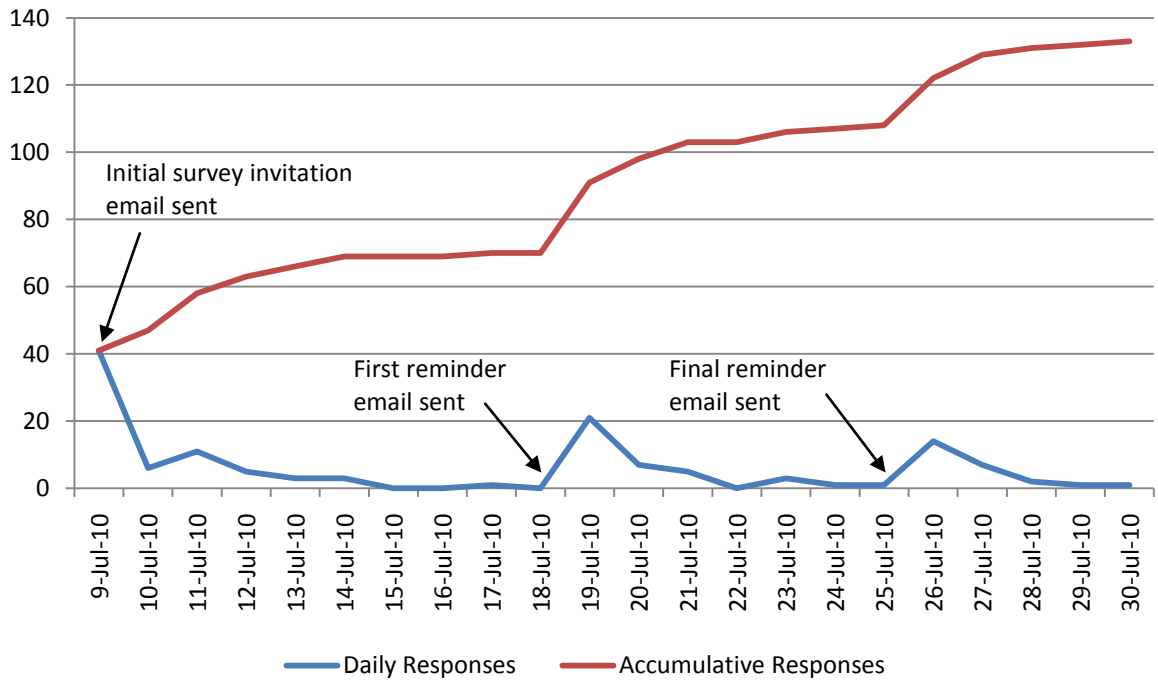
In total 133 responses were received, and of these 33 were incomplete, leaving 100 usable responses. This indicates a response rate of 19.3%. Frey and George (2010) studied business owners' attitudes to responsible management and socially responsible behaviour in the tourism industry in Cape Town, and they argue that a response rate of 10-20%, or a sample size as small as 100 is acceptable in research on this topic. Also, given that several authors have explained that SME owners and managers can be difficult to contact for this type of research (Roberts, et al., 2006; Thompson & Smith, 1991; Worthington, et al., 2006), the number of responses is considered reasonable.

3.5 FOCUS GROUPS

Focus groups were used in this study to follow up on issues that were identified in the survey as requiring further explanation. A focus group is "an interview style designed for small groups" (Berg, 1995, p. 68). These groups are special in terms of "purpose, size, composition and procedures" (Krueger & Casey, 2009, p. 2). In focus groups the researcher takes the role

of a facilitator, and the emphasis is on group interaction rather than alternation between the researcher's questions and participants' answers (Berg, 1995).

Group interaction is one of the biggest benefits of focus groups, as group exchanges and challenges lead to a more diverse array of responses reflecting a fuller range of opinions than could be extracted from interviews alone (Bryman, 2008; Kayrooz & Trevitt, 2005; Morgan, 1988). Another more practical benefit of focus groups, is that they allow the researcher to hear a number of opinions on a topic in a short amount of time, compared to conducting the equivalent number of interviews (Morgan, 1988).

3.5.1 FOCUS GROUP QUESTION SCHEDULE DESIGN

A question schedule for either a focus group or an interview is a list of topic areas and questions that the researcher wants to cover during the session (Krueger & Casey, 2009). The main purpose of a question schedule is to "direct the flow of the conversation during the actual group" (Greenbaum, 2000, p. 87) and they allow the facilitator to know what topics are to be covered, and to estimate the amount of time to be spent on each question.

The topic areas and questions to be included in the focus group question schedule were developed based on the preliminary findings from the survey, in conjunction with other points of interest from the literature. Additionally, secondary reading of several local council documents allowed the researcher to better understand the context in which the respondent businesses operate, and to formulate relevant questions regarding contextual drivers and barriers. The researcher became familiar with the quantitative findings in order to predict how the conversations may proceed. For example, the survey revealed that owner-managed businesses are more likely to engage in community-related CSR practices, so where participants were asked about their CSR practices, the researcher was able to prepare secondary questions that referred to community-related practices. In addition to the topic areas and questions, the researcher included a number of prompts in the question schedule. These were only to be used in the case that the participants were not very talkative, or did not understand the questions.

The introduction was developed in accordance with Krueger and Casey's "typical introduction" (2009, p. 97). It was designed to make participants feel like they know why they are there, ensure that everyone understands the purpose of the focus group and how it is going to run, and to invite everyone to speak early in the conversation. A welcome was

followed by an overview of the topic area, ground rules for the focus group, and the opening question.

The first topic of discussion asked participants to give some examples of CSR that their business engages in. Although participants had already answered this question in the survey, it was asked again to allow the researcher to identify the types of participants in the focus groups, and to get the group interacting with each other. It also allowed the researcher to ask secondary questions about why businesses practise certain types of CSR instead of others.

The second topic area was on the drivers of CSR in SMTEs. In order to understand these drivers further, the researcher prepared secondary questions regarding the benefits of CSR, and any external drivers that may exist.

The third topic area was about the challenges that SMTEs face in engaging in CSR. The researcher first asked a general question about the challenges of engaging in CSR and was able to draw on findings from the survey about a lack of time, money and skills, allowing respondents to further explain those findings.

The final topic addressed the implications for increasing SMTEs' CSR engagement in the future. The researcher drew on survey findings about the percentage of businesses that plan to increase their CSR engagement over time. This question acted as a prompt for respondents to talk about the future of CSR in their business, and to suggest things that may help them and other businesses engage in CSR in the future. The question schedule can be found in Appendix 6.

3.5.2 FOCUS GROUP PARTICIPANTS

Thirty-three survey respondents indicated that they would like to be involved in a focus group or interview. It is almost always impossible for the researcher to predict how many people will actually turn up on the day, and over-recruiting for qualitative methods is often suggested (Bryman, 2008). Therefore the researcher invited all 33 respondents to participate in either a focus group or an interview, with the expectation that several would not want, or be able to attend.

Participants for focus groups are commonly selected as they have characteristics in common that relate to the topic being discussed (Krueger & Casey, 2009). The researcher called each respondent and asked what type of business they ran (what size it is and whether it is owner-

managed or not), and then invited them to either a focus group or an interview. With the exception of one focus group participant, they were all owner-managers of either micro or small businesses.

There is varied advice on the recommended size of focus groups. Veal (2006) states that between five and twelve is the norm; Krueger and Casey (2009) state that between five and ten is common but that group numbers can range from four to twelve; Morgan (1988) suggests that the average is somewhere between six and ten, but also agrees that four should be the minimum and twelve the maximum. Krueger and Casey explain that focus groups need to be "small enough for everyone to have opportunity to share insights and yet large enough to provide diversity of opinions" (2009, p. 6). Morgan (1988) explains that smaller groups should be used when the topic is sensitive or controversial, or where the respondents are likely to have a lot to say about it, and larger groups should be used when respondent involvement with the topic is likely to be low, or if the researcher just wants to hear numerous brief opinions or suggestions. The researcher decided to allow up to 10 participants in each group. This was deemed to be a manageable number of people, and it was expected that if people did not turn up on the day a sufficient number of participants would still remain.

3.5.3 FOCUS GROUP ADMINISTRATION

The researcher chose to conduct two focus groups on different days, at different times, and at different locations. Participants were not allotted to any particular focus group, but rather were given the option to choose which focus group would suit them best to attend. Both focus groups were conducted in mid-August. An evening session was held in Blackheath (Focus Group 1), and a morning session was held a few days later in Katoomba (Focus Group 2).

Six people were confirmed to attend Focus Group 1, and there were an additional two people who said they would come if they could make it on the day. Six people were also confirmed for Focus Group 2, but the day before the focus group took place one of them emailed to say she could not make it, leaving five. In total, six people attended Focus Group 1, and three people attended Focus Group 2. The researcher made every effort to contact the other two business owners who were confirmed to attend Focus Group 2, but without success.

Prior to the focus groups, participants were emailed a list of the topic areas to be discussed and a brief summary of the major survey findings to review prior to the discussion. The

summary was also distributed at the beginning of the focus groups. The summary can be found in Appendix 7.

The rooms used for the focus groups were arranged to suit the number of participants in the group; consent forms, the sheet of major findings, and name cards were distributed; and light refreshments were positioned appropriately. As people arrived they were welcomed and asked to complete a consent form and write their name on a name card. The focus groups were audio-recorded and notes were taken throughout.

Each focus group started with a basic opening question, requesting participants to introduce themselves and their businesses, and say what they think it means to be socially responsible. After the opening question, a definition of Social Responsibility was read out and hung on the wall as the survey responses revealed that even with a clear definition of *Social* Responsibility, people still spoke of environmental responsibility. Having the definition of Social Responsibility on the wall was useful as it kept participants focussed on the topic of discussion.

During the discussions the researcher took the role of 'facilitator' and introduced topics of discussion, but encouraged participants to discuss the topics amongst themselves. The researcher ensured that the discussions stayed on topic, and when tangents came up the researcher chose to either probe further if they were of interest, or, if the tangents were not related to the research objectives, the researcher brought the discussion back to the main topic.

The sessions were concluded by asking if anyone had anything to add that they felt was not covered during the session, or if they had any questions to ask the researcher. The researcher offered to share the findings with the group and explained that she would email the transcripts to participants to confirm they agreed with them. This is known as "respondent validation" (Bryman, 2008, p. 377), and its purpose is to ensure that the researcher's interpretation of the data is in alignment with the research participants' meaning, so that any misunderstandings can be identified and corrected prior to data analysis. This proved to be a useful exercise as some of the participants corrected key words that they had used in the focus group that the researcher could not decipher on the audio recordings.

3.6 INTERVIEWS

Similar to the focus groups, semi-structured interviews were used to further explore the relationships between business characteristics and CSR practices (as identified in the survey findings), and to identify implications for increasing CSR engagement in SMTEs. An interview is a "conversation between people in which one person has the role of researcher" (Arksey & Knight, 1999, p. 2).

Interviews can be structured, unstructured or semi-structured. Structured interviews are used to collect only standard information about respondents, and in these, the interviewer must stick rigidly to the question schedule (Arksey & Knight, 1999). Unstructured interviews are not common, and are mainly used at the beginning of a study for the researcher to generate a question schedule for subsequent semi-structured interviews (Arksey & Knight, 1999). Semi-structured interviews are flexible, and they are the most common interview type. They allow the interviewer to prepare some set questions and topics that they want to cover, but they have the flexibility to allow for any other areas of interest that emerge during the interview to be explored (Arksey & Knight, 1999). Semi-structured interviews were appropriate in this study due to their flexibility, and ability to cover specific topics and ask particular questions.

Using interviews in conjunction with focus groups allowed the researcher to compare the findings in both, and take topics of interest from each into the next session. That is, after the first focus group was conducted, the question schedule for the following interview was altered slightly to include any topics that may not have otherwise come up in an individual interview. Topics of interest that may not have surfaced in a focus group were then taken from the interviews into the second focus group and so on. This meant that the researcher had the ability to thoroughly explore all of the themes and ideas that emerged from both focus groups and interviews as part of the qualitative research stage. Also, there is evidence that in focus groups, participants may not disclose personal or sensitive information in front of others (Arksey & Knight, 1999), so the use of interviews allowed for more private information to be collected which may not have been discussed in a group situation.

3.6.1 INTERVIEW QUESTION SCHEDULE DESIGN

The question schedule designed for the focus groups was also used in the interviews, however it was modified to suit each individual participant. As the researcher already had an idea of what type of businesses the participants owned and/or managed, she was able to pre-

empt topics that may come up in discussion, and was prepared to probe the participant further about them.

3.6.2 INTERVIEW PARTICIPANTS

Interview participants were selected from the 33 survey respondents who indicated that they would like to be involved in a focus group or interview. As the survey findings revealed that non owner-managed businesses have very different business characteristics to owner-managed businesses, respondents from non owner-managed businesses were invited to interviews rather than focus groups. In total, five respondents from non owner-managed businesses left their details to be contacted for further research, and of these, only one was willing to participate in an interview. Also, two respondents from owner-managed businesses were invited to an interview because they were non-employing businesses, and the researcher wanted to further investigate the close relationship between owner-manager and business. A total of three interviews were organised.

3.6.3 INTERVIEW ADMINISTRATION

Table 3 details the interview participants and method used. Only one face to face interview was conducted, in a venue of the respondent's choosing. The other two interviews were conducted over the phone as a suitable location could not be established or the respondent requested to conduct the interview over the phone.

Table 3. Interview Participants

Interview Order	Business Type	Participant's Position	Interview Method
One	Bed and Breakfast	Owner-Manager	Phone interview
Two	Registered Club	General Manager	Face-to-face interview
Three	Aerial Tour Operator	Owner-Manager	Phone interview

As previously explained, the question schedule was altered depending on the interviewee. This allowed the researcher to get the most useful data out of each interview, without wasting the interviewee's time. The interviews lasted between 20 and 30 minutes. They were audio-recorded, and the researcher took additional notes throughout.

The topics of discussion were much the same as for the focus groups, however during the interviews the researcher was more active in the discussions in that more probes were used, and topics from previous focus groups and interviews were introduced. Again, at the conclusion, the researcher offered to share the results of the study with the interviewees and also emailed them a copy of their transcript to validate.

3.7 DATA ANALYSIS

This section will explain how both the quantitative and qualitative data were analysed. The programs used for analysis will be described and the tests and types of analyses conducted will be explained.

3.7.1 QUANTITATIVE DATA ANALYSIS

Once the online survey had been closed, all of the data was exported into PASW. This program has the ability to deal with a large number of cases and variables, and run various statistical tests on them. The first step of the analysis procedure was to code responses to the open questions. Coding involves categorising respondents' answers, and then assigning numbers to those categories (Bryman, 2008).

Descriptive research "involves the presentation of information in a fairly simple form" (Veal, 2006, p. 306). Descriptive statistics such as frequencies and means were used to provide an overview of SMTE characteristics and CSR practices. Frequencies are basic counts and percentages that allowed the researcher to calculate the percentage of businesses with certain characteristics and attitudes towards CSR, as well as the percentage of businesses that practise particular types of CSR. Means reflect the averages of numerical responses, and they were used to calculate the average level of agreement with several CSR attitude statements, the average level of CSR action and the average extent to which respondents engage their employees in their CSR practices.

Explanatory research examines causality, and is able to reveal relationships between two or more variables (Veal, 2006). Cross-tabulations were used as a form of explanatory research to expose relationships in the data. From the cross-tabulations that were conducted, a number of findings required further explanation. It was the aim of the qualitative research to find out 'why' these quantitative findings were so.

3.7.2 QUALITATIVE DATA ANALYSIS

The qualitative data were analysed using NVivo version 8. NVivo, a qualitative software program, allows researchers to save, transcribe and code audio recordings, and then analyse them thematically.

The first step in using this software was to create a new file and save all related audio recordings. Focus group and interview transcripts were typed into NVivo. A new line was taken for each new speaker, and their initials were entered before their speech to identify them. It was deemed unnecessary to type up verbatim transcripts, and Arksey and Knight (1999) explain that it is only common for linguistic analysts and researchers interested in discourse analysis to require this level of detail. Therefore, 'umm's, 'ahh's and other hesitations were omitted from the transcriptions, and any discussions considered irrelevant were left out. However, well-said quotes and sections of discussion were typed up verbatim so that they could be quoted directly if necessary. Krueger and Casey (2009) suggest including special or unusual background sounds in parenthesis in the transcriptions, such as laughter or long periods of silence, as they may help analysis. The researcher also included sounds of agreement from other focus group participants to indicate that the group unanimously agreed on a particular topic. To further assist in transcribing, the researcher used the notes that were taken during the focus groups and interviews. These were useful when the audio recordings were difficult to decipher. A sample transcription can be found in Appendix 8.

Next, the data were coded in preparation for thematic analysis. Thematic analysis is used in qualitative data to extract the "key themes in one's data" (Bryman, 2008, p. 700). This was done in NVivo by creating what are known as 'nodes', "containers…for each topic or concept to be stored" (Bazeley & Richards, 2000, p. 24). The researcher created a node for every relevant topic discussed in the focus groups and/or interviews. Then, the researcher selected all of the quotes and segments of conversation that related to that particular topic, and added them to that node. So, for example, one of the nodes created for this research was called 'sense of community', and by opening that node, the researcher was able to see all of the quotes and segments of conversation that related to that topic. This allowed the researcher to see how many people spoke about any given topic, what they said about it, and how often it came up in conversation.

3.8 INTERPRETATION

Once the researcher had organised and analysed the quantitative and qualitative findings, it was possible to look at them in conjunction with one another. There were segments of focus group and interview discussion which clearly related to particular survey findings, and in some instances, explained them quite clearly. Also, there were findings in both data sets that not only related to each other, but also to the literature. The researcher was therefore able to analyse the relationships that she found in her own data in conjunction with those found in the literature, and make conclusions based on the findings. This allowed the researcher to more fully understand and interpret the findings, and hence more completely address the research objectives and overall research aim to understand the CSR engagement of SMTEs.

3.9 METHODOLOGICAL LIMITATIONS

A number of limitations associated with this research must be acknowledged. The first is to do with the selection of the survey type. An online survey excludes any businesses from the research that do not have an email address. This was not found to be a major limitation, in that there were only a small number of SMTEs in the GBMA that the researcher identified for which no contact email address could be found.

Secondly, self-selection occurred in the online survey, focus groups and interviews. This means that only people who wanted to complete the questionnaire actually did, and only respondents who wanted to leave their details for a focus group did. In turn, only those people who wanted to attend a focus group or interview attended (Bryman, 2008). It is most commonly the people who have something to say about a particular topic that will respond, generally, if they are strongly 'for' or 'against' the topic, or have another strong opinion (Veal, 2006). This means that the apathetic people in the middle are often missed, which can make generalising the findings difficult (Bryman, 2008).

Finally, there is always a risk of personal bias in research. Every researcher has their own opinions, experiences and motives, all of which may impact upon the research (Veal, 2006). The researcher remained aware of her own bias throughout the research process, and made every effort not to let her own views and opinions influence responses. This was especially important in analysing the focus group and interview data as any preconceptions about people, businesses or industries may stand in the way of objective analysis (Veal, 2006).

3.10 ETHICAL CONSIDERATIONS

Ethical issues can be identified in most social research projects (Bryman, 2008). This research had minimal ethical issues as it was non-invasive and the topic was not overly personal. This section will outline the key ethical issues identified in this research and explain how they were addressed.

The researcher ensured that all survey respondents and focus group and interview participants were fully aware of what the research involved, and consented to be involved in the research. The invitation email for the online survey stated that "completion of the questionnaire will be regarded as consent to use the information for research purposes". Focus group and interview participants were asked to sign a consent form prior to taking part in any discussion. Phone interviewees agreed verbally to the conditions on the consent form. A copy of the focus group and interview consent forms can be found in Appendices 9 and 10.

The researcher also had to ensure that all survey respondents and focus group and interview participants remained anonymous.   Qualtrics reported the questionnaire responses separately from the respondents' personal details (which were left for the dining voucher or focus groups and interviews).   This means that the researcher was unable to match questionnaire responses with particular businesses or people. Focus group and interview participants' personal details were coded and stored separately to ensure that raw data could not be linked to the identity of the participants. Participants are not identified in the thesis and only the researcher and the Principal Supervisor have access to the unpublished data and coding instructions.

All hard-copy raw data is being archived for five years in a locked filing cabinet at the Kuring-Gai campus of the University of Technology, Sydney. Electronic files will be archived on the researcher's password protected laptop for five years. After this time, data will be destroyed via confidential waste paper removal and all electronic data files will be deleted.

3.11 SUMMARY

The first stage of this research sought to understand SMTEs' characteristics and identify the CSR practices they engage in. To do this successfully, a quantitative approach was taken, making use of an online survey. This was then combined with a qualitative research approach, comprised of focus groups and interviews, used in order to enhance the survey findings and reveal the implications for increasing CSR engagement in SMTEs.

This chapter has explained the research methodology, including why certain methods were chosen, how the data was collected and analysed, and the limitations and ethical considerations of the research. The next chapter will present the findings that resulted from the quantitative and qualitative research stages.

CHAPTER 4: FINDINGS

4.1 INTRODUCTION

The previous chapter described the mixed-methods approach that was used to address the research objectives. This chapter will present the findings of both the quantitative and qualitative research stages. In Section 4.2 findings on the geographic context of the research will be presented. This is important because all of the findings that follow must be understood in terms of the context in which they were collected.

Section 4.3 presents the quantitative findings from the online survey. These findings relate to objectives 1 and 2: to understand the characteristics of SMTEs; and to identify the CSR practices they engage in. Section 4.4 presents the qualitative findings from the focus groups and interviews. These findings serve to expand on the quantitative findings and allow for a better understanding of the factors that affect SMTEs' CSR engagement. Also, the qualitative findings assist in identifying the implications for increasing CSR engagement by SMTEs, thereby addressing objectives 3 and 4. A discussion of these findings and how they relate to each other and the literature will take place in Chapter 5.

4.2 CONTEXT OF THE RESEARCH - THE GREATER BLUE MOUNTAINS AREA

To ensure that the questions asked in the online survey, the focus groups and the interviews were relevant to respondents, it was important to research the contextual setting of the GBMA. This also aided the researcher in interpreting the findings in relation to the context in which they were collected. The following description of the region is based on a combination of secondary data and findings from the focus groups and interviews (all names have been changed for anonymity purposes).

4.2.1 A TOURISTIC AREA

The BMCC identifies the Blue Mountains LGA first and foremost as a "city for visitors…a tourist destination of national and international significance" (Blue Mountains City Council, 2004, p. 6). The GBMA also takes on this role as a touristic area, and as a whole, the area is one of the top 25 tourist regions in Australia (Tourism Research Australia, 2010d). There are many reasons for the area's status as a tourist destination, and these will be discussed below.

An Area of Natural Beauty

The GBMA features one million hectares of "rainforest, blue-hazed valleys, golden sandstone escarpments, canyons, tall forests and windswept heathlands" (Blue Mountains Lithgow and Oberon Tourism, 2009b, p. 4). This area is particularly special because of its eucalypt vegetation and unique flora and fauna, including many rare and threatened species of plants, as well as evolutionary relic plant species, such as the Wollemi Pine (United Nations Educational Scientific and Cultural Organisation, 2010). It is due to this uniqueness that in 2000, the GBMA became World Heritage Listed (United Nations Educational Scientific and Cultural Organisation, 2010). This World Heritage Listing represents that the GBMA has been recognised as having "outstanding universal value", and should be preserved for all peoples of the world to enjoy (Blue Mountains City Council, 2009b). The GBMA has been recognised as "Australia's most accessible World Heritage listed wilderness" (Blue Mountains Lithgow and Oberon Tourism, 2009b). This is one characteristic of the region that supports its definition as a touristic area.

A Built Area

The GBMA became a tourist destination because of its natural beauty, but it is the built environment which allows tourists to continue coming to, and staying in the area. For example there is a wide range of accommodation venues, several information centres and accessible public facilities throughout the area. There is also public transport and roads which allow people to travel to the area, and throughout it. This mix of natural beauty and facilities is explained by one of the focus group participants:

> *"We've got a perfect mix…of culture and wilderness. There's this perfect balance, hike all day and then eat in a beautiful restaurant that night" (Jane).*

A study of visitors to the GBMA identifies the "marriage of extreme nature and built environment" as one of the core pillars of the Blue Mountains Brand (Colmar Brunton Research, 2009, p. 20).

A Cittaslow Town

Another characteristic of the area which makes it appealing to tourists is that it is a part of the Cittaslow network. Cittaslow is an Italian idea that developed from the Slow Food Movement and it is a network of 'slow towns' around the world that commit to a slower,

more traditional and sustainable way of life (Cittaslow Blue Mountains, 2008). Cittaslow encourages the use of local, organic foodstuffs and crafts, a spirit of genuine hospitality towards guests, and the protection and conservation of built and natural environments (Cittaslow Blue Mountains, 2008). The GBMA's status as a Cittaslow town not only contributes to the atmosphere of the area in general, but one of the focus group participants revealed that it also directly draws domestic and international tourists:

> *"That slow food Cittaslow thing…is really big for our business. People come. Like we had someone from Italy the other day come in…and they came up from Sydney on the train just to do a bit of a slow foodie thing up here" (Jane).*

Also, various Cittaslow tours are offered though the GBMA. Slow food tours visit businesses that produce organic foods, such as honey, wine, olives, and beef (WTFN Entertainment, 2009). Slow shopping tours, such as the 'Slow Shopping Trail for Fashionistas', are also conducted, which support local businesses and artists that use natural fibres (Cittaslow Blue Mountains, 2008).

As a member of the Cittaslow network, the area has retained many of its original buildings which are appealing to tourists including shops, houses, restaurants, hotels, churches, and other town buildings. Another characteristic of this Cittaslow town is that it is "a haven for artists, writers, musicians, sculptors and painters" (Blue Mountains Lithgow and Oberon Tourism, 2009a, p. 6) and traditional arts and crafts are promoted through various shops, markets, and workshops. This is also appealing to tourists.

Sense of Community

Not only is the GBMA a tourist destination, but it is also a city for living, and is home to over 250,000 people (Blue Mountains Lithgow and Oberon Tourism, 2009a). The sense of community that these people create in this region is an extremely important characteristic of the area that contributes to the tourist experience.

The "community feel" (Colmar Brunton Research, 2009, p. 20) has also been identified as a core pillar of the Blue Mountains Brand. The tourists surveyed in the Colmar Brunton study mentioned above said that the area feels like "a home away from home" (2009, p. 17). In the researcher's focus groups the sense of community in the GBMA was a common topic of discussion:

> *"I think we've got a phenomenal sense of community" (Jane).*

> *"The point of living in the Mountains, and living in a World Heritage*
> *Area, and living in a tourism area is that we're part of a community.*
> *It's not like living in the city" (Veronica).*

One of the focus group participants explains why the Blue Mountains LGA is so different to the city:

> *"We've got a very small colony up here, and it's a weird city, its 50km*
> *long and 2km wide and it's not part of Penrith or Lithgow, and that's*
> *why it has this identity" (Todd).*

Focus group discussions revealed that part of being a touristic area means that the GBMA has a diverse range of people, which all contribute to its character. Jane says that she loves *"the energy of tourists"*, and Jill explains that the area has a *"good mix of Sydney people and international people".* Todd says:

> *"People actually talk quite a bit in our shop, you can ask them where*
> *they come from, and talk about it. I've had people from Kazakhstan*
> *for crying out loud, it's fascinating, and it adds to this area...we get*
> *quite a lot of Dutch tourists…and they're interesting people, and they*
> *add something to the area…you get the people who have holiday*
> *houses here, or family houses they use, so you have a whole lot of*
> *different groups who come for all different reasons".*

This diversity of people contributes to the sense of community in the GBMA and this is another characteristic of the GBMA that contributes to its reputation as a touristic area.

4.2.2 AN AREA STRIVING TO BE SUSTAINABLE

As discussed in the literature review, sustainability is a concept that is very closely related to CSR, so it was important for the researcher to be aware of the GBMA's predisposition towards sustainability prior to conducting the research. The BMCC appears to be highly committed to making the Blue Mountains LGA sustainable in terms of the ecological, social and economic environments. In 2000 the BMCC embarked on a 25 year plan called 'Towards a More Sustainable Blue Mountains' (Blue Mountains City Council, 2004). In their 'Map for Action' document, a key challenge was identified as "Fostering social and economic well being while

protecting and enhancing the Blue Mountains World Heritage environment" (Blue Mountains City Council, 2004, p. 6). From this, a key opportunity was identified: "To use World Heritage listing as a catalyst for becoming a leader and model in living more sustainably" (Blue Mountains City Council, 2004, p. 6). Key directions for the region were identified in this document, and they include: looking after environment; looking after people; using land for living; moving around; and working and learning (Blue Mountains City Council, 2004). More specifically, in terms of social sustainability, the BMCC aims to: improve the health and wellbeing of Blue Mountains people; distribute services and facilities more evenly and ensure that they are accessible; and provide safe, caring and inclusive communities.

In addition to this, the BMCC encourages businesses to join the Blue Mountains Business Advantage Program (BMBA). This scheme encourages businesses to be environmentally, economically and socially sustainable and follow guidelines relating to the following building blocks: reduce; reuse and recycle; customer satisfaction; skilling and mentoring; buying locally; and community contribution (Blue Mountains Business Advantage, 2006b).

Not only does the BMCC appear committed to sustainability, but many of the focus group participants also expressed a desire to operate their businesses sustainably, especially in terms of the ecological environment:

> *"I think that… (environmental) sustainability underpins absolutely everything…I don't think you can separate anything out from sustainability for us" (Veronica).*

> *"We certainly recycle as much of our product that comes in packaging and all that. And for our little business, that has been quite a cost" (Michael).*

> *"Our major goal for the next year is to have solar, and we've got one water tank but we want to have two more" (Jill).*

This type of discussion highlights a predisposition towards sustainability in the GBMA. Whilst environmental sustainability was more commonly discussed in the focus groups and interviews, the BMCC appears to focus on social sustainability as well.

4.2.3 SIZE OF TOURISM BUSINESSES

As discussed briefly in Section 3.2, the majority (99.9%) of tourism businesses in the GBMA are SMEs. Table 4 presents the size of tourism business operating in the GBMA in 2006-7.

Table 4. Size of Tourism Businesses in the GBMA

Business Size	Percent of Total Businesses
Non-employing	52.0%
Micro	28.7%
Small	14.0%
Medium	5.2%
Large	0.1%
Total	100.0%

(Adapted from Tourism Research Australia, 2010e)

These categories are based on the ABS's business sizes (Australian Bureau of Statistics, 2007). Smaller businesses are common, and medium and large businesses are scarce. In fact, there were only three large businesses operating in the GBMA in 2006-7. This highlights that the tourism industry in the GBMA is comprised almost entirely of SMEs, and within the SME category, they are mostly non-employing, micro or small.

4.3 SURVEY RESULTS

The results from the online survey are presented here in five main sections. Section 4.3.1 profiles the respondents and their businesses' characteristics; Section 4.3.2 reveals attitudes that the respondents have towards CSR; Section 4.3.3 highlights CSR examples, motivations and benefits; and Section 4.3.4 presents the ways that respondents organise and manage their CSR practices. Finally, Section 4.3.5 draws relationships between other characteristics and the effect they have on CSR engagement.

4.3.1 PROFILE OF RESPONDENTS

Table 5 presents the profile of respondent businesses. The largest group of respondents were accommodation providers (40%), followed by retail outlets (17%), and then by

businesses which are a mix of various sectors (13%). This category refers to businesses that are a mix of one or more tourism sectors such as a retail shop with a café attached, or a bed and breakfast with activities such as horse riding.

Table 5. Profile of Respondents

Variable (N=100)	%	Variable (N=100)	%
INDUSTRY SECTOR		**NUMBER OF FULL-TIME EMPLOYEES**	
Accommodation	40%	0	34%
Retail	17%	1-4	55%
Mix of various sectors	13%	5-9	9%
Tours	7%	10-14	1%
Attractions	6%	15+	1%
Food and Beverage	5%		
Booking Services	4%	**NUMBER OF PART-TIME EMPLOYEES**	
Activities	2%	0	23%
Other	6%	1-4	54%
		5-9	14%
REGION		10-14	6%
Upper Blue Mountains	72%	15+	3%
Lower Blue Mountains	5%		
Wider Blue Mountains	19%	**TOTAL NUMBER OF EMPLOYEES**	
Various	2%	0 (Non-employing)	12%
Unknown	2%	1-4 (Micro)	53%
		5-19 (Small)	31%
OWNER-MANAGED		20-199 (Medium)	4%
Yes	85%		
No	15%	**MAIN DECISION-MAKER**	
		Owner-manager	77%
FAMILY-OWNED		Owner(s)	1%
Yes	67%	Manager	4%
No	32%	Other manager	4%
Unsure	1%	Group of managers	7%
		Manager(s) and staff	4%
RESPONDENTS' POSITIONS		Owner(s) and manager(s)	2%
Owner-manager	67%	Manager(s) and external party	1%
Owner	1%		
General Manager	7%		
Department manager	19%		
Staff	4%		
Unclear	2%		

Seventy-two percent of respondents were from the upper Blue Mountains (which includes the towns that lie along the Great Western Highway from Lawson to Mount Victoria), where the majority of the touristic activity in the GBMA takes place. Only a small portion of businesses (5%) were located in the lower Blue Mountains (which includes towns that lie along the Great Western Highway from Glenbrook to Springwood), and 19% of businesses were located in the wider Blue Mountains (which includes towns that lie away from the Great Western Highway, but that are within the GBMA, such as Lithgow and Bilpin). Two percent of respondents identified several areas of operation, so were coded as 'various'.

Eighty-five percent of businesses were owner-managed, and 67% were family-owned. The main decision maker in a business was most frequently the owner-manager (77%) followed by a group of managers (7%).

Results reveal that 12% of businesses have no employees, and are operated solely by the owner-manager, 53% of businesses have 1-4 employees, making them micro businesses, and 31% are small businesses with between 5 and 19 employees. This means that non-employing businesses were highly underrepresented (as 52% of businesses in the GBMA are non-employing businesses) and micro and small businesses are overrepresented, with 28.7% and 14% respectively in the GBMA (refer to Table 4 in Section 4.2.3). Medium businesses were accurately represented with 4% being included in the survey, and 5.1% in the GBMA. Of the four medium businesses, the number of employees ranged from 21 to 90. This indicates that businesses in the GBMA tend to be at the lower end of this category.

It was found in the literature review that the largest influence on a businesses' engagement in CSR is determined by its management structure (whether it is owner-managed or not) and its ownership structure (whether it is family-owned or not). Therefore cross-tabulations were run to reveal potential relationships between these characteristics and other characteristics of SMTEs including size, location and sector. Relationships were evident in cross-tabulations of management structure, ownership structure, and number of employees (Table 6).

Table 6. Relationships between Various Business Characteristics

Business Characteristic (N=100)	Management Structure		Ownership Structure	
	Owner-managed	Non owner-managed	Family-owned	Non family-owned
Management Structure				
Owner-managed			77.6%	21.2%
Non owner-managed			6.7%	93.3%
Number of Employees				
0 – Non-employing	66.7%	33.3%	58.3%	41.7%
1-4 – Micro	98.1%	1.9%	79.2%	20.8%
5-19 – Small	77.4%	22.6%	54.8%	41.9%
20-199 - Medium	25.0%	75.0%	25.0%	75.0%

Note. Not all response options are presented. Responses may not total 100%.

It was found that 77.6% of owner-managed businesses are also family-owned, and the other 21.2% have some other form of ownership structure, such as a partnership. Almost all non owner-managed businesses (93.3%) are non family-owned. It was also revealed that smaller businesses were more likely to be owner-managed and/or family-owned than larger businesses. For example, 98.1% of micro businesses were owner-managed compared to only 25% of medium businesses that were owner-managed.

4.3.2 RESPONDENT ATTITUDES TO CSR

Respondents were asked to list the top three priorities of their business in order to determine the extent to which they prioritise CSR compared to other business operations. Table 7 presents, for each listed priority, the total percentage of businesses who identified that priority among their top three.

Table 7. Business Priorities

Priority (N=100)	Total
Sales/profit	51%
Customer satisfaction/experience	40%
Product/service quality	32%
General operations	27%
Ecological sustainability	14%
Social Responsibility	13%
Employee-related	9%
Education	7%
Promotions/marketing	6%
Value for money	6%
Heritage conservation	5%
Satisfaction of owner	3%
Management-related	3%
Competitive Advantage	2%
Other	16%

Note. Multiple responses allowed. Total percentage may exceed 100.

Overall, the top four business priorities were financial or operational. Sales/profit was identified by a total of 51% of respondents as one of their top three priorities, customer satisfaction/experience by 40% of respondents, product/service quality by 32% of respondents, and general operations by 27% of respondents.

Overall, 13% of respondents identified Social Responsibility as one of their top three business priorities. Other CSR-related priorities such as ecological sustainability, employee-related actions, and education were viewed overall as more important than promotions/marketing, value for money, satisfaction of the owner and other management-related priorities. Thus it can be understood that ecological sustainability and Social Responsibility are likely to increase in importance as other financial and operational priorities are met.

To understand businesses' attitudes towards CSR respondents were asked to rate their level of agreement with a number of CSR attitude statements (Table 8). Respondents answered on a scale of one to five where one means 'Strongly Disagree' and five means 'Strongly Agree'.

Table 8. Mean Level of Agreement with CSR-related Statements

Statement (N=100)	Mean Level Of Agreement [a][b]
Businesses should integrate Social Responsibility into their core organisational operations	4.22
Engaging in Social Responsibility can lead to business success	4.01
Employee motivation and commitment is improved in businesses that engage in Social Responsibility	3.95
Communities value businesses that practise Social Responsibility	3.93
Employees prefer to work for businesses that practise Social Responsibility	3.83
Customers prefer to buy from businesses that practise Social Responsibility	3.51
Suppliers prefer to sell to businesses that practise Social Responsibility	2.63

[a] Higher scores represent higher levels of agreement for each variable.
[b] Scale ranges from one to five for each variable, where 1 = Strongly Disagree and 5 = Strongly Agree.

On the whole respondents' level of agreement with the statements was positive. Respondents agreed that businesses should integrate Social Responsibility into their core organisational operations (M = 4.22), engaging in Social Responsibility can lead to business success (M = 4.01), employee motivation and commitment is improved in businesses that engage in Social Responsibility (M = 3.95), communities value businesses that practise Social Responsibility (M = 3.93), and that employees prefer to work for businesses that practise Social Responsibility (M = 3.83). Respondents neither agreed nor disagreed that customers prefer to buy from businesses that practise Social Responsibility (M = 3.51), and respondents tended to disagree that suppliers prefer to sell to businesses that practise Social Responsibility (M = 2.63).

4.3.3 CSR ENGAGEMENT: LEVEL OF ACTION, MOTIVATION, EXAMPLES AND BENEFITS

This section presents findings on respondents' level of CSR action, motivations for engaging in CSR, examples of CSR practices, and the perceived benefits from practising CSR.

Level of CSR Action

Respondents were asked to rate their level of CSR action on a scale of one to five, one representing 'no action' and five representing 'extensive action' (Table 9). The mean response for this question was 3.69, indicating that businesses tend to take some form of CSR action. Only 5% of respondents rated themselves as not practising any CSR at all, meaning that 95% of respondents believe they practise CSR at least to some extent.

Table 9. Level of CSR Action

Level of CSR Action (N=100)	% of Respondents
1 – No action	5%
2	6%
3	31%
4	31%
5 – Extensive action	27%

The relationship between business characteristics and the level of CSR action was examined and it was found that the number of employees a business has is the only characteristic that has a noticeable influence on the level of CSR action that is practised (Table 10). Medium-sized businesses reported a higher level of CSR action compared to smaller businesses.

Table 10. Relationship between Business Characteristics and Level of CSR Action

Business Characteristic (N=100)	Level of CSR Action [a][b]
Management Structure	
Owner-managed	3.69
Non owner-managed	3.67
Ownership Structure	
Family-owned	3.73
Non family-owned	3.63
Number of Employees	
0 – Non-employing	3.58
1-4 – Micro	3.75
5-19 – Small	3.58
20-199 - Medium	4.00
Total Sample Response	3.69

[a] Higher scores represent higher levels of agreement for each variable.
[b] Scale ranges from one to five for each variable, where 1 = No Action and 5 = Extensive Action

Motivations for Practising CSR

A variety of motivations for engaging in CSR were reported and grouped into three broad motivational categories: personal (70.7%); business (26.7%); and other (2.6%) (Table 11).

Table 11. Motivations for Practising CSR

Motivation For CSR (N=75)	%	
Personal	**70.7%**	
General values/beliefs/ethics		30.7%
To contribute to the community		10.7%
To benefit people		8.0%
Save environment		6.7%
Sense of obligation to do it		5.3%
Feels good		5.3%
Religion		4.0%
Business	**26.7%**	
Improve reputation		9.3%
Good work environment		6.7%
Increase sales		4.0%
Legal		4.0%
Save money		2.7%
Other	**2.6%**	

The most commonly cited personal motivation for engaging in CSR was general values/beliefs/ethics (30.7%). Respondents stated that: *"we want to do the right thing", "it is my personal beliefs"*, and *"it is a personal principle carried into the business side of my life"*. The next most common personal motivation for engaging in CSR is to contribute to the community (10.7%), followed by to benefit people (8%).

Most of the business-related motivations represent business benefits. Of these improving the business's reputation (9.3%) was cited the most followed by a desire to improve the work environment (6.7%).

Considerable differences between the motivations of owner-managed and non owner-managed businesses for engaging in CSR are revealed in Table 12. A higher number of owner-managed businesses reported engaging in CSR for personal reasons, such as religion and a sense of obligation to do it. Though in saying this, it was found that the percentage of businesses that are motivated to engage in CSR because of general values/beliefs/ethics were

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fairly similar between owner-managed and non owner-managed businesses (29% and 33.3% respectively). More non owner-managed businesses reported being motivated by business benefits than owner-managed businesses. For example, 22.2% of non owner-managed businesses identified improved reputation as a motivation, compared to only 7.3% of owner-managed businesses.

Table 12. The Influence of Management Structure on Motivation for Engaging in CSR

Motivation (N=78)	Owner-managed	Non owner-managed	Total Sample Response
Personal Motivations			
General values/beliefs/ethics	29.0%	33.3%	29.5%
Saves environment	**7.3%**	0.0%	6.4%
Feels good	**5.8%**	0.0%	5.1%
Sense of obligation	**5.8%**	0.0%	5.2%
Religion	**4.4%**	0.0%	3.8%
Business Motivations			
Improve reputation	7.3%	**22.2%**	9.0%
Increase sales	2.9%	**11.1%**	3.8%
Good work environment	5.8%	**11.1%**	6.4%
Other Motivations			
Legal	**4.4%**	0.0%	3.8%

Examples of CSR Practices

Table 13 presents the types of CSR practices that respondent businesses are engaged in. CSR practices were grouped into five main types: community-related (55.9%); employee-related (34.4%); supplier-related (2.2%); other (23.7%); and non CSR-related practices (45.2%).

Table 13. Examples of CSR

Examples Of CSR (N=93)	% of Respondents
Community-related practices	**55.9%**
Support charity/community events	34.4%
Support local schools/TAFE etc.	15.1%
Buy locally	14.0%
Engage with disadvantaged groups	10.8%
Provide free space/services	10.8%
Employ locally	6.5%
Support other businesses	6.5%
Employee-related practices	**34.4%**
Above standard working conditions	22.6%
Support staff	8.6%
Encourage skills and development training	7.5%
Pay above award wages	6.5%
Praise/reward staff	4.3%
Supplier-related practices	**2.2%**
Other	**23.7%**
Other examples of CSR	9.7%
General responsible/ethical operations	6.5%
Active involvement in industry organisations	5.4%
Support the arts	3.2%
Non-CSR related practices	**45.2%**
Eco-friendly practices	32.3%
Other non-CSR related practices	17.2%

Note. Multiple responses allowed. Total percentage may exceed 100.

Community-related CSR practices were the most common type, practised by 55.9% of respondents. The most common type of community-related CSR practice is to support charity/community events (34.4%). This is also the most common CSR practice overall and includes acts such as making donations, volunteering time and organising fundraisers. Supporting local schools/TAFE (15.1%), buying locally (14%), engaging with disadvantaged

groups (for example employing disabled people or buying from indigenous Australians) (10.8%), and providing free space/services (10.8%) are also common community-related CSR practices. The category 'support other businesses' as a form of community-related CSR practice included examples such as recommending, and even advertising other local businesses to customers, engaging other providers in business networks, and giving ideas to other businesses to help them become more successful.

Of the employee-related CSR practices (34.4%), providing above standard working conditions (22.6%) is the most common type. This includes responses such as providing flexible hours and a positive work atmosphere. This is also the second most common CSR practice overall. 'Supporting staff' relates to any additional things that employers did for their staff, for example, providing exercise classes free of charge for employees to motivate a healthy work/life balance, and paying staff in advance to help them meet their personal financial responsibilities.

Other types of CSR practices were reported by 23.7% of respondents. The category 'other examples of CSR' includes any other practices such as researching CSR and trying to spread CSR. 'General responsible/ethical operations' includes examples such as treating employees and customers fairly and with respect, having a positive influence on neighbours and ensuring the community is not inconvenienced by the business's operations.

It was interesting that 45.2% of respondents mentioned non-CSR related actions. Eco-friendly practices, such as recycling and using 'green' cleaning products, were mentioned by 32.3% of respondents. The researcher considered these to be non-CSR related practices, as the definition used in this research excludes environmental responsibility and the definition that was given to the respondents explained that the focus was on those practices which are purely 'social'. It was interesting that 17.2% of responses referred to practices that are not considered CSR. This category included responses which related to general business operations such as the cleanliness of accommodation rooms and the appearance of the garden. Also, several responses in this category related to legal expectations such as the Responsible Services of Alcohol Act and ensuring staff take appropriate breaks. These are not considered as Social Responsibility because practices must be voluntary to be considered Social Responsibility. The high number of non-CSR related responses reveals that perhaps the concept of CSR was still unclear to respondents even though a detailed definition had been provided.

There were a few noticeable differences in the types of CSR practices engaged in by owner-managed and non owner-managed businesses (Table 14). More owner-managed businesses reported that they support charity/community events (36.3%), support local schools/TAFE (17.5%), support staff (10.0%), and pay above award wages (7.5%) than non owner-managed businesses. A higher proportion of non owner-managed businesses reported that they provide free space/services (30.8%), engage with disadvantaged groups (23.1%), employ locally (23.1%), encourage skills and development training (15.4%), and support other businesses (15.4%).

Table 14. The Influence of Management Structure on Types of CSR Practices

CSR Example (N=93)	Owner-managed	Non Owner-managed	Total Sample Response
Support charity/community events	**36.3%**	23.1%	34.4%
Support local schools/TAFE etc.	**17.5%**	0.0%	15.1%
Support staff	**10.0%**	0.0%	8.6%
Pay above award wages	**7.5%**	0.0%	6.5%
Provide free space/services	7.5%	**30.8%**	10.8%
Engage with disadvantaged groups	8.8%	**23.1%**	10.8%
Employ locally	3.8%	**23.1%**	6.5%
Encourage skills and development training	6.3%	**15.4%**	7.5%
Support other businesses	5.0%	**15.4%**	6.5%

Note. Multiple responses allowed. Total percentage may exceed 100.

Respondents were asked to rate the extent to which they encourage their employees to engage in their CSR practices on a scale of one to five, where one represents 'not at all encouraged' and five represents 'continually encouraged'. The mean level response for this question was 3.52, indicating that the majority of respondents engage their employees in CSR to a moderate extent. Over three-quarters (75.5%) of respondents who practise CSR engage employees in their CSR practices to some extent, and 9.6% reported that they do not in any way encourage employees to be involved (Table 15).

Table 15. Level of Engaging Employees in CSR

Level of Engaging Employees in CSR (N=94)	% of Respondents [a] [b]
1 - Not at all encouraged	9.6%
2	9.6%
3	17.0%
4	27.7%
5 - Continually encouraged	21.2%

[a] Higher scores represent higher levels of agreement for each variable.
[b] Scale ranges from one to five for each variable, where 1 = Not at all Encouraged and 5 = Continually Encourages

Respondents were also given an 'unsure' option if they could not answer the question, and a further 14.9% of respondents were 'unsure', possibly revealing that they did not know how employees could be engaged, and are unsure as to whether they may already be involving them in some way.

When examined based on business characteristics, all non owner-managed businesses try to engage their employees in CSR at least to some extent as opposed to 11.3% of owner-managed businesses that do not (Table 16). The findings suggest that more non owner-managed businesses engage their employees in CSR than owner-managed businesses.

There was also a trend in business size, in which larger businesses reported a higher level of engaging employees in CSR. This may be because the larger businesses have more employees, so may have greater opportunities to engage them in CSR.

Table 16. Influence of Business Characteristics on Engaging Employees in CSR

Business Characteristic (N=94)	Mean level of engaging employees in CSR [a][b]	% of businesses that do not engage employees in CSR
Management Structure		
Owner-managed	3.47	11.3%
Non owner-managed	3.83	0.0%
Ownership Structure		
Family-owned	3.56	7.9%
Non family-owned	3.48	13.3%
Number of Employees		
0 – Non-employing	-	-
1-4 – Micro	3.41	15.7%
5-19 – Small	3.71	0.0%
20-199 - Medium	4.50	0.0%
Total Sample Response	3.52	

[a] Higher scores represent higher levels of agreement for each variable.
[b] Scale ranges from one to five for each variable, where 1 = Strongly Disagree and 5 = Strongly Agree.

Respondents were asked about their level of CSR action over time. To this question, 60.2% of respondents indicated that they expect their CSR to remain constant, 29% expect it to increase, and 10.8% were unsure. No respondents believe their engagement in CSR will decrease over time.

Table 17 demonstrates how business characteristics affect respondents' level of CSR action over time. The findings suggest that more non owner-managed SMTEs intend to increase their level of CSR action over time compared to owner-managed businesses. Similarly, more non family-owned businesses intend to increase their level of CSR action over time compared to family-owned businesses. The findings also suggest that more medium sized businesses intend to increase their level of CSR action over time.

Table 17. The Influence of Business Characteristics on Businesses' CSR Level over Time

Business Characteristic (N=93)	Remain Constant	Increase	Unsure
Management Structure			
Owner-managed	**62.5%**	25.0%	**12.5%**
Non owner-managed	46.2%	**53.8%**	0.0%
Ownership Structure			
Family-owned	65.1%	20.6%	14.3%
Non family-owned	48.3%	**48.3%**	3.4%
Number of Employees			
0 – Non-employing	**63.6%**	9.1%	**27.3%**
1-4 – Micro	**56.9%**	29.4%	**13.7%**
5-19 – Small	**74.1%**	25.9%	0.0%
20-199 - Medium	0.0%	**100.0%**	0.0%
Total Sample Response	60.2%	29.0%	10.8%

Benefits from Practising CSR

Six categories of benefits from engaging in CSR were identified: reputational and operational business benefits; employee-related benefits; financial business benefits; personal benefits; community-related benefits; and other benefits. Each of these has several sub-categories (Table 18).

Table 18. Benefits of CSR

Benefits Of CSR (N=92)	% of Respondents
Reputational and operational business benefits	**34.8%**
Improved reputation amongst customers	13.0%
Improved reputation in the community	12.0%
More satisfied customers	8.7%
Better work environment	5.4%
Improved product quality	3.3%
Employee-related benefits	**23.9%**
Staff wellbeing	12.0%
Staff retention	8.7%
Hard working staff	8.7%
Financial business benefits	**20.6%**
Increased sales	13.0%
Increased repeat business	5.4%
Saves money	4.3%
Personal benefits	**21.7%**
Feels good	13.0%
Promotes a cause	4.3%
Saves the environment	4.3%
Community-related benefits	**14.0%**
Part of the community	6.5%
Everyone benefits	6.5%
Supports local economy	3.3%
Other benefits	**21.7%**

Note. Multiple responses allowed. Total percentage may exceed 100.

Overall, the most common general category was 'reputational and operational business benefits', with 34.8% of respondents reporting benefits such as improved reputation amongst customers (13%), improved reputation in the community (12%), more satisfied customers (8.7%), and a better work environment (5.4%).

Overall, 23.9% of respondents reported employee-related benefits from CSR engagement. Staff wellbeing was the most common employee-related benefit (12%), followed by staff retention (8.7%) and hardworking staff (8.7%).

Financial business benefits were reasonably common (20.6%), with 13% of respondents identifying increased sales as a benefit, 5.4% identifying increased repeat business as a benefit, and 4.3% who recognise that engaging in CSR saves money.

The fact that engaging in CSR feels good (13%), it enables one to promote a cause (4.3%), and save the environment (4.3%) are three types of personal benefits identified by respondents. Community-related benefits were reported by 14% of respondents, which include being a part of the community (6.5%), everyone benefits (6.5%) and supporting the local economy (3.3%). Other benefits of CSR were reported by 21.7% of respondents, suggesting that the benefits of engaging in CSR are highly varied. The responses in this category included benefits such as education, networking, supplier loyalty, to be a role model, and other one-off responses.

The benefits of engaging in CSR were also different amongst owner-managed and non owner-managed businesses, and the main differences can be seen in Table 19 below. A higher number of owner-managed businesses reported personal benefits of CSR, whereas more non-owner managed businesses reported business benefits, such as improved reputation amongst customers and the community, harder-working staff, and increased sales.

Table 19. The Influence of Management Structure on the Benefits of CSR

Benefits of CSR (N=92)	Owner-managed	Non owner-managed	Total Sample Response
Personal benefits			
Feels Good	**15.2%**	0.0%	13.0%
Everyone Benefits	**7.6%**	0.0%	6.5%
Saves the environment	**5.2%**	0.0%	4.3%
Business benefits			
Improved reputation amongst customers	10.1%	**30.8%**	13.0%
Improved reputation amongst community	10.1%	**23.1%**	12.0%
Hard-working staff	6.3%	**23.1%**	8.7%
Increased sales	11.4%	**23.1%**	13.0%

Note. Multiple responses allowed. Total percentage may exceed 100.

Respondents were asked to indicate the importance of CSR in relation to profit and whether the costs of practising CSR outweighed the benefits (Table 20). Sixty-eight percent of respondents indicated that they believe that CSR is equally important to profit, with only 21% of respondents stating that CSR is less important than profit, and 11% stating that CSR is more important than profit. It is interesting that such a high proportion of respondents stated that CSR is equally important to profit, because as discussed previously, when asked about their business priorities, respondents rated profit as much more important than Social Responsibility.

Table 20. Attitudes Towards the Costs and Benefits of CSR

Statement	% of Respondents
Relationship between CSR and Profit (N=100)	
Social Responsibility is equally important to profit	68.0%
Social Responsibility is less important than profit	21.0%
Social Responsibility is more important than profit	11.0%
Social Responsibility Produces Business Benefits (N=100)	
Yes	78.0%
No	6.0%
Unsure	16.0%
Relationship Between Costs and Benefits (N=78)	
The costs and benefits of practising Social Responsibility are reasonably balanced	50.0%
The benefits of practising Social Responsibility outweigh the costs	32.1%
The costs of practising Social Responsibility outweigh the benefits	3.8%
Unsure	14.1%

Seventy-eight percent of respondents believe that CSR can produce benefits for their business, and only 6% believe that CSR does not result in benefits. It was interesting that quite a high number of respondents (16%) were 'unsure' about whether CSR has the ability to produce business benefits.

Overall respondents have a positive perception of the relationship between the costs and benefits of practising CSR. Fifty percent of respondents believe that the costs and benefits of

CSR engagement are reasonably balanced and 32.1% believe that the benefits outweigh the costs.

4.3.4 ORGANISATION AND MANAGEMENT OF CSR

This section serves to illustrate the ways in which respondent businesses organise and manage their CSR practices.

Reference to CSR in Communication Mediums

Respondents were asked what types of communication mediums are used to report their business activities, including a mission statement, vision/values document, annual report, website and/or brochure/pamphlet and whether they report their CSR activities through these mediums (Table 21).

Only 54.9% of businesses have a vision/values statement, 50.5% of businesses have a mission statement, and 44.4% have an annual report. Promotional communication mediums were found in a higher number of businesses, with 90.4% of respondents reporting they have a website, and 86% having a brochure/pamphlet.

Table 21. Businesses that Refer to CSR in a Range of Communication Mediums

Communication Mediums	% that use this medium	% that refer to CSR in this medium	% that do not refer to CSR in this medium	Unsure
Vision/values Document (N=91)	54.9%	52.0%	42.0%	6.0%
Mission Statement (N=93)	50.5%	46.8%	44.7%	8.5%
Website (N=94)	90.4%	40.0%	49.4%	10.6%
Brochure/Pamphlet (N=93)	86.0%	33.8%	60.0%	6.2%
Annual Report (N=90)	44.4%	30.0%	62.5%	7.5%
Other (N=56)	55.4%	19.4%	71.0%	9.6%

Of those businesses that use the various communication mediums to report their business activities, a vision/values document was the most common medium in which CSR was referred to (52%). Next were mission statements (46.8%), followed by websites (40%). It is interesting that there are 'unsure' responses for each medium type, including 10.6% of unsure responses for websites, meaning that many respondents did not know whether they

mention their CSR practices in these communication mediums. 'Other' communication mediums include posters on the premises, magazine and newspaper editorials and advertisements, staff training manuals, guides for visitors and newsletters.

The use of various communication mediums was examined with respect to business characteristics. The findings suggest that there is a relationship between business characteristics and the use of certain types of communication mediums (Table 22). For example, a higher percentage of non-owner managed businesses have mission statements, vision/values documents and annual reports, than do owner-managed businesses. Similarly, these communication mediums are used by more non family-owned businesses than family-owned businesses. The findings also suggest that there exists a relationship between business size and use of various communication mediums with higher percentages of medium businesses reporting that they use all communication mediums than any of the smaller business types.

Table 22. Relationship between Business Characteristics and Communication mediums

Business Characteristics	Mission Statement (N=93)	Vision/value document (N=91)	Annual Report (N=90)	Website (N=94)	Brochure/ pamphlet (N=93)
Management Structure					
Owner-managed	46.8%	53.2%	36.8%	91.2%	83.5%
Non owner-managed	**71.4%**	**64.3%**	**85.7%**	85.7%	100.0%
Ownership Structure					
Family-owned	41.0%	47.5%	36.2%	91.9%	85.2%
Non family-owned	**67.7%**	**67.7%**	**58.1%**	87.1%	87.1%
Number of Employees					
0 – Non-employing	27.3%	33.3%	50.0%	80.0%	90.0%
1-4 – Micro	42.9%	53.1%	40.4%	92.2%	86.0%
5-19 – Small	65.5%	58.6%	41.4%	89.7%	86.2%
20-199 - Medium	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Table 23 reveals the relationships between business characteristics and the reporting of CSR across various communication mediums. The findings suggest that a higher percentage of non owner-managed businesses reported that they refer to their CSR practices in communication mediums such as mission statements, vision/values documents and/or

annual reports.   More owner-managed businesses reported that they refer to CSR in promotional mediums such as their website and/or brochure/pamphlet, compared to non owner-managed businesses.   A higher percentage of medium-sized businesses report on CSR across all communication mediums compared to smaller businesses.

Table 23. Relationship between Business Characteristics and Reporting CSR

Business Characteristics	Mission Statement (N=93)	Vision/value document (N=91)	Annual Report (N=90)	Website (N=94)	Brochure/ pamphlet (N=93)
Management Structure					
Owner-managed	45.9%	29.6%	14.3%	**41.1%**	**34.8%**
Non owner-managed	**50.0%**	**55.6%**	**66.7%**	33.3%	28.6%
Ownership Structure					
Family-owned	52.0%	50.0%	9.5%	35.1%	32.7%
Non family-owned	42.9%	57.1%	55.6%	51.9%	37.0%
Number of Employees					
0 – Non-employing	33.3%	33.3%	20.0%	37.5%	33.3%
1-4 – Micro	42.9%	50.0%	15.8%	40.4%	33.3%
5-19 – Small	47.4%	52.9%	41.7%	38.5%	32.0%
20-199 - Medium	**75.0%**	**75.0%**	**75.0%**	**50.0%**	**50.0%**
Total Sample Response	46.8%	52.0%	30.0%	40.0%	33.8%

Note. Not all response options are presented. Column percentages for each characteristic may not total 100%. Multiple responses allowed. Row percentages may exceed 100.

Membership of a CSR Association

Respondents were asked if their business was a member of any CSR-related associations. Almost half the respondents (48%) were not a member of any CSR-related association, and the other half were either a member of an association (38%), or were considering becoming a member (12%). The remaining 2% were unsure.

Use and Development of Guidelines

Respondents were asked whether they use any form of guidelines to manage their CSR practices.   The majority of respondents (54.7%) do not use guidelines, 27.4% do use guidelines, and 17.9% of respondents are unsure about whether they use guidelines or not.

Respondents who reported that they use guidelines were asked about how the guidelines were developed (Table 24). Many respondents (46.2%) use guidelines that are developed specifically for their business and 19.2% modified generic, publicly available guidelines to suit their business. Over a quarter of respondents (26.9%) reported that their guidelines were developed in another way, such as following their "religious principles", "personal values", and/or "informal business values". No respondents took a set of generic, publicly available guidelines and adopted them.

Table 24. Development of Guidelines

Development of Guidelines (N=26)	% of Respondents
They are generic, publicly available guidelines which this business adopted	0.0%
They are generic, publicly available guidelines that were modified to suit this business	19.2%
They were developed specifically for this business	46.2%
They were developed in another way	26.9%
I am unsure of how they were developed	7.7%

Table 25 examines the influence of business characteristics on the development of CSR guidelines. Higher percentages of non owner-managed and non family-owned businesses developed guidelines specifically for their business, compared to owner-managed and family-owned businesses. More owner-managed businesses reported modifying generic guidelines or developing their guidelines in another way compared to non-owner managed businesses.

Table 25. The Influence of Business Characteristics on the Development of CSR Guidelines

Business Characteristics (N=74)	Modified generic guidelines	Developed specifically	Developed in another way
Management Structure			
Owner-managed	**22.7%**	36.4%	**31.8%**
Non owner-managed	0.0%	**100.0%**	0.0%
Ownership Structure			
Family-owned	18.8%	31.3%	37.5%
Non family-owned	20.0%	**70.0%**	10.0%
Number of Employees			
0 – Non-employing	0.0%	50.0%	50.0%
1-4 – Micro	15.4%	38.5%	38.5%
5-19 – Small	30.0%	50.0%	10.0%
20-199 - Medium	0.0%	**100.0%**	0.0%
Total Sample Response	19.2%	46.2%	26.9%

Note. Not all response options are presented. Responses may not total 100%.

4.3.5 OTHER FACTORS AND CSR ENGAGEMENT

This section discusses two other factors affecting CSR engagement: a lack of business resources; and the effect of supply chain members.

Effect of Lack of Resources on CSR Engagement

Respondents were asked to identify the extent to which money, time and skills/knowledge affect their engagement in CSR. Respondents answered on a scale of one to five, where one represents that they are 'not at all affected', and five represents that they are 'highly affected'. On the whole, time (M = 3.09) was considered to be the resource that most affects CSR engagement, followed by money (M = 3.01), and skills/knowledge (M = 2.51) (Table 26). The fact that the highest rating was 3.09 suggests that businesses do not consider themselves highly affected by a lack of any of these resources, they are in fact, only moderately affected.

Table 26. Lack of Resources Affecting CSR Engagement

Resource (N=98)	Mean [a][b]
Time	3.09
Money	3.01
Skills/knowledge	2.51

[a] Higher scores represent higher levels of agreement for each variable.
[b] Scale ranges from one to five for each variable, where 1 = Not at all Affected and 5 = Highly Affected.

Table 27 examines the relationship between business characteristics and how a lack of resources affects CSR engagement. The findings reveal that non owner-managed businesses and non family-owned businesses rated themselves as being more affected by a lack of money, time and skills/knowledge, compared to owner-managed and family-owned businesses. There was also an indication that as the number of employees increases, the businesses rate themselves as being more affected by a lack of money, time and skills/knowledge.

Table 27. Relationship between Business Characteristics, Resources and CSR Engagement

Business Characteristics (N=98)	Money [a][b]	Time [a][b]	Skills/knowledge [a][b]
Management Structure			
Owner-managed	2.91	2.99	2.42
Non owner-managed	**3.57**	**3.64**	**3.00**
Ownership Structure			
Family-owned	2.87	2.92	2.39
Non family-owned	**3.31**	**3.43**	**2.72**
Number of Employees			
0 – Non-employing	2.27	2.82	1.80
1-4 – Micro	3.00	3.00	2.54
5-19 – Small	3.17	3.21	2.66
20-199 - Medium	**4.00**	**4.00**	**2.75**
Total Sample Response	3.09	3.01	2.51

[a] Higher scores represent higher levels of agreement for each variable.
[b] Scale ranges from one to five for each variable, where 1 = Not at all Affected and 5 = Highly Affected.

Effect of Supply Chain Members on CSR Engagement

The majority of respondents (62.9%) reported that their engagement in CSR is not at all affected by other supply chain members (Table 28). Only a small number of respondents find

it difficult to practise CSR because other supply chain members do not (4.1%), or feel obliged to practise CSR because other supply chain members expect them to (2.1%). A further 22.7% of respondents considered the effect of supply chain members to be 'not applicable', possibly suggesting that they do not consider themselves to be a part of a supply-chain. For example, bed and breakfast owners may buy supplies for their rooms, but may not consider themselves as part of a static supply chain as such.

Table 28. The Effect of Supply Chain Members on CSR

Supply chain members affecting CSR (N=97)	% of Respondents
Our engagement in Social Responsibility is not affected by other supply chain members	62.9%
We sometimes find it difficult to practise Social Responsibility because other supply chain members do not	4.1%
We feel obliged to practise Social Responsibility because other supply chain members expect us to	2.1%
Unsure	8.2%
Not applicable	22.7%

4.4 QUALITATIVE RESULTS

Focus groups and interviews were held to follow up on issues that were identified in the survey as requiring further explanation, allowing the researcher to better understand how and why certain business characteristics influence CSR practices. This section presents results from the focus groups and interviews. Section 4.4.1 reveals the spectrum of participants' perceptions of what Social Responsibility is and examples of CSR practices are discussed in Section 4.4.2. The motivations that participants gave for engaging in CSR are discussed in Section 4.4.3, and the factors that negatively affect CSR engagement are examined in Section 4.4.4. Finally, in Section 4.4.5 external forces and the effect they have on CSR are discussed.

Table 29 presents the participants that were involved in each focus group and interview. All names have been changed for anonymity purposes. Owner-managed businesses were more highly represented than non owner-managed businesses, and there was a good mix of business types across the focus groups and interviews.

Table 29. Profile of Focus Group and Interview Participants

Respondent	Business Type	Owner-managed
Focus Group 1		
Fran	Volunteer Group	No
Veronica	Retail	Yes
Michael	Retail/Café	Yes
Anne	Accommodation	Yes
Rebecca	Retail	Yes
Bruce	Retail	Yes
Focus Group 2		
Jane	Food and Beverages	Yes
Todd	Retail	Yes
Jill	Accommodation	Yes
Interview 1		
Isaac	Accommodation	Yes
Interview 2		
Mitchell	Sports club	No
Interview 3		
Robert	Tours	Yes

4.4.1 VARYING PERSPECTIVES OF CSR

Participants were asked what they think it means to be socially responsible and some of the key themes revealed include: environmental responsibility; the concept of 'give and take'; and specific stakeholder groups. A number of participants consider Social Responsibility in terms of their business's behaviour, and how this affects various stakeholders. Others consider Social Responsibility in terms of society's responsibility as a whole to people in the community that really need help, and believe that ethical business behaviour is more a matter of manners and personality.

In Focus Group 1, Fran explained that:

> *"I just think that it means being conscious of the effects of how you conduct your business or your enterprise or whatever, how it affects the people that you're working with and the people in the wider community".*

Several other respondents agreed with her statement, and then went on to their own explanations:

> *"I agree in a sentence with what (Fran) said about Social Responsibility and believe that I run my business with a viewpoint to not only the individuals that we employ, but also the wider community, that we both extract our income from, but also, return, I believe a great deal" (Michael).*

> *"I also agree with (Fran), you know with employees and people that help, cause if you look after them they'll look after you, and you know, you have to have give and take in this life" (Anne).*

Similar themes came up in the interviews also:

> *"Well not just living for yourself, to have an appreciation of the importance of community, and contributing to that community so that in turn, when I need help, maybe the same community will give back to me" (Isaac).*

There was some dispute over the term when Bruce explained that he donates his old magazines and newspapers to a nursing home next door to him but does not feel that this is an example of 'Social Responsibility':

> *"I don't like throwing them away, and they think it's great. And that's all very well, it makes me feel good it makes them feel good…but I mean, you know, is that called Social Responsibility? I don't think so".*

To this, everyone in the focus group replied *"Yes!"*, *"Of course it is!"* There was also some criticism of the term from Bruce, who considers Social Responsibility to be natural behaviour, and therefore, does not think it warrants being studied and talked about:

> *"I think it's just a term really…it doesn't really mean an awful lot I don't think…it's a natural thing, as far as I'm concerned anyway…We all have responsibilities towards our families, not to dirty the streets or whatever…I don't think that you can put these things in writing you know, 'what is your Social Responsibility'. It's just a way of life, looking at things and ethics as you call them, manners, feelings, all kinds of things, and making sense of the world" (Bruce).*

Participants frequently spoke about environmental practices during the focus groups and interviews. For example respondents spoke about environmental education, recycling, and the use of environmentally friendly products. It was interesting that the discussions often turned to environmental topics even though it had been made clear that the focus was on social practices. For Veronica, Social Responsibility is mostly about the environment:

> *"I agree with what (Fran) said, but for me Social Responsibility primarily is environmentally responsible…that underpins everything…" (Veronica).*

Participants tended to agree that CSR is important to their businesses and that *"if everyone did, just something little, whether it be at home or at their work"* (Jill) it would be beneficial for the whole community. In order to encourage further engagement in CSR, respondents discussed the important role that awareness has to play, particularly, of three different types: personal awareness; industry awareness; and consumer awareness.

During the course of the research several participants became aware that they engage in CSR

more than they had previously realised. For example Bruce entered the focus group discussion as a critic, and someone who did not see himself as socially responsible. It was later revealed, however, that he engages in CSR through donating his old clothes and disused coat-hangers to charities, and giving his old magazines and newspapers to a nursing home. Rebecca explains that until she completed the online questionnaire, she did not realise how socially responsible she is, and this realisation was important for her:

> *"From my own perspective in filling out that survey I discovered that*
> *I do a lot more than I realised, and it wasn't until I started filling it*
> *out I thought 'Oh!', so I felt really good about what I do…for me it*
> *was important to realise that I am socially responsible, in the sense*
> *that I care about my community, about other people around me".*

This indicates that it is important for people who practise CSR to be aware of their actions because it makes them feel proud of what they are doing, and possibly makes them more likely to continue practising CSR.

Several participants agreed that the best thing that could be done to increase CSR engagement in SMTEs is to *"show…by example"* (Jane). Fran believes that by talking about it, a greater awareness can be raised and those businesses who do not yet engage in CSR may become more aware of what they could be doing:

> *"I feel that this kind of topic needs talking about because a number*
> *of people would go through life and not think about it…I think it*
> *enhances the whole community if there's a wider understanding*
> *among like-minded people, about anything, including about this, so I*
> *think that it's productive among the community. So you say perhaps*
> *it doesn't need writing down, but I think writing down and talking*
> *about it just reinforces the broader understanding of it".*

Several participants suggested that this awareness could come about through SMTEs advertising their CSR practices, which would make other businesses more likely to think about doing similar things:

> *"Perhaps that's one reason why we should spread the word you*
> *know…if we make a difference for just a few by bringing it to their*
> *attention, I think that that in itself is worthwhile" (Michael).*

"If people are aware of (your CSR practices), it makes them think about it…maybe it points out you can do these things…when you donate something to a school and they have a sign up saying 'prize donated by (Todd's shop)'…it's…pointing out…that maybe they could have had their name up there too" (Todd).

"Well (advertising CSR is) raising awareness all over…about the fact that it can happen. I think the more you do it, or the more you practise what you feel, the more likely the person you're dealing with is to lift their game" (Fran).

Jane explains that if businesses advertised their CSR practices, it would be an opportunity to make the people that do not practise CSR *"Pariahs".* She gives an example of when she was younger and thought it was *"cool"* to speed whilst driving. She explains that she felt embarrassed while reading an article in the newspaper about how speeding needs to be stigmatised. She likens this to CSR:

"So we need to make speeders Pariahs and we need to make people who aren't doing the right thing on a social level Pariahs, so, the pressure…to make all of us give as much as possible".

The problem with this is that whilst some participants feel that advertising CSR would increase awareness, others explained that they feel uncomfortable about advertising their CSR practices because it is not *"appropriate"*. For example Rebecca and Anne do not mention their CSR actions on their websites because they do not feel comfortable with promoting their CSR practices. Anne says *"I don't want (people) to think that I'm just doing it to feel good about it"*. Other participants also have difficulties with this as it can look like they engage in CSR simply to say they do, which they feel can cause suspicion from the consumer:

"In some ways you look like you're boasting if you say 'oh look we donate to Amnesty' and that sort of thing… Australians never like showing off…it is a difficult line, you don't want to put a big banner up saying 'we're goodies'" (Todd).

Veronica argues that CSR practices should be advertised for commercial reasons. She explains that even though some potential customers will not care, the ones that do care may make their purchase decision based on the knowledge that a business is socially responsible:

"But you should…advertise it because it's important…That's where the internet's fantastic, because I always read the 'about us' page. And that can be the thing that turns me on or off…if people read that, if it doesn't tick their boxes then so what…but a lot of people go…'well I favour you now' over that person…So I think it's just part of promoting your business…I mean you wouldn't have a problem with putting it on your website that you provide excellent service…so what's the difference with also saying ways that you're involved in your community…? It's all a part of the same picture to me."

Participants also believe that an increase in consumer awareness about responsible business practices would lead to an increase in demand for products produced by responsible businesses. Jane says *"awareness is the key and as people become more and more educated they're going to demand (responsible businesses)"*.

Jane and Jill mention a new café/deli in their town that sells mostly imported cheeses and wines, and they were both shocked that the shop only sells a few Australian products, and only one or two locally made products. They both agreed that they would not shop there. Jane says *"it's just interesting that in the food world nobody will shop there, and that says something"*.

Todd and Jane are also aware that people go out of their way to buy locally from their shops. Jane understands that in her case this is because *"we're organic"* and Todd believes in his case it is because *"people make a conscious choice to come to us and not go to a chain or go to (Amazon).com"*.

This perceived need to increase consumer awareness may also be hindered by SMTEs' reluctance to advertise their CSR practices.

4.4.2 EXAMPLES OF SOCIAL RESPONSIBILITY

Respondent examples of socially responsible behaviour are categorised under three stakeholder groups: community; employees and customers.

Community-related Practices

Community-related CSR practices were the most common type of CSR mentioned by respondents. Two main types of community-related CSR practices were identified: donating

to charity/community and supporting local businesses.

Focus group participants explain that when they are approached by charities or community groups for a donation they always try to give something or help in some way:

> *"The main thing I try to do is things like this when you get asked to try and help out. We do gift vouchers for charities…we've done a few for some young sporting people to help them raise money to go overseas, that sort of thing" (Jill).*

> *"We try to always give something in some way that we can, some little thing" (Veronica).*

Some participants explain that they say yes to almost everyone who asks for help:

> *"About four years ago…(we) decided everyone who approaches us, we say yes automatically, so there was no dilly-dallying in our mind about 'have we done enough?' or 'should we be doing more?', so we say yes automatically" (Jane).*

> *"We tend to say yes to anyone who wants...we give vouchers to any school…any charity that has a function…I weed out the phone inquiries for donations because some of them you know are spurious from past experience" (Todd).*

It appears that some businesses also make donations of time and money to charities and the community on a continual, more organised basis:

> *"Well we donate a number of prizes and they're annual things…a prize for English at the high school, and we have a scholarship at…a small private school, which is an annual thing" (Todd).*

> *"Our company identifies with 2 major fund raisers per annum and involve local community in those. They're fairly substantial, well we think for a small company, our target is always in excess of $10,000 from the fundraiser" (Michael).*

> *"We do 3 major charities a year, NRMA Care Flight, the Burns Unit at Westmead Children's Hospital and the local Rotary…" (Mitchell).*

It was not clear whether these SMTEs were initially approached by charities to make these ongoing donations, or whether they made the decision to start making the donations themselves.

While some participants spoke of always trying to say yes to requests, or making continual, organised donations, others discussed the difficulty of doing this as they get too many calls each week from charities asking for donations. Todd explained that he has become *"a bit hardened to it…there are just so many (requests) that it gets hard"*. Robert explains that his difficulty is that he gets requests for too much money from charities:

> *"The charities…are getting bigger and bigger, the amount that they're requesting. I mean once upon a time it was sort of fifty dollars…but now they're putting it on you for two-hundred dollars…"* *(Robert).*

A few participants also explained that they actively seek out opportunities to donate time and money to charities and the community. For example Rebecca formed a *"local bushfire watch group",* which helps community members prepare for the event of a bushfire, and Isaac takes care of an elderly lady and a high-needs child. Jane explains that her business purposefully cooks more than they know they will sell, to ensure her business can donate the food that does not sell to charities and community groups.

In addition to donations to charities and the community, respondents also identified an important community-related CSR practice as supporting other local businesses. The reasoning for this is two-fold: they want to support the community in general; and they feel that they have a connection to other small businesses that are in a similar situation to them:

> *"That's the other thing, supporting your local businesses, so I shop a lot locally, but I rarely go to Sydney…shopping locally is also supporting your community, you're keeping other businesses going"* *(Rebecca).*

> *"I know since we've had the business I've become much more orientated on using local. So I try and use local businesses, I suppose because we're now a small business, you have that wanting to help out other small businesses"* *(Jill).*

Buying locally is seen as a way that businesses can support other local businesses, and several

participants explained that they prefer to do this than go to the larger cities.

Employee-related Practices

Focus group discussions revealed the importance businesses place on their employee-related CSR practices. Three types of employee-related practices were identified: flexible work hours; recognising and rewarding staff; and employing staff with a disability.

Providing flexible work hours so that employees are able to take time off when required was a commonly discussed employee-related CSR practice:

> *"The other girl I have is a single mother, she's got no family up here, so if she has problems with her children, you know, she can duck out and deal with them...doesn't matter if she comes in at 10:00…" (Anne).*

> *"It's a very flexible workplace…for example, Beverly always ducks off and picks up her kids from school, the restaurant doesn't close till 3:30, (but) school finishes at 3. I'm going home early today because it's my daughter's birthday, that sort of thing. The flexibility is there" (Mitchell).*

> *"Do unto others as you have done to you, nice flexible work, that's our big thing. Like if you're going to work overnight, that is such a mental health issue, and so everybody at work is very clear that they can have time off when they need it" (Jane).*

These quotes demonstrate the understanding that employers have of their employees' personal situations, and their willingness to accommodate these individual needs, especially when they are family-related.

Some participants explained that they recognise and reward their staff through awards and nights out. They do this to motivate their staff:

> *"Recognising the contribution of volunteers, in a tangible way, not payment, but we have a very tiny programme for recognition and awards and that kind of thing…so we think that that helps the volunteers to feel wanted and needed and appreciated" (Fran).*

> *"With our staff we…have a staff incentive scheme, and then, just an example of the collection of tips and things like that, our company adds to that and we take our staff out twice a year. We also identify one of those two times is our own awards night, where we give awards for the 'non-clock-watcher', and we do a voting arrangement as well, where everyone votes for everyone else, and we work out who gets the 'most valued staff member' and that sort of thing" (Michael).*

Employers also recognised their staff by continually acknowledging their hard work and making it clear that their efforts are appreciated.

Anne employs two staff members that have a disability. She explained that she was approached by someone to do so and while she was hesitant at first, she now has a great sense of appreciation for how well they do their jobs:

> *"I have three casual employees and two are disabled. One's heavily supported by the government, and we get subsidised for her hours. She manages so much work in that many hours, she does cost a little bit, but you know, and the other one is disabled as well, but she can do the job quite capably".*

Customer-related Practices

One respondent felt that holding stock and offering lay buys for small amounts represented a form of community-related CSR:

> *"There's a lot of regulars we know, lot of people where we hold…stock, lay buys for small amounts, lots of little things like that for people we know" (Veronica).*

This type of CSR practice indicates the type of relationship that SMTEs can have with their community and how they actively care for those relationships.

A summary of the types of CSR practices that SMTEs engage in is presented in Table 30. The motivations for engaging in these types of CSR are presented in the following section.

Table 30. CSR Practices

Community	Employee	Customer
▪ Donating to charity/ community ▪ Supporting local business	▪ Flexible work hours ▪ Recognising and rewarding staff ▪ Employing disadvantaged staff	▪ Holding stock ▪ Small lay buys

4.4.3 MOTIVATIONS FOR ENGAGING IN CSR

Focus group and interview participants were asked about their motivations for engaging in CSR. The motivations of CSR engagement have been grouped into three categories: personal motivations; business motivations; and community motivations.

Personal Motivations

The personal values and beliefs of owner-managers were found to greatly influence CSR engagement. This is because the owner-manager is such a huge part of the business, and the business is such a huge part of them, so their personal values also become a part of the business. As Bruce explains *"A business, in my opinion, reflects the people at the top…and whatever the head of the business thinks is generally reflected going down"*.

Participants explain how their personal values motivate them to engage in CSR, and this again, reflects the close relationship between the owner-manager and their business. Many speak of taking a philosophical approach to CSR, and explain that it is just their nature to engage in CSR:

> *"I'm a one man band and my work is my life, and so in that sense my business is a part of my lifestyle and my way of doing things and, as an individual that's just another…tacit of my individuality. Now as an individual I feel necessity to have some sort of Social Responsibility…so it's as an individual not as a business that I'm doing it"* (Isaac).

> *"Well you start as a human being…how you actually run the business internally…how you treat your staff, and the sort of people you employ and all those sorts of things, and they're part of the whole*

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spectrum of what you do in life…I don't think we actually thought
about being socially responsible in terms of the business, we just
continued the pattern in our normal lives so if we saw ourselves as
socially responsible at home…it's what we are… we're a partnership
so it's us and we're it" (Todd).

"The backbone of our business is an organic, wholesome,
traditionally made…product which in itself shows our value system.
It's part of the whole Slow Food Movement and that's what we
value…that's what we value at home" (Jane).

"I think it's just a sense of wanting to help, or feeling that you're
doing something more than just living or…just working. For the last
28 years I've been a registered nurse, so I think I already had that
sense of wanting to care or wanting to feel that I'm accomplishing
something that helps people. I'd love to do more…" (Jill).

These findings suggest that people who own owner-managed businesses are highly engaged in their businesses, and see their businesses as an everyday part of their personal lives. Isaac even explained that none of his CSR was done on behalf of the business, it is all his own personal actions. He explained that as an individual he looks after an elderly lady and also a young child from the Department of Community Services. He explains that even when people approach the business he acts on their requests at a personal level:

"People ring the business for…donations to raffles…yeah fine, $20 to
$40, that sort of thing I do, but it's a personal cheque I write them,
but they're ringing the business number".

Participants explain that their upbringing and families influence their personal values, and therefore also act as a form of personal motivation to engage in CSR. This was particularly the case for the older participants. Isaac explains that his engagement in CSR comes directly from his upbringing: *"It's just the way I was brought up, if you want nothing simpler as a way of putting it"* (Isaac). Others talk about particular family members and their upbringing:

"As an individual I've been brought up to think of other people as a
matter of manners" (Bruce).

"I identify very much to my parents' upbringing, as far as my own philosophical approach to Social Responsibility" (Michael).

"My thoughts along those lines arise from my childhood. My father had a lot of social conscience… (he) was a small town policeman…he was a pillar in the community and a very involved person in the community… (I see) my brother in the same light, he trained as a school teacher, he was a headmaster for many years, he was always socially involved, and that must have come down from my family, from my dad and my mum" (Isaac).

It is clear that these participants associate their personal values very strongly with their upbringing, and understand that the way they were brought up and the influence that family members have had on their personal values influences their engagement in CSR.

Whilst some participants believed that a lack of time and money are barriers to engaging in CSR, it was clear that personal values have the ability to overcome this lack of resources. Veronica explained that CSR *"doesn't cost time and money because that's the way you do things"*. That is, the people who engage in CSR because of their personal values make the time and find the money to spend on CSR because it is important to them. Below is a conversation between focus group participants:

Bruce: "I think it's also very individual, (pointing to Veronica) you're very much inclined to do that thing anyway, (pointing to Rebecca) you have the time, you have the time the opportunity…"

Rebecca: "Well I don't know about the time…"

Bruce: "Well you make the time because it's important to you"

Michael: "You create the time".

It was interesting that early in the focus group discussion Jill cited a lack of time as her biggest challenge to engaging in CSR, but later explains that she buys food products in bulk to reduce waste, and then pours the milk and juice into smaller jugs to go in the fridge for her guests. Whilst this is an example of environmental responsibility, it was clear that because this is important to her she does not see the extra time involved as a barrier. Jill was asked if spending the extra time doing this was a deterrent to her engaging in CSR and she replied

"no, no, it's not a deterrent". This suggests that Jill's personal values are so important to her that she does not mind spending the extra time preparing room supplies in this way.

The notion of the circulation of resources was another personal value that motivates participants to engage in CSR. Rebecca explains that one of her principles in business is to keep resources *"flowing".* Rebecca explains that she gets a lot of stock that does not sell and she says:

> *"What goes around comes around. I think it's circulating - not sitting on it and saying 'well I will make something out of that one day'…it's that principle of keeping it flowing, and I think it's good for everybody…not have things horded, and in life I think that's a really good principle…so don't let things stagnate and hold onto things, I mean it's non-acquisitive…".*

Other focus group participants agreed with this. Anne gives an example of flowing resources in her home country, Kenya, where the women buy second-hand clothes cheaply, and they then sell the clothes to make money. She explains that this is how the women *"keep their families going".* Rebecca agreed that the benefits of circulating resources are visible:

> *"You can actually see it…it's just amazing…and I don't think it's superstitious or whatever, I think it's true, and I've seen it again and again".*

Most participants agreed that *"Money's made round to go round"* (Michael) and this principle of 'flowing' is a personal value which motivates socially responsible business behaviour.

Several participants believe that CSR relates solely to personal values and beliefs, so it is not something that people can be encouraged to be engaged in if they are simply not that way inclined:

> *"It's just all so individual. I don't think you can teach people how to be socially responsible, because they're just not" (Bruce).*

> *"I don't think it needs to be external support…It's like talking to people about religion, it very much boils down to personal abilities and preferences…I can't see that anything more can be done than is being done to change people's ways of interacting in*

community…People are going to be individual and independent and they don't want people interfering in their life" (Isaac).

Business Motivations

In the focus groups and interviews it became clear that whilst the motivation to engage in CSR tends to stem from a personal level, the business benefits that result from CSR can also act as motivation for CSR engagement. For example, sales may increase, employees appear more committed to their jobs, and the business's reputation may be improved.

It was interesting that some businesses spoke of increased sales as a positive outcome of CSR, and others spoke of increased sales as a reason for engaging in CSR. For example, Jane explains that when her and her husband started giving away free food products to needy community groups their profits increased substantially:

> *"There was quite an interest in the flip-side of giving the free product as much as possible. There was a click over point about 4 years ago where…we saw a fairly immediate jump in business of about 20 percent and we never expected that…What was happening was the product was going into schools and all sorts of places and people were saying 'oh this is nice' and coming in and buying it, we never thought that would happen".*

Jane explains that this was an unexpected outcome, and that *"we would've never done it to make sales. It's not about that"*. However, other business owners appear to make donations mostly from a personal perspective but with some notion of receiving business benefits from their acts:

> *"It's a good response and also it gets people into the shop. I suppose there's a commercial thing, they come back with the voucher and spend it" (Todd).*

Mitchell is the manager of a non owner-managed business, and his reasons for engaging in CSR were very clearly for the business benefits, such as increased patronage and profits:

> *"If anyone wants to have a meeting, if they have lunch here we'll throw in the room at no cost, that sort of thing…there's a reason to*

> *be socially responsible which is to attract more people to be financially viable".*

Mitchell appears to provide free space for community groups in order to realise the business benefits, and his motivations are not altruistic like the owner-managed business owners'. Whilst it could be argued that this is not a form of CSR, but rather it is a management practice, Mitchell sees this as his business's CSR.

Respondents discussed the sense of give and take and flexibility offered to their employees. Whilst this may relate to deeply held personal motivations, focus group discussions reveal that this behaviour may be motivated by the pursuit of business benefits:

> *"If you look after them they'll look after you… and as you say if they need a $10 loan to pay a bill tomorrow, you know they'll be back to work the next day" (Anne).*

> *"You end up doing lots of little things like giving someone advance on their pay, or covering for a bill for a few days here and there…but then they help us out. It's a give and take thing" (Veronica).*

> *"I think in regards to staffing, it really boils down to, if you're good to them, they'll be very good to your business, and you've really got to look after your staff, and I think the smaller you are the more you have to look after them, because you require them to be multi-tasking. You get that stimulus that if you do this, you'll get that" (Michael).*

Decreased sick leave, employee resignations, and terminations may also act as business related motivations for engaging in CSR:

> *"To keep them well, that's what you've got to do…you've got to put yourself out" (Jane).*

> *"I can tell you that I haven't had anyone off sick here for the last four or five weeks and I have a staff of 15-20 so that's pretty impressive…they all enjoy coming here so they don't chuck sickies to try and get out of work" (Mitchell).*

The benefits of supporting staff are clear, and again, whilst SMTE owner-managers agree that they do not necessarily engage in CSR for the resulting business benefits, it is clear that more highly committed and motivated staff may act as a motivation to engage in employee-related CSR.

Mitchell explains that the business benefit of improved reputation can act as a motivation for engaging in CSR. He explains that while CSR may cost some money, it is considered worth it for the reputational benefit:

> *"We do a New Years fireworks display and it costs us ten grand to run, but we do that because, you know, it probably makes us feel good, as well it's good PR".*

Improved reputation was only mentioned by the one respondent who was the manager of a non owner-managed business.

Community Motivations

Respondents suggest that there are factors external to the business that may motivate CSR engagement. There was debate in both focus groups over the sense of community in the GBMA, where most participants believe the sense of community is *"phenomenal"* (Jane), but others believe that the sense of community is lacking. There were also discussions surrounding issues in the community that motivate people to engage in various CSR activities, including: large numbers of both financially disadvantaged families and elderly people; a lack of youth entertainment; and the fact that the GBMA is both a World Heritage listed region and a touristic region.

The sense of community in the GBMA was a common topic of discussion. It became clear that most participants feel there is a tremendous sense of community in the GBMA, and this motivates them to engage in CSR as they feel a need to be involved in, and contribute to the community in some way:

> *"The bottom line is we're tribal, and we've got to look after the tribe on every level. The huge tribe of the area we live in, and the little tribe of our little business" (Jane).*

> *"You can't live up here just as a number, and I don't like being just a credit card number in going through a checkout...It's nice to be part*

of a community where you are an identity in that community"

(Isaac).

An example was given where Anne, the owner-manager of an accommodation establishment went away on holidays and her relief manager did not come to work. She explained that a local community member:

> *"…stepped in with five friends locally and they ran it for three weeks until we could get another relief manager, and that's just the community, and everyone said 'that would only happen in Blackheath'".*

Amongst these discussions, there were some participants who did not believe that there was a good sense of community in the GBMA. Jane explains that she feels those people are *"isolated".* She says that she has heard people with that point of view, and wonders *"Well where are you? And what are you doing? You can go down to any school and teach children to read" (Jane).*

Particular issues in the GBMA community were considered by participants to motivate their CSR engagement. Jane explains that there are many financially disadvantaged families in the area, and the teachers at the local schools told her that many of the students often do not get fed breakfast, and have no food in their school packs. This led her to donate food products to the local schools so that children get fed properly.

Mitchell explains that there is a large amount of elderly people living in the upper Blue Mountains. He says that for this reason they keep everything at *"reasonable prices".*

Isaac explains that there are a lot of teenagers, particularly boys, living in the area that have nothing to do. He explains that there is *"nothing in the way of a drop-in kind of a gymnasium-style thing"*, and so the children *"wander the streets… (with) nothing to do…graffitying"*. This issue has inspired him to foster troubled youths from the Department of Community Services, and in the future he would like to build a youth facility offering sport, opportunities to mix with other people and to keep youth off the streets.

Being World Heritage Listed, and a tourist region, are other aspects of the community that some participants identified as motivating them to engage in CSR. Participants felt a sense of responsibility to the region as a whole, and a sense of responsibility to tourists. Veronica sees the World Heritage Listing as an important part of her role as a business owner in the GBMA,

and explains that:

> *"I think a big influence is being an ambassador for the World Heritage area by having a business that you get visitors to, international visitors and local visitors from Sydney too".*

The fact that the GBMA is a tourism region appears to affect the CSR engagement of SMTEs. There are issues associated with tourism in the GBMA, such as poor council funding. One of the biggest problems associated with poor funding is that it leads to poor tourism facilities. Many participants spoke of the lack of accessible tourist information and signage in the region, and for this reason, many accommodation providers and shop owners make an effort to help tourists as they feel it is their responsibility to the region as a whole do so:

> *"So we see ourselves as a real ambassador in the community in that sense. And partly because we are the sort of shop that they come in and look and buy but also because that's our role, we're on the main street and that's what we do…so that's a really big external pressure on us, giving visitors a really good experience…you do feel a responsibility to give visitors a good experience, not to have them lost and say 'where are the public toilets?' and 'where do we go for coffee? and 'where are the ATMs?' etcetera." (Veronica).*

Tourists to the region are a stakeholder of SMTEs, and this sense of responsibility to give *"visitors a really good experience"* (Veronica), reveals a community-related motivation to engage in CSR, which also serves to enhance the reputation of the region as a whole.

A summary of the motivations for SMTEs engaging in CSR is presented in Table 31.

Table 31. Motivations for Engaging in CSR

Personal Motivations	Business Motivations	Community Motivations
▪ Personal Values ▪ Upbringing	▪ Increased sales ▪ Increased employee commitment and motivation ▪ Improved reputation	▪ Sense of community ▪ Issues in the community

4.4.4 FACTORS THAT NEGATIVELY AFFECT CSR ENGAGEMENT

Participants were asked about the factors that negatively affect their CSR engagement. It was found that the traditional inhibitors of time and money were prominent, but other factors include various difficulties with employees and lack of knowledge of suppliers.

Traditional Resources

A lack of time and money were the most commonly discussed factors that negatively affect CSR engagement. Time was often cited as an issue particularly in relation to owning a small business:

> *"One of the things we never have enough of when you run something small is enough time" (Todd).*

> *"I don't think we have an awful lot of time as small businesses to do anything about it" (Bruce).*

Participants gave the following responses when asked about their biggest challenge to engaging in CSR. It became clear that their lack of time was due to the fact that they have to prioritise their everyday work duties and other commitments over CSR:

> *"Time is…for me, there's a lot I've got to fit into a day" (Jill).*

> *"Probably getting out of the (accommodation establishment) and getting away from the business, we're there 24 hours, 7 days a week, and when you're not doing work you've then got kids" (Anne).*

> *"It more often boils down to will power and time to do something about it, but at the moment all my energies are going to looking after a nine year old high-needs kid and an 85 year old high-needs lady" (Isaac).*

Several owner-managers explained that time is especially a restraint in terms of the paperwork involved with different types of CSR engagement. Many agreed that the paperwork is *"administrative rubbish"* (Fran). Veronica explains that "*it's a real bind*" because you want to apply for awards and memberships with various associations such as the BMBA but the paperwork is too time consuming. The following is a conversation that took place between focus group participants about the issue of some forms of CSR having too

much paperwork:

> Veronica: "I wanted to (nominate an employee for a People's Choice award)…because my employee was fantastic and I wanted to somehow acknowledge her and I just looked at the paperwork and…thought, 'I can't justify the time' and that's a completely peripheral thing it's nothing to do with my business really, so I just let that one go"

> Anne: "I always say it's a bit like getting scholarships - if you know how to deal with paperwork then you'll win it…"

> Veronica: "If you're prepared to run the obstacle course of the paperwork you will, you're in with a chance because so many people give up"

> Anne: "And so many people may not be that good at that stuff so it's too hard, where as you could actually be a better business but you just don't put in for awards and things"

> Veronica: "My partner did the (BMBA) training day…but then you had to submit some long business plan of paperwork or something so that never got done"

> Rebecca: "Yeah Roger did that as well and he was complaining about the paper work".

This conversation indicates that small business owners perceive not only a general lack of time, but that the lack of time is particularly problematic in terms of the paperwork involved in many CSR practices, and in terms of other everyday commitments that may need to be prioritised above CSR.

A lack of money was also cited as a factor that negatively affects CSR engagement. Focus group participants who had only recently started their businesses found this was due to the age of their business. For example Veronica's business is only two years old. She says:

> "I don't even draw a wage…I have no income to do anything. Talk to me in another couple of years! …I'm pretty happy with what we do, but…I'd like more money".

Jill also found that because her business is still relatively new she struggles with money:

"I'd love to do more but at the moment we're still sort of growing, and learning what you can and can't do with spending money".

Bruce argues very strongly that it all comes down to money, and he made it clear that he would love to do good and donate money to *"all the poor people"*, but he finds it *"impractical"* as a small business to do these things.

Mitchell added that as the manager of a non owner-managed business, the issue is not a lack of money, but rather that he has to prove to the board of directors that there is a benefit from spending that money. He argues that this is the biggest challenge the business faces to engaging in CSR: *"I tell you, I have arguments every year with the board of directors"* because they do not like to allow community groups to use their space for free as *"they don't spend any money - all they drink is water"*. Mitchell has to explain to them that the groups often buy lunch or play the poker machines, and he says *"there's always that angle…if we can get more people here we can make more money"*.

Mitchell also explains that financial opportunities are often prioritised over CSR. He gave the example that his business was asked by a phone company to put a radio tower on their property, to which the board agreed. So whilst their CSR probably *"wasn't as refined as it could be"* the decision was *"based on financial viability"*. This strengthens the argument that non owner-managed businesses may only see money as a barrier to engaging in CSR in terms of being able to justify the benefits provided. As this example highlights, where financial gains can be made, Social Responsibility may take second priority.

Employee-related Barriers

Focus groups and interviews revealed a number of employee-related barriers to engaging in CSR. These include the fact that employees' personal values and beliefs do not always align with the business owner's and the legal regulations that surround employees can get in the way of practising CSR.

It became apparent that whilst employers try to get employees involved in their CSR practices, employees do not always share the same enthusiasm as the business owner. Jane explained that:

> *"It's pushing the proverbial uphill, I have to work really hard to get them doing it…'Don't throw that in the bin, give that to someone, you have to make that effort, make that phone call'"*.

Todd also has trouble getting his employees to do the right thing and whilst his is an environmental example, it demonstrates a similar problem. He encourages his staff to write on both sides of sheets of paper, and to take their own coffee mug to the coffee shop rather than using polystyrene cups. He explains that there are still three or four employees that he cannot convince to do these things. He calls these situations *"little battles of sense"*, and to him it simply *"makes a lot of sense"* to do these things, but his employees do not see this from the same perspective.

However, business owners do understand that their employees have different priorities in life and they may not share a vested interest in the business:

> *"It's the same as when you own a house, you tend to look after it better…and so when you have employees, I suppose they're just, they're working for you...they don't have that same passion"* (Jill).

> *"You've got to rely on other people, and their motivations are different, they're other lives"* (Todd).

There are certain regulations regarding employing staff which are considered to hinder CSR engagement. Todd explains that he employs some school students who work a few afternoons each week after school. He is concerned that a new law which requires employers to give employees shifts that are a minimum of three hours will mean that he can no longer offer work to students after school, as the students can only fit in two hours of work. He sees providing part time employment to school students as part of his CSR as he is able to provide teenagers with part time work which keeps them off the street and allows them to earn an income. This law makes it difficult for him to continue employing these students. He explains that it is *"no big deal but it's one of those little things you think about in the back of your mind"*.

Lack of Knowledge about Suppliers

When asked about challenges to engaging in CSR, Fran explains that choosing socially responsible suppliers is her organisation's biggest challenge. This is because availability and cost are the most important choice factors, and even if she had the time and money to

choose suppliers that are socially responsible, she feels it would be difficult to find information about suppliers' Social Responsibility:

> *"We just need to buy where we can, and at the price we can afford,*
> *and I frankly think that I wouldn't know…whether that supplier*
> *might be socially aware or not… I don't know what their practices*
> *are" (Fran).*

Veronica suggested looking for a section about social practices on the websites of the companies they buy from, but Anne explained that *"a lot of suppliers don't say that they are socially responsible, I mean we don't say that we employ disabled people"*. Several other participants agreed that they find it difficult to tell if their suppliers are socially responsible or not, and that price and availability are more important anyway.

The factors that were found to negatively affect CSR engagement are summarised in Table 32 below.

Table 32. Factors that Negatively Affect CSR Engagement

Traditional Resources	Employee-related	Lack Of Knowledge About Suppliers
▪ Time ▪ Money	▪ Employees personal values and beliefs ▪ Regulations regarding employees	▪ Lack of knowledge about suppliers' CSR practices

4.4.5 EXTERNAL FORCES AND CSR

There were extensive discussions in the focus groups and interviews about external pressures and how they affect SMTEs CSR engagement. Due to the personal nature of CSR, most focus group and interview participants believe that guidelines, association memberships, and local council's influence on businesses, will not influence their CSR engagement. For example, the researcher asked if a set of guidelines or a website could help increase CSR engagement in SMTEs, but participants generally agreed that they would not.

As an example of an association, the BMBA was only considered beneficial by a few participants. Jill believes that the BMBA may be more useful for new small businesses "*that*

may need some help to get off the ground, or may need some advice". She also suggested that the BMBA may aid new small businesses to network with other businesses. Mitchell's business is a member of the BMBA and he explains that *"a lot of the policies in place are influenced a little bit by it"*. He says that when they introduce a new major policy they look at the six building blocks of the BMBA which include reduce, reuse and recycle, customer satisfaction, skilling and mentoring, buying locally and making a community contribution (Blue Mountains Business Advantage, 2006b). He describes the BMBA as a:

> *"…sounding board…it's somewhere to bounce your ideas off, you know, it fits within a framework, and if it fits within the framework, it should be a good policy".*

Several participants were critical of the BMBA saying that they were *"yet to see any advantage"* (Todd). Anne, whose business is a member of the BMBA, does not find it particularly beneficial to be a member and Veronica explains that she wanted to become a member of the BMBA mainly to get the logo. Todd explains that he was *"pestered by someone"* to become a member of the BMBA but he did not feel he had the time and did not feel he would be contributing anything even if he did join. He explains:

> *"A lot of us are in small businesses because we want to be our own bosses…and I think a lot of us don't want to be part of organisations that do those sorts of things…the same as I'm not a member of the Lions or Rotary or anything, they're fine, they can do what they do, but, I'm not a joiner".*

Several participants also felt critical about joining the BMTL. It appears that membership with BMTL does not necessarily encourage businesses to network with other businesses or contribute to the promotion of the GBMA, but rather membership is taken for other reasons. Veronica explains that she became a member of the BMTL when her business had first opened because someone from the council came to her and asked her to join and she felt that she *"had no option but to join"* because she felt that if she did not join, her business would not grow. She describes this as *"a real dilemma".* Robert explains that the council is opposed to his business as he takes tourists on helicopter rides over the GBMA and the council does not like the noise or air pollution. He explains that the reason he has kept his membership with BMTL is *"largely to project ourselves and to keep us known to the council".*

Jill says that she thinks any association membership *"needs to be a little more appropriate to*

what you need and what you're looking for". For example Jill is a member of the Blue Mountains Accommodation Association because it *"is a bit more relevant to what we do".* She explains that the other members have: *"all been very, very helpful in ideas, you know, what they've found works for them and what hasn't. They've been quite forthcoming".* Todd says that his business is a member of the Leura Village Association *"because it's our world",* and he explains that the association works on localised projects, such as installing rainwater tanks to water the gardens in Leura, and trying to encourage all businesses in Leura to stop using plastic bags. Jane explains that she thinks association memberships have to be more relevant to your business in order to *"focus your energies to what you're doing well, and, so…we're part of…that slow food Cittaslow thing".* This is perhaps another reason why members were hesitant to join the BMBA and BMTL. That is, they may not be able to see how they relate to their business as they are broader in terms of both geographic and industry sector spread. It is apparent from this discussion that some participants are more likely to be members of associations that are more specific to their area and their industry.

It appears that because many small businesses have informal networks, they do not feel the need to be involved with CSR-related associations. Veronica says that *"there's an awful lot of nice networking amongst the small businesses".* Participants tend to agree that informal networks are beneficial because they provide give and take relationships, and *"exchanges of information"* (Todd). For example Todd describes it as a *"quid pro quo"* relationship where he can call people in the area that he knows and ask for help or advice without having to contact a company.

Another benefit of having informal networks is that businesses can refer customers to other businesses. Veronica explains that she refers people to Michael's business because she knows that his business has *"a really high profile socially".* Jill explains that informal networks allow her to receive referrals from other businesses and refer customers on to other businesses when she does not have enough rooms available at her Bed and Breakfast. This even extends to competing businesses:

> *"Even though you are competing still with those accommodation places, everyone's very amiable…if you are full or are unable to take someone…refer them on. So it's really nice that you have people ring up and say 'oh look I was referred by blah blah'. I did a lot of that with the B&B across the road from us but she's just sold…it was nice*

to have that, you know we had it in our email response that if we
didn't have a vacancy to ring her, and she had the same for us, so it
was nice"

These informal relationships appear to prevent SMTEs from feeling the need to become a member of CSR-related associations. This is because, through informal networks, they already benefit from give and take relationships which facilitate referrals and exchanges of information.

4.5 SUMMARY OF FINDINGS

This chapter has presented the findings from the online survey, focus groups and interviews. The survey findings suggest that the most common types of CSR practices are community-related, the most highly identified benefits were business-related, and the most common motivations to engage in CSR are related to the individual owner of the business. The major finding from the survey is that the management structure of a business (that is, whether it is owner-managed or not) appears to have the most significant influence on CSR engagement.

The qualitative discussions revealed strong themes of give and take and environmental responsibility in the participants' understanding of what it means to be socially responsible. Participants also had varying perspectives of CSR, and different ideas on what may increase CSR engagement by other SMTEs. Personal, industry, and consumer awareness were identified as the keys to increasing CSR engagement in the future, however these will be difficult with the reluctance to advertise CSR practices in order to raise awareness. There was almost unanimous agreement that association memberships, guidelines and other forms of external support will not encourage further engagement in CSR, and neither will the council's influence on SMTEs.

The qualitative findings reinforce community-related CSR practices as the most common, and employee-related CSR practices were also commonly discussed. The motivations of engaging in CSR were found to be mostly personal, but business benefits and issues within the community were also identified as motivations for engaging in CSR. The factors that negatively affect CSR engagement included those traditionally identified in the literature (lack of time and money), employee-related issues and a lack of knowledge of suppliers' practices.

The findings presented here will be discussed in Chapter 5. This discussion will draw together the qualitative and quantitative findings, and will examine these findings in relation to the literature.

CHAPTER 5: IMPLICATIONS AND CONCLUSION

5.1 INTRODUCTION

The aim of this research was to understand the CSR engagement of SMTEs. From this arose four objectives, which are to:

1. Understand the characteristics of SMTEs;
2. Identify current CSR practices engaged in by SMTEs;
3. Investigate the factors that affect CSR engagement in SMTEs; and
4. Identify implications for increasing CSR engagement in SMTEs.

Chapter 1 introduced the topic area and research problem, providing the justification for research on CSR in SMTEs. Chapter 2 undertook a review of literature and found that whilst SMEs have several characteristics which may make them inherently more likely to practise CSR than larger businesses, they also face many barriers to engaging in CSR. Several authors suggested that for these barriers to be overcome future research needs to be specific to a geographic location and a particular industry, so this research was focussed on the tourism industry in the GBMA. Chapter 3 outlined the methodological approach of the thesis - the 'Follow-up Explanations Model' – a mixed-methods approach that begins with quantitative research, and follows up key findings that require further explanation using qualitative research. Chapter 4 presented the findings according to the research objectives listed above. The findings highlighted a number of key differences between SMTEs including the effect that owner-management and business size have on SMTEs' CSR engagement. In turn, Chapter 5 concludes the thesis by drawing together the quantitative and qualitative findings on the CSR engagement of SMTEs.

The most significant findings from this study will be discussed and a model for understanding SMTEs' engagement in CSR is presented. The contributions made by this research are highlighted and suggestions for future research are proposed based on the findings of this study.

It should be noted that due to the small sample size, especially in regards to the inclusion of only two non owner-managed businesses in the qualitative research, the findings from this study cannot be considered as conclusive or representative of the wider population. The conclusions drawn here do, however, reveal clear trends within owner-managed businesses

as compared to non owner-managed businesses, and these trends tend to support current literature on the topic.

5.2 UNDERSTANDING THE CSR ENGAGEMENT OF SMTEs

The purpose of this section is to highlight and interpret the most important findings from the research that provide an understanding of the CSR engagement of SMTEs. The most significant of these findings is that SMTEs' management structure has the greatest influence on CSR engagement.

Table 33 identifies key factors that affect CSR engagement in SMTEs, and highlights the differences between owner-managed and non owner-managed SMTEs.

Table 33. Factors Affecting CSR in Owner-managed and Non Owner-managed SMTEs

OWNER-MANAGED	FACTOR	NON OWNER-MANAGED
Business and personal life are intertwined	*Business-personal relationship*	Personal life separate from work
Personal values	*Motivation for CSR engagement*	Business reasons
Personal benefits	*Benefits from CSR engagement*	Business benefits
Lack of resources is not a problem because it is how they do business. The owner-manager is the principal and the agent	*Justification for use of resources*	Lack of resources is a problem because they have to justify spending money on CSR. Principal and agent are separate
Informal nature > lack of formal communication mediums	*Nature of SMTEs*	More structured nature > use of formal communication mediums
Little use of formal guidelines; Do not see value in tools and guidelines	*Use of tools and guidelines*	More use of formal guidelines; Perceive tools and guidelines as useful

The first three factors: business-personal relationship; motivations; and benefits from engaging in CSR, are discussed in Section 5.2.1. These factors play a role in driving CSR engagement, related to reasons for engagement and the benefits sought. The use of business resources for CSR purposes is discussed in Section 5.2.2, where the principal-agent argument becomes prominent. Resources and related decisions about their use represent an important factor affecting SMTEs' ability to engage in CSR. The final two factors: nature of SMTEs; and use of tools and guidelines are discussed in Section 5.2.3. These factors affect the particular approach taken to CSR, and how CSR can be organised and facilitated in SMTEs.

5.2.1 FACTORS DRIVING CSR

"I don't think we actually thought about being socially responsible in terms of the business, we just continued the pattern in our normal lives…we saw ourselves as socially responsible at home…it's what we are" (Todd).

compared

to

"There's a reason to be socially responsible which is to attract more people to be financially viable. There's enough competition in…the mountains. We want to be financially viable, so it's important to be socially responsible" (Mitchell).

This research provides support for the important role that management structure plays in influencing SMTEs' CSR engagement. This affects both the motivations for engaging in CSR, and the benefits sought. Owner-managed SMTEs are generally motivated to engage in CSR by the owner-manager's personal values and beliefs, whereas non owner-managed SMTEs tend to be motivated by business reasons.

Owner-managed businesses identified specific personal motivations for engaging in CSR: because it feels good; they feel a sense of obligation to do it; and because of their religious beliefs. Owner-managers spoke of their *"own philosophical approach"* (Michael) to CSR, which often stems from their upbringing, and they made personal comments such as *"I really just love the idea of love and kindness"* (Jane) in relation to their motivation for engaging in CSR.

Owner-managers see their business as an extension of themselves and the business has just as much meaning to them as other parts of their lives. This finding supports other authors who found that owner-managers are highly integrated in the business, and have stated that understanding SMEs is largely about understanding the owner-manager's personal values and

beliefs, rather than looking at the SME as a whole (Jenkins, 2006; Moore & Spence, 2006; Spence, 2007; Tencati, et al., 2004). Whilst it is well-documented that owner-managers' personal values and beliefs influence their business's CSR engagement, the extent that they do may, until now, have been underestimated. This is because many studies have not included non owner-managed SMEs as research participants due to the use of an SME definition which leads to the exclusion of this group. Subsequently the owner-manager's influence is often studied in isolation. Incorporating non owner-managed SMEs in this research has enabled differences between owner-managed and non owner-managed SMTEs' to be highlighted.

The findings reveal that non owner-managed SMTEs are motivated to engage in CSR by the prospect of improving the business's reputation, increasing sales and improving the work environment. In describing his motivations for engaging in CSR, Mitchell, the General Manager of a sports club never made reference to his own personal values, but rather he consistently spoke in terms of the club and the business case for CSR.

This research suggests that motivations for CSR relate very strongly to SMTEs' management structures. Owner-managed SMTEs view their CSR engagement in terms of the contributions it makes to society and the way it affects them personally, whereas non owner-managed SMTEs view their CSR as a part of their general business practices – just another aspect of 'doing business'.

It was found that businesses engage in CSR for a range of reputational, operational, personal and community benefits including: improved reputation; increased customer satisfaction; increased sales; repeat business; harder working staff; greater staff retention; feeling good about themselves; being a part of the community; to promote a cause; to save the environment; and to support the local economy.

Key differences were identified between the benefits identified by owner-managed and non owner-managed SMTEs. Owner-managed businesses, whilst recognising the business benefits, were not motivated by them to engage in CSR. Rather, owner-managed businesses realise personal benefits from their CSR engagement. Jane explained that through donating food products to community groups and schools, her business saw "*a fairly immediate jump in business of about 20 percent*" as people who were given the free product liked it and then bought it. She explains that this is "*a positive and unexpected outcome…we would've never done it to make sales. It's not about that*". This finding aligns with Jenkins' statement that:

"despite the fact that deriving business benefits was not a deciding factor for any of these companies to undertake CSR, their motivation was internal and stemmed from moral values, they were pragmatic and recognised that CSR needed to be mutually beneficial if it was to succeed in a business context" (2006, p. 253).

Very few non owner-managed businesses identified personal benefits from engaging in CSR. Instead they cited business benefits, such as improved reputation amongst customers, improved reputation amongst the community, hard-working staff, and increased sales.

The benefits gained from CSR relate strongly to the motivations for engaging in CSR. Owner-managed SMTEs engage for personal reasons and gain personal benefits from doing so, whereas non owner-managed SMTEs engage in CSR to achieve business benefits, and these are, of course, the benefits they gain from CSR engagement.

5.2.2 USE OF RESOURCES FOR CSR

"(Being socially responsible) doesn't cost time and money because that's the way you do things" (Veronica).   *compared to*   *"The cost-benefit is probably the most important thing. It is one of the most important things"* (Mitchell).

This study found that a lack of resources, such as time and money, are not necessarily considered major barriers to SMTEs engaging in CSR. This finding differs from much of the existing literature that suggests limited resources, especially time and money, are "the main barrier" to further CSR engagement by SMEs (Business in the Community, 2002, p. 6).

While some SMTEs recognised a lack of time and money as barriers to their CSR engagement, this tended to relate to newer businesses without money to spend on CSR as yet, and a prioritising of time to deal with other business operations over CSR.

Interestingly, this research found that owner-managed businesses appear *less* likely to be affected by a lack of resources than non owner-managed businesses. This strongly contradicts the literature, most of which says that owner-managed SMEs are extremely affected by a lack of time and money because the owner-manager often has to prioritise general day to day business operations (see for example: Business in the Community, 2002; Lepoutre & Heene, 2006; Roberts, et al., 2006; Spence, 1999; Thompson & Smith, 1991;

Wilson, 1980; Worthington, et al., 2006). Spence explains that a lack of time and money are a problem in SMEs because the owner-manager often has to multi-task and cannot always focus on the management of the business as they are often more "involved in the functional aspects of keeping the business running" (1999, p. 165).

In contrast to the existing literature, it was found that owner-managed businesses that engage in CSR do not find time and money to be a problem because they *"create the time"* (Michael) and find the money, even though they may be otherwise struggling with these resources. The findings support the idea that owner-managed SMTEs do not find time and money spent to engage in CSR a deterrent because being socially responsible is important to them. This relates back to the owner-manager's personal values and beliefs as a factor affecting SMTEs engagement in CSR. Being socially responsible *"doesn't cost time and money because that's the way you do things"* (Veronica). Vives, Corral and Isusi explain that "companies that integrate small business social responsibility (SBSR) in their overall strategy may not experience SBSR as an 'add-on' and therefore they do not perceive SBSR as an extra cost" (2005, cited in Lepoutre & Heene, 2006, p. 264). This is the same for owner-managers who are socially responsible by nature because, in effect, and probably unknowingly, they are integrating Social Responsibility into their overall business strategy.

While owner-managed SMTEs can find the time and money to spend on CSR because it is important to them, and fits within their overall values and belief system, the use of resources for CSR appears different for non owner-managed SMTEs. Mitchell, the manager of a non owner-managed SMTE explained that using resources for CSR is dependent on proving to the Board that there is a positive cost-benefit of any action. This justification for the use of resources was considered to be the biggest factor affecting his business's ability to engage in CSR. Worthington et al. also found this to be a problem for SMEs, as the expense of CSR is often quite high "with little, if any, tangible return for the organisation" (2006, p. 213), so justifying the expense of CSR can be difficult.

Milton's 'Principal-agent' argument (1970, cited in Spence, 2007) can be used to explain the difference between owner-managed and non owner-managed SMTEs' use of resources for CSR purposes. Spence states that because the owner-manager is both "the principal and the agent" they have the right to "spend company money as they see fit including bringing their own integrity to bear (e.g., for charitable donations)" because it is their own money. This is "unlike managing directors of large firms, (who) are…automatically answerable to shareholders to maximize profit" (Spence, 2007, p. 537).

Milton's 'Principal-agent' argument applies to SMTEs, but a further distinction can be made. Although in some cases a lack of resources was a factor affecting CSR engagement, this study does not support such a finding to the extent suggested in previous research. This study suggests that the personal values of the SMTE owner-manager can help overcome any perceived resource constraints, and it is a point of difference between owner-managed and non owner-managed businesses. Non owner-managed businesses do not appear to use their personal values for any decision-making related to the CSR practices of the business, rather they have to provide justification for spending the business's money on CSR.

5.2.3 CURRENT APPROACHES TO CSR AND SUGGESTIONS FOR INCREASING CSR ENGAGEMENT

"I don't think it needs to be external support…It's like talking to people about religion, it very much boils down to personal abilities and preferences" (Isaac).

compared

to

"Every time we make a decision I go back and make sure that it adheres to the guidelines…if it fits within the framework it should be a good policy" (Mitchell)*.*

This research provides support for the nature of SMTEs - formal or informal - as a factor affecting SMTEs' CSR engagement. This is also a factor that affects owner-managed and non owner-managed SMTEs differently, and in turn, affects how different types of SMTEs value support mechanisms for increasing CSR in the future.

Findings suggest that owner-managed SMTEs are informal in nature, especially regarding their approach to CSR. In comparison, it appears that non owner-managed SMTEs are more structured in nature, and favour formal communications and management procedures in regards to CSR. This is an important characteristic to understand as the nature of SMTEs' - informal or formal - influences their beliefs on what support structures or other mechanisms might increase CSR engagement, and hence gives insight into what could be done by policy-makers to increase CSR engagement in SMTEs.

Current Approaches to Organising CSR

This study found that the informal nature of owner-managed SMTEs translates into an informal approach to CSR. In comparison to non-owner managed SMTEs, owner-managed businesses appear less likely to have mission statements, vision/values documents and annual reports. Moreover, those owner-managed businesses that do use these types of

communication mediums do not commonly use them to report on the business's CSR. This aligns with the literature, which suggests that the "codification of social responsibility, signalled by strategy, policies, vision statements, mission statements etc." (Spence, 2007, p. 545) is not common in owner-managed SMEs.

The findings also suggest that owner-managed SMTEs tend to be unsure about their future plans for CSR engagement, more so than non owner-managed SMTEs. This further supports the influence of the informal nature of SMTEs, resulting in an informal approach to CSR in owner-managed businesses. This aligns with the literature which suggests that due to their informal nature and perceived lack of time, SMEs tend to have only "short-term business planning horizons" (Roberts, et al., 2006, p. 282), which restricts their ability to plan ahead.

It was found that similar numbers of owner-managed and non owner-managed SMTEs use guidelines to manage their CSR. Differences emerged, however, in the ways that CSR guidelines were developed by owner-managed and non owner-managed SMTEs. It was found that the CSR guidelines used in owner-managed SMTEs were not formal guidelines as such, but rather were guidelines based on "*Bible principles", "informal business values based on our personal standards"* and "*our own beliefs in fair trading"*. This is in contrast to non owner-managed SMTEs who adopt more formal guidelines for CSR, in line with their more structured nature and approach to CSR.

Suggestions for Increasing CSR Engagement

This research identified a difference in perceptions as to the value of guidelines and tools for increasing a business's CSR engagement. Different perspectives are held by owner-managed and non owner-managed SMTEs, directly influenced by their different nature – informal vs. formal.

The informal nature of owner-managed SMTEs, combined with the important role played by the owner-manager's personal values and beliefs, helps explain why owner-managed SMTEs see little, if any, value in tools and guidelines to increase CSR engagement. This also relates to the owner-manager's personal motivations for engaging in CSR: *"It's just all so individual. I don't think you can teach people how to be socially responsible, because they're just not"* (Bruce)*.* This finding strongly contradicts the literature, which encourages the provision of targeted and relevant advice, support, guidelines, and tools by third parties for SMEs to increase their CSR engagement (see for example Business in the Community, 2002; Perrini,

2006; Roberts, et al., 2006). It is suggested that "engaging SMEs requires step-by-step guidelines and tools" and that "third parties need to work together to further engage SMEs in socially responsible business" (Business in the Community, 2002, p. 6). This would clearly not work in owner-managed SMEs in the tourism industry, as they are motivated to engage in CSR by their own personal values and beliefs, and do not see value in external guidelines and tools for increasing CSR engagement.

Findings from this research also strongly oppose the concept of forced CSR regulations. In an effort to increase CSR in Europe, the UK government and the European Union wanted to implement "CSR legislation" (Castka, et al., 2004, p. 144) which would require: mandatory reporting of social, environmental and economic impacts; consultation with stakeholders prior to launching major projects; and directors would have a duty to consider their business's impacts on society and the environment. First, the term "CSR legislation" is an oxymoron in itself, as one of the key dimensions of CSR is that it is voluntary (Dahlsrud, 2008). Second, whilst these forced regulations may be realistic for larger businesses to implement, SMEs may find this more difficult. Third, this research found that owner-managers of SMTEs are sceptical about the usefulness of input from the local council and other third parties. To demonstrate, when asked if the BMCC or any other associations could do anything to aid SMTEs to engage in CSR, Todd explains that *"a lot of us are in small businesses because we want to be our own bosses…a lot of us don't want to be part of organisations that do those sorts of things"*. This supports several authors who have argued that SMEs tend to avoid external input from the government and other external controls (Business in the Community, 2002; Jenkins, 2006; Spence, 1999). This independence from external powers results because "imposed, externally dictated standards and procedures sometimes run contrary to the needs of the small firm, where informal methods of control are preferred" (North, Blackburn & Curran, 1998 cited in Spence, 1999, p. 166). It is because of the informal nature of owner-managed SMTEs that forced guidelines would likely not work to increase CSR engagement.

This research provides support for the role of raising awareness as a key factor in increasing CSR engagement in SMTEs. Owner-managed SMTEs in particular see increasing industry awareness of CSR as one way to encourage other SMTEs to engage in CSR. *"If people are aware of (your CSR practices), it makes them think about it…maybe it points out you can do these things"* (Todd)*.

There are, however, a number of issues with raising awareness of CSR. First, the findings suggest that SMTEs feel uncomfortable about advertising their CSR practices, so other

methods would need to be investigated for raising awareness. Second, consideration must be given to how the message will be received by those businesses that are currently not engaging in CSR. If they are not engaging in CSR simply because they are not interested, or do not see the value, then raising awareness on its own may not necessarily lead to increased CSR engagement.

In contrast to owner-managed SMTEs, non owner-managed SMTEs appear to value guidelines and tools as useful mechanisms for increasing a business's CSR engagement. Non owner-managed SMTEs also support the advertising of CSR benefits as a way to increase the engagement of other SMTEs in CSR. SMTEs that do not practise CSR as a result of their personal values, particularly non owner-managed SMTEs, may be encouraged to engage in CSR if they see evidence of the business benefits. This would also help them to prove that a positive cost-benefit exists for CSR practices. Owner-managed SMTEs also see this as a way of encouraging people who are not motivated by personal benefits to engage in CSR. This finding is supported by literature that argues that for CSR engagement to be increased in SMEs, case studies which highlight the benefits of CSR must be available (Business in the Community, 2002; Jenkins, 2006; Perrini, 2006; Roberts, et al., 2006). This is consistent with Jenkins who states that "the best way to encourage other SMEs to undertake CSR was to educate them about the business benefits, tangible and intangible" (2006, p. 253).

Due to the informal nature of owner-managed SMTEs, this research finds that guidelines and tools for CSR engagement, especially forced CSR regulations, would not be effective in increasing CSR engagement. Non owner-managed SMTEs are more formal in nature, and may be encouraged to engage in CSR via increased awareness about the benefits of CSR. The issue, however, is *how* to increase awareness about the benefits of CSR, especially to non-engaged SMTEs. Tencati et al. suggest that "public authorities have to develop and spread knowledge about CSR in the business community through promotion and communication" (2004, p. 183). Jenkins suggests a less formal approach, using "small business champions for CSR" (2006, p. 241) who tell others in their informal networks about the benefits of CSR. Despite these suggestions, the challenge of increasing awareness about CSR and the benefits it can bring remains, especially in an industry where businesses do not want to advertise their practices and do not want any input from third parties.

5.3 A MODEL OF SMTE ENGAGEMENT IN CSR

This study found that SMTEs engage in CSR on different levels. For example some respondents explained that they respond to requests to donate money or support staff, others demonstrate a more organised and continual approach to CSR and some SMTEs actively seek out opportunities to be socially responsible. These reflect distinct types of CSR engagement, which have been categorised as: reactive; active; and proactive.
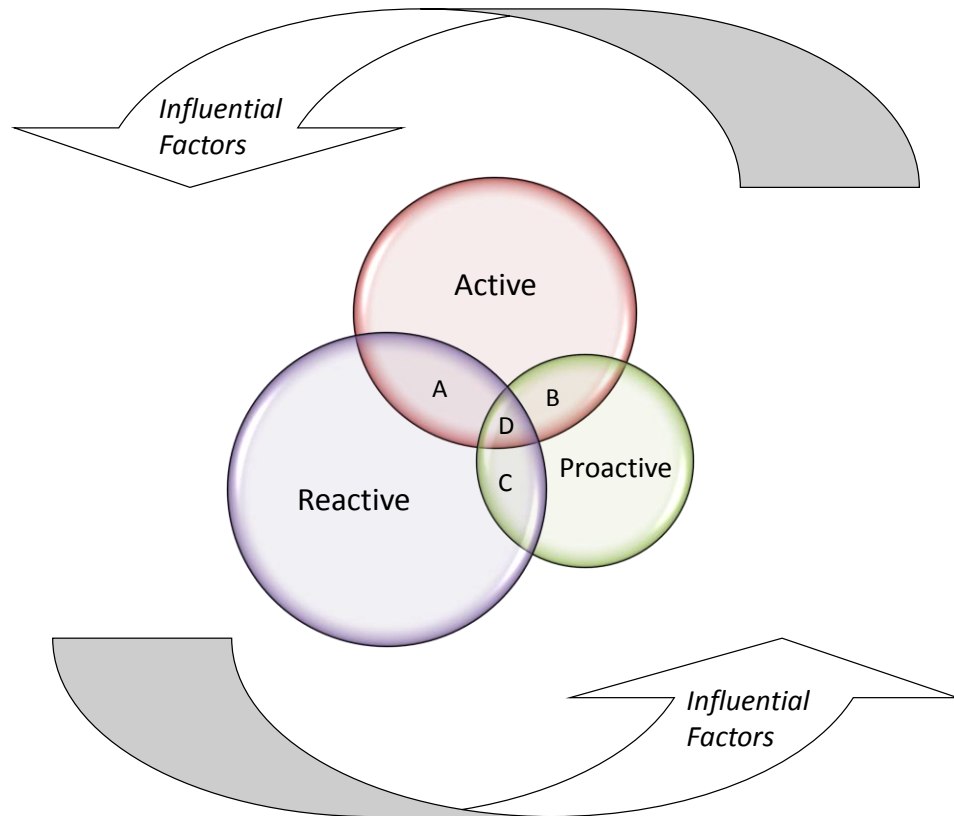
Reactive forms of CSR engagement are when the owner or manager responds to requests for donations or support from stakeholders. For example, donating money when a charity or community group calls the business, or allowing an employee to leave work early to pick up a sick child from school. Reactive CSR appears to be the most common form of CSR engagement, and this is related to the fact that most SMTEs are owner-managed, and owner-managed SMTEs are informal in nature, so they tend not to plan into the future. The characteristics of reactive forms of CSR engagement by SMTEs are that they are responsive, ad hoc and can be occasional or frequent.

Proactive forms of CSR engagement are when the owner or manager seeks out opportunities to engage in CSR, for example: Jane purposefully cooking more food than her business is likely to sell so she can donate leftover food to charities and community groups; Rebecca forming a local bushfire watch group to help educate the local community on what to do in the event of a bushfire; Michael organising a staff awards night; and Veronica and Fran nominating their employees for awards. Proactive forms of CSR engagement are characterised by owners and managers that deliberately seek out opportunities to support various stakeholders. The owner or manager may not constantly seek out opportunities for CSR, but may do this only occasionally or on a one-off basis. Proactive forms of CSR engagement are the most active and take the most effort and initiative, and they are also the least common form of CSR engagement in SMTEs.

Active forms of CSR engagement are organised and continual. SMTEs may participate in active forms of CSR as a result of being initially requested to participate (reactive), or they may have sought out the opportunity themselves (proactive), but overtime they have become constant. Active CSR might include making monthly donations to charities or organising annual fundraisers. Active forms of CSR engagement are characterised as regular and ongoing, and they may have started as either reactive or proactive.

This study identified three distinct types of CSR engagement, which have been categorised as: reactive; active; and proactive. The Fluid Model of SMTE Engagement (see Figure 4 below) has been developed as an aid to understanding the CSR engagement of SMTEs.

Figure 4. Fluid Model of SMTE Engagement in CSR

The three circles in the model represent the forms of CSR engagement by SMTEs: reactive; active; and proactive. The size of each circle indicates the prevalence of each type of CSR practice in SMTEs. This research identified reactive forms of CSR engagement as the most common in SMTEs, followed by active, and then proactive forms of CSR. This supports the findings of Worthington et al. who found that "although some businesses had built up regular patterns of support for various charities, local causes and organisations", SMEs tend to be "informal and reactive" (Worthington, et al., 2006, p. 213) in their approach to CSR.

As identified in the model, SMTEs may fit into one of the circles, or one of the overlapping sections. This suggests that SMTEs may practise one of more of these types of CSR engagement simultaneously. Section A represents SMTEs that engage in reactive and active CSR, section B represents SMTEs that engage in active and proactive CSR and section C represents businesses that engage in proactive and reactive CSR. Some businesses may practise all three types, thereby falling into the centre of the model, section D.

SMTEs can also move around the model as their CSR engagement changes. This will depend on their circumstances at any given time, which are illustrated by the arrows at the top and bottom of the model - the 'Influential Factors' that affect CSR engagement. These influence an SMTE's motivations and ability to engage in different types of CSR, and they are constantly changing. For example, an SMTE that engages in reactive donations to charities and also organises an annual fundraiser as an active form of CSR, may suddenly become affected by a lack of resources. This lack of resources represents an influential factor that may affect the SMTE's CSR engagement. The SMTE may continue with their reactive forms of CSR, but due to a lack of resources, may no longer be able to commit to their active CSR in the form of an annual fundraiser. In this instance, the SMTE would move from section A in the model (reflecting a mix of both reactive and active CSR practices) into the 'reactive' circle.

5.4 CONTRIBUTIONS OF THE STUDY

This research set out to understand the CSR engagement of SMTEs. A number of significant contributions have been made.

This research provides support for the important role that owner-management has on the CSR engagement of SMTEs. This is a factor that affects all aspects of an SMTE's CSR engagement from the initial drivers related to motivations and benefits sought, to the use of resources for CSR, and the overall formality and organisation of the CSR approach.

This study has contributed to an understanding of the varying motivations for, and benefits realised from CSR engagement based on SMTE management structure. It was found that SMTE owner-managers are motivated to engage in CSR by their personal motivations, and their engagement leads mostly to personal benefits. In contrast, non owner-managed SMTEs engage in CSR to realise potential business benefits.

An important contribution of this study is a greater understanding of how resource constraints affect CSR engagement. It was found that owner-managed SMTEs are not as constrained as non owner-managed SMTEs by a lack of resources in regards to engaging in CSR. The personal values of owner-managers guide their decision-making about the use of resources for CSR, whereas non owner-managed SMTEs are faced with justifying their use of resources for CSR through providing evidence of business benefits.

This research supports the nature of SMTEs as another factor affecting CSR engagement, in particular in relation to the organisation and facilitation of CSR. Findings suggest a difference in perceptions as to the value of guidelines and tools for increasing a business's CSR engagement. The informal nature of owner-managed SMTEs results in the belief that guidelines and tools for engaging in CSR will not help to increase CSR engagement, rather they believe that increased awareness about CSR is the best way to increase engagement. The more formal nature of non owner-managed SMTEs explains their positive view of guidelines and advice, especially evidence of the benefits of CSR, as key to increasing CSR engagement.

A significant contribution of this research is the development of a model to aid in understanding the CSR engagement of SMTEs. This model depicts three types of CSR engagement: reactive; active; and proactive, and there are several factors that influence these. SMTEs can move in and out of different sections of the model depending on their circumstances at any given point in time.

5.5 SUGGESTIONS FOR FURTHER RESEARCH

Based on the findings of this study, several suggestions can be made for further research on CSR in SMTEs. These suggestions do not only relate to CSR in SMTEs, but they may be expanded to apply to CSR in SMEs in other industries also.

First, whilst several authors recommend qualitative research on the topic of CSR in SMEs, this study has shown that a mixed methods approach results in rich findings, where qualitative methods have the ability to enlighten and expand on quantitative findings. It is thus recommended that future research on CSR in SMTEs adopt a mixed methods approach, blending both qualitative and quantitative methods to enhance understanding.

This research concludes that there are a number of factors that influence the CSR engagement of SMTEs, with owner-management clearly the most significant. Differences in the CSR engagement of owner-managed and non owner-managed SMTEs were identified in this study, however due to the sample size, it is not possible to treat these findings as reflective of the larger population. Therefore, further research should seek to involve greater numbers of both owner-managed and non owner-managed businesses, in order to further test the differences identified in this study.

Similarly, this research identified differences in CSR engagement based on the size of the SMTE, with suggestions made for how medium-sized SMTEs appear to engage in CSR differently to smaller SMTEs. Future research with greater sample sizes is required to further test these relationships between business size and CSR engagement.

One of the objectives of this research was to identify the implications for increasing CSR engagement in SMTEs. This objective was not able to be answered conclusively because of a 'Catch-22' situation where SMTEs want to increase awareness about CSR and the benefits it can bring, but are not willing to advertise their CSR practices and do not want input from third parties. This situation leads to three suggested areas for further research. First, studies should include SMTEs that do not engage in CSR, to further investigate why they do not engage in CSR, and what might encourage them to increase their engagement. Second, more research needs to be conducted on why SMTEs are reluctant to promote their CSR engagement. Importantly, research should focus on how this issue could be overcome, given the important role that industry awareness is suggested to play in increasing CSR engagement. Third, further empirical research should be conducted to deliver evidence of the benefits of engaging in CSR. Research on these three topic areas would greatly improve the prospect of increasing the CSR engagement of SMTEs.

The 'Fluid Model of SMTE Engagement in CSR' should be tested for its usefulness in different industries and geographic sectors. This could examine whether SMTEs in other geographic regions display similar levels of reactive, active and proactive CSR, and whether the influential factors affecting CSR engagement are the same. Also, the model may be used in other industries, where the labels on each circle, the sizes of each circle and the strength of the factors that affect CSR engagement may be different. SMEs in other industries may prove to move around the model more or less than those in the tourism industry, as the factors that affect their CSR engagement may be more or less static.

Finally, it is suggested that future research on CSR in SMEs should be located in specific geographic regions, and should be sector specific. This suggestion is made as several findings of this study were specific to the tourism industry and the GBMA.

5.6 CONCLUSION

In summary, a number of conclusions can be drawn from this study on the CSR engagement of SMTEs.

This research has concluded that whether an SMTE is owner-managed or not has the largest influence on its CSR engagement including: the motivations and benefits sought; the use of resources for CSR; types of CSR practices; and the overall formality and organisation of the CSR approach. Overall, it appears that owner-managed SMTEs are inclined to engage in CSR by their very nature, whereas non owner-managed SMTEs have to make a conscious effort to engage in CSR.

This study found that the nature of SMTEs is an important factor affecting CSR engagement, in particular in relation to the organisation and facilitation of CSR. Findings suggest a difference in perceptions as to the value of guidelines and tools for increasing a business's CSR engagement. The informal nature of owner-managed SMTEs results in the belief that guidelines and tools for engaging in CSR will not help to increase CSR engagement, rather they believe that increased awareness about CSR is the best way to increase engagement. The more formal nature of non owner-managed SMTEs explains their positive view of tools and guidelines, and promotion of the benefits of CSR, as key to increasing CSR engagement. This finding has important implications for the tourism industry in terms of how to encourage CSR engagement in SMTEs.

This research has also concluded that the 'Fluid Model of SMTE Engagement in CSR' is a significant contribution to understanding the CSR engagement of SMTEs. This model depicts three types of CSR engagement by SMTEs: reactive; active; and proactive, and the factors that potentially affect this engagement in CSR.

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APPENDICES

APPENDIX 1. WORTHINGTON RAM AND JONES' (2006) QUESTIONNAIRE

Survey of Corporate Social Responsibility

A: General Information

1. Name and address of respondent organisation

   _____

   _____

   _____

   _____

   Tel. No: _____   Web Address: _____

2. Position of respondent

   _____

3. Age of organisation   _____

4. Location of organisation   _____

5. Number of employees (FTEs)   _____

6. Legal status of organisation

   ☐   ☐   ☐   ☐   ☐

   Company   Company   Industrial &   Registered   Other
   limited by   limited by   Provident   charity
   shares   guarantee   Society

   If other, please specify   _____

7. Type of organisation (by primary purpose)

   ☐   ☐   ☐   ☐   ☐

   Private Sector   Social   Charitable   Trade   Other
   Trading   Enterprise   Trust   Association
   Organisation

   If other, please specify   _____

8.   Is your organization a family owned business?

☐ Yes   ☐ No

B: Organisational Attitudes, Beliefs and Assumptions

1.   What are the key priorities of your organisation? Please list in order of importance to the organisation.

i.   _____

ii.   _____

iii.   _____

iv.   _____

v.   _____

2.   How important are social, ethical and environmental issues for your organisation?

☐   ☐   ☐   ☐   ☐

Very   Important   Neither   Unimportant   Don't know
important   important nor   or no answer
                               unimportant

3.   To what extent would you describe your organisation as being socially, ethically and environmentally responsible?

☐   ☐   ☐   ☐   ☐   ☐

A great   A fair   A little   Not very   Not at   Don't know
deal   amount   all   or no answer

4.   For your organisation what are the key social, ethical and environmental issues which influence its behaviour?   List in order of importance.

i.   _____

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ii. _____

iii. _____

iv. _____

v. _____

5. Which of the following statements most closely reflects the view of your organisation?

☐	☐	☐	☐
Profit is more important than social, ethical and environmental responsibility	Profit is equally important to social ethical and environmental responsibility	Profit is less important than social ethical and environmental responsibility	Don't know or no answer

6. With regard to socially, ethically and environmentally responsible behaviour, which of the following statements most closely reflects the view of your organisation?

☐	☐	☐	☐
The costs of social responsibility outweigh the benefits	The benefits of social responsibility outweigh the costs	The costs and benefits are probably equal over time	Don't know or no answer

7. Which of the following statements most closely reflects the view of your organisation with regard to corporate social responsibility?

☐	☐	☐	☐
Corporate social responsibility can create value for the organisation	Corporate social responsibility is of marginal benefit to the organisation	Corporate social responsibility is of no real benefit to the organisation	Corporate social responsibility is a drain on organisational resources

8. To what extent do you agree or disagree with the following statements?

	Strongly agree	Tend to agree	Neither agree nor disagree	Tend to disagree	Strongly disagree	Don't Know
i. Organisations should pay significant attention to their social, ethical and environmental responsibilities	☐	☐	☐	☐	☐	☐
ii. My organisation pursues responsible business practices	☐	☐	☐	☐	☐	☐
iii. Being socially, ethically and environmentally responsible is linked to organisational success	☐	☐	☐	☐	☐	☐
iv. Employee performance improves in organisations which are socially, ethically and environmentally responsible	☐	☐	☐	☐	☐	☐
v. Social, ethical and environmental responsibility is more important than pursuing economic goals (eg profit/growth)	☐	☐	☐	☐	☐	☐
vi. Organisations should integrate social, ethical and environmental responsibility into their core organisational strategies	☐	☐	☐	☐	☐	☐
vii. Organisations should become involved with community causes	☐	☐	☐	☐	☐	☐

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	Strongly agree	Tend to agree	Neither agree nor disagree	Tend to disagree	Strongly disagree	Don't Know
viii. Public attitudes to an organisation are influenced by its social, ethical and environmental behaviour	☐	☐	☐	☐	☐	☐
ix. An organisation's customers (or clients) are influenced by its social, ethical and environmental behaviour	☐	☐	☐	☐	☐	☐
x. Social responsibility will become increasingly important to my organisation over the next 5 years	☐	☐	☐	☐	☐	☐

C: Organisation Actions and Practices

1. Does your organisation make reference to social, ethical and/or environmental objectives in any of the following?

	Yes	No	Don't Know	Not Applicable
i. Mission Statement	☐	☐	☐	☐
ii. Vision and values document	☐	☐	☐	☐
iii. Business Plan	☐	☐	☐	☐
iv. Annual Report	☐	☐	☐	☐
v. Policy documents	☐	☐	☐	☐

2. How would you describe your organisation's involvement with social, ethical and
    environmental issues?

☐	☐	☐	☐	☐	☐
Very involved	Fairly involved	Involved to a small degree	Hardly ever involved	Not involved at all	Don't know

3. Can you give examples of how your organisation behaves in a socially,
    ethically and/or environmentally responsible way? (List up to 10)

    i.   _____   vi.   _____

    ii. _____   vii. _____

    iii. _____   viii. _____

    iv. _____   ix.   _____

    v.   _____   x.   _____

4. Is your organisation involved in any of the following activities?

	Yes	No	Don't Know
i. Donations to community courses	☐	☐	☐
ii. Donations to charities	☐	☐	☐
iii. Sponsorship of community events (eg sport)	☐	☐	☐
iv. Supporting the Arts	☐	☐	☐
v. Work with local schools, colleges, universities	☐	☐	☐
vi. Supporting employee involvement in community courses	☐	☐	☐
vii. Supporting employer involvement in community courses	☐	☐	☐
viii. Lobbying for a particular course	☐	☐	☐

	Yes	No	Don't Know
ix. Cause-related marketing (eg products, linked to charitable courses)	☐	☐	☐
x. Encouraging skill development among employees	☐	☐	☐
xi. Investing in deprived areas	☐	☐	☐
xii. Engaging people traditionally excluded from the labour market (eg disabled, homeless)	☐	☐	☐
xiii. Taking responsibility for the health and well-being of staff	☐	☐	☐
xiv. Schemes to reduce environmental impact (eg recyling)	☐	☐	☐
xv. Monitoring environmental impact	☐	☐	☐
xvi. Ethical purchasing	☐	☐	☐
xvii. Ethical investement	☐	☐	☐
xviii. Benchmarking social, ethical or environmental performance against other organisations	☐	☐	☐
xix Sharing best practice on social, ethical or environmental responsibility with other organisations	☐	☐	☐
xx. Supplier diversity initiatives	☐	☐	☐

5. Is social, ethical and environmental responsibility an issue when it comes to choosing suppliers?

Yes ☐　　No ☐　　Don't Know ☐

6. Do you collaborate with other organisations on social, ethical and/or environmental issues?

Yes ☐　　No ☐　　Don't Know ☐

7. To what extent do you consult external bodies (or stakeholders) concerning social, ethical and environmental issues?

☐	☐	☐	☐	☐
A great deal	To some extent	Very little	Not at all	Don't know

8. To what extent are social, ethical and environmental concerns integrated into your organisation's daily activities?

☐	☐	☐	☐	☐	☐
A great deal	A fair amount	A little	Not very integrated	Not at all integrated	Don't know

9. Does the Board of your organisation discuss issues of corporate social responsibility?

Yes ☐   No ☐   Don't know ☐

10. Do you have a committee (or other body) dealing specifically with issues of corporate social responsibility?

Yes ☐   No ☐   Don't know ☐

11. Is there a designated individual within your organisation with overall responsibility for social, ethical and/or environmental issues?

Yes ☐   No ☐   Don't know ☐

12. Has your organisation adopted any guidelines concerning policies and/or practices on corporate social responsibility?

Yes ☐   No ☐   Don't know ☐

13. Has your organisation set specific goals (or targets) for social, ethical or environmental performances?

Yes ☐   No ☐   Don't know ☐

14. Do you make use of any indicators by which you can measure the social, ethical and/or environmental performance of your organisation? If yes, please give examples.

Yes ☐   No ☐   Don't know ☐

Examples: _____

_____

_____

15. How regularly, if at all, do you measure the social, ethical and environmental performance of your organisation?

☐   ☐   ☐   ☐   ☐   ☐

Very   Fairly   From time   Very   Not at   Don't
regularly   regularly   to time   irregularly   all   know

16. Does the issue of corporate social responsibility figure in management training programmes?

Yes ☐   No ☐   Don't know ☐

17. Do you produce any reports on the social, ethical and/or environmental performance of your organisation?

Yes ☐   No ☐ (go to Q20)   Don't know ☐ (go to Q20)

18. If you answered yes to Q17, how regularly are these reports produced and in what format?

i. Regularity: _____

ii. Format: _____

19. Is the information provided by your organisation on its social, ethical and/or environmental performance?

For internal use ☐   For external use ☐   For both ☐

20. With regard to your future participation in social, ethical and environmental issues, do you expect it to?

Increase ☐   Stay as it is ☐   Decrease ☐   Don't know ☐

Thank you very much indeed for your cooperation with this survey. None of the answers you have given can be traced back to your organisation.

Would you like to receive a copy of the survey results?

Yes ☐   No ☐

If necessary, would you be prepared to participate in a short face to face interview?

Yes ☐   No ☐

APPENDIX 2. ONLINE QUESTIONNAIRE

Thank you for agreeing to participate in this research.

This survey will ask questions about your business's characteristics, attitudes to social responsibility, and social responsibility practices. It will take between 5 and 15 minutes to complete depending on your responses and social responsibility practices.

Please provide your details at the end of the survey if you wish to go in the draw to win the $150 dining voucher for Jamison Views Restaurant, Katoomba. Your responses will remain anonymous and your participation is entirely voluntary.

Please contact me or my supervisor if you have any enquiries about this research:

Christina Barton
Christina.E.Barton@student.uts.edu.au
0425 368 028

Dr Katie Schlenker (Supervisor)
Katie.Schlenker@uts.edu.au
(02) 9514 5303

Survey Completion
0% [   ] 100%

NEXT

What type of business is this? For example, a guest house with restaurant, souvenir shop, online accommodation booking service etc.

In which Blue Mountains town is this business located?

What is your position in this business?

Please indicate the number of full time and part time/casual staff members who are employed in this business.

(If your business has offices in other locations please only include those employees who work in the Blue Mountains region).

Full Time

Part Time/Casual

Survey Completion

0%   100%
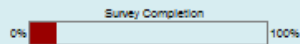
PREVIOUS   NEXT

Is this business owner-managed?

○ Yes

○ No

○ Unsure

Is this business family-owned? (Owned and managed by one or more members of the same family).

○ Yes

○ No

○ Unsure

Who is/are the main decision-maker(s) in this business? Eg. Owner, general manager, reservations manager.

[   ]

What are the key priorities of this business? Please list in order of importance to the business.

1   [   ]
2   [   ]
3   [   ]

Is this business a member of any association concerned with social, environmental or economic responsibility? For example, the Blue Mountains Business Advantage Program or Green Globe 21.

○ Yes - Please list the association's name(s)
    [   ]

○ No but we are considering it

○ No

○ Unsure

Survey Completion
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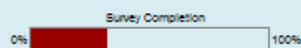
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Social responsibility is a concept whereby companies integrate social, economic, and environmental concerns in their business operations and in interactions with their stakeholders on a voluntary basis.

Whilst much attention has been paid to environmental practices, here the focus is solely on social practices, those which provide benefits to employees and communities, and take customers and suppliers into consideration during business operations.

Some examples of social responsibility include: providing recreation and exercise opportunities for staff on long shifts or sponsoring a local club or charity.

Below are a series of statements that seek to understand your attitudes to social responsibility.

To what extent do you agree with each statement?

(1 represents that you "strongly disagree", 5 represents that you "strongly agree", and 6 represents that you are "unsure").

	1 - Strongly disagree	2	3	4	5 - Strongly agree	6 - Unsure
Businesses should integrate social responsibility into their core organisational operations	○	○	○	○	○	○
Engaging in social responsibility can lead to business success	○	○	○	○	○	○
Employees prefer to work for businesses that practice social responsibility	○	○	○	○	○	○
Employee motivation and commitment is improved in businesses that engage in social responsibility	○	○	○	○	○	○
Customers prefer to buy from businesses that practice social responsibility	○	○	○	○	○	○
Suppliers prefer to sell to businesses that practice social responsibility	○	○	○	○	○	○
Communities value businesses that practice social responsibility	○	○	○	○	○	○

Please indicate which of the following statements most closely reflects your view:

○ Social responsibility is more important than profit

○ Social responsibility is equally important to profit

○ Social responsibility is less important than profit

Do you believe that engaging in social responsibility can result in benefits for businesses?

○ Yes

○ No

○ Unsure

Survey Completion

0% 100%
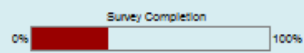
PREVIOUS   NEXT

Please select which of the following statements most closely reflects your view of the costs and benefits of social responsibility:

- ○ The costs of practicing social responsibility outweigh the benefits

- ○ The benefits of practicing social responsibility outweigh the costs

- ○ The costs and benefits of practicing social responsibility are reasonably balanced

- ○ Unsure

To what extent does this business practice social responsibility? (1 represents that this business practices 'no social responsibility action' and 5 represents that it practices 'extensive social responsibility action').
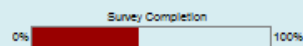
1 - No action	2	3	4	5 - Extensive action
○	○	○	○	○

Survey Completion

0%   100%

PREVIOUS   NEXT

Can you please provide some specific examples of this business's social responsibility practices?

Are there any other reasons that motivate this business to practice social responsibility?

What are the benefits to this business of practicing social responsibility?

Are there any other reasons that motivate this business to practice social responsibility?

Does this business make reference to its social responsibility values and/or practices in any of the following?

	Yes	No	Unsure	Not applicable/ don't have one
Mission Statement	○	○	○	○
Vision and/or values document	○	○	○	○
Annual report	○	○	○	○
Website	○	○	○	○
Brochure/pamphlet	○	○	○	○
Other document (please list type): _____	○	○	○	○

Does this business follow any guidelines concerning social responsibility policies and/or practices ?

○ Yes

○ No

○ Unsure

Survey Completion
0% 100%
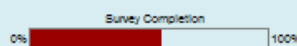
PREVIOUS   NEXT

How were these guidelines developed?

○ They are generic, publicly available guidelines, which this business adopted

○ They are generic, publicly available guidelines that were modified to suit this business

○ They were developed specifically for this business

○ They were developed in another way (please provide details):

[   ]

○ I am unsure of how they were developed

To what extent are employees in this business encouraged to be involved in social responsibility practices?

(1 represents that employees are "not at all encouraged" to participate, 5 represents that employees are "continually encouraged" to participate and 6 represents that you are "unsure").

1 - Not at all encouraged	2	3	4	5 - Continually encouraged	6 - Unsure
○	○	○	○	○	○

Please rank how important the following characteristics are when choosing suppliers and other companies that you do business with.

To do this, simply click on each characteristic you wish to move and use the arrows at the sides to move them up or down. Put the most important characteristic at the top and the least important at the bottom.

If this question does not apply to you as you have no suppliers or business relationships with other companies, please skip to the next question.

Price
Convenience
Availability
Pre-existing business relationship
The business's social responsibility practices
The business's environmentally responsible practices

Survey Completion
0% [████████   ] 100%

PREVIOUS | NEXT
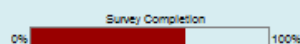
This business's level of engagement in social responsibility is expected to:

- ○ Remain constant over time
- ○ Increase over time
- ○ Decrease over time
- ○ Unsure

To what extent is this business's level of engagement in social responsibility affected by a lack of the following resources? (1 being 'not at all affected', 5 being 'highly affected' and 6 being 'unsure').

	1 - Not at all affected	2	3	4	5 - Highly affected	6 - Unsure
Lack of money	○	○	○	○	○	○
Lack of time	○	○	○	○	○	○
Lack of skills/knowledge	○	○	○	○	○	○

Survey Completion
0% �▬▬ 100%

PREVIOUS   NEXT

UTS: BUSINESS

UNIVERSITY OF
TECHNOLOGY SYDNEY
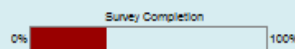
To what extent do other supply chain members affect your business's engagement in social responsibility?

○ We sometimes find it difficult to practice social responsibility because other supply chain members do not

○ We feel obliged to practice social responsibility because other supply chain members expect us to

○ Our engagement in social responsibility is not affected by other supply chain members

○ Unsure

○ Not applicable

Please feel free to make any further comments about your business's level of engagement in social responsibility.

Survey Completion
0% [████████   ] 100%
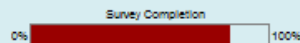
PREVIOUS   NEXT

In order to go into the draw to win the $150 dining voucher for Jamison Views Restaurant, Katoomba please provide the following details.

Your name:

Business contact phone number:

Business contact email address:

As part of this research I will be conducting focus groups in the Blue Mountains and your participation would be greatly appreciated. I am interested in talking not only to business owners/managers who do practice social responsibility, but also those that do not currently practice social responsibility.

If you would like to participate please provide your business's name and preferred contact details (unless specified in previous question) below and you may be contacted in August with an invitation to participate.

If you are not interested, please skip to the final page.

Business name and preferred contact details:

Survey Completion

0% | 100%

PREVIOUS   NEXT

UTS: BUSINESS

UNIVERSITY OF TECHNOLOGY SYDNEY
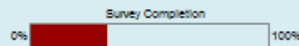
Thank you very much for taking part in this survey.

You may now close this window.

Survey Completion

0%　100%
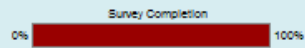
APPENDIX 3. TOURISM WEBSITES USED TO IDENTIFY SMTEs IN THE GBMA

- http://www.bluemts.com.au
- http://www.bmaa.org.au
- http://www.explorethebluemountains.com
- http://www.bluemountainsadvantage.com.au/brandpartners.asp
- http://www.visitbluemountains.com.au
- http://www.bluemountainsbest.com
- http://www.infobluemountains.net.au
- http://www.leuravillage.com.au
- http://www.leurabluemountainsguide.com
- http://www.visitnsw.com
- http://www.oberonaustralia.com.au
- http://www.lithgow-tourism.com
- http://www.jasons.com

APPENDIX 4. BMTL ONLINE SURVEY NEWSLETTER ITEM

RESEARCH ASSISTANCE REQUIRED FROM SMALL & MEDIUM BUSINESSES

Research Assistance Required from Small & Medium Business in the Blue Mountains Region

Social responsibility is about the way businesses interact with their stakeholders: employees; customers; suppliers; and the community. Christina Barton, an Honours student from the University of Technology, Sydney, is conducting research on small and medium tourism businesses in the Blue Mountains region and their attitudes to social responsibility and the socially responsible practices they engage in.

If you are a small or medium tourism business owner, manager or other employee and would be willing to complete a short survey on social responsibility, please email Christina.E.Barton@student.uts.edu.au expressing your interest in participating.

The full newsletter can be found here:
http://www.visitbluemountains.com.au/newsletters/hot-news-250-100625.html

APPENDIX 5. INVITATION EMAIL TO PARTICIPATE IN ONLINE SURVEY

Email Subject: A Study of Social Responsibility in Tourism Businesses in the Blue Mountains - Invitation to Participate

UNIVERSITY OF TECHNOLOGY SYDNEY

Dear business owner/manager,

I am an Honours student in Tourism Management at the University of Technology, Sydney. I am conducting research into social responsibility in small and medium tourism businesses, and would like you to take part in my research by completing a short online survey.

***By participating in this research you will go in the draw to win a dining voucher for Jamison Views Restaurant, at the Mountain Heritage Hotel & Spa Retreat, Katoomba, valued at a total of $150 (details below).

Social responsibility refers to the ways in which businesses interact with their stakeholders including employees, suppliers, customers and the community. I am interested in the attitudes of both businesses that do and do not engage in social responsibility, in order to understand the extent to which tourism businesses in the Blue Mountains engage in social responsibility, and the types of socially responsible practices they employ.

I would greatly value your participation in this research, and hope you might find the time to complete the online questionnaire. This should take between 5-15 minutes depending on your responses. You can take part by clicking the following link or copy and paste it into your web browser:

http://utsbusiness.qualtrics.com/SE?SID=SV_bqm96VMJvawSD3u

The tourism industry includes not only those businesses that cater specifically for domestic and/or international tourists, but also cafes, restaurants, shops and other businesses, which cater to locals as well as tourists. Responses from all business types and sizes are highly valued. Please disregard this email if you believe it has been sent to you in error as you do not operate a tourism business in the Blue Mountains.

Should you have any questions, or require clarification of any aspect regarding your involvement in the study, please do not hesitate to contact me by telephone on 0425 368 028 or email to Christina.E.Barton@student.uts.edu.au. Alternatively, you may contact my supervisor Dr Katie Schlenker, Lecturer, School of Leisure, Sport and Tourism, UTS on 02 9514 5303 or via email to Katie.Schlenker@uts.edu.au.

Thank you for your time,

Kind Regards,

Christina Barton

Please note: Participation is entirely voluntary and your anonymity is ensured by any personal details collected being removed from all raw data and not appearing in any written report. Completion of the questionnaire will be regarded as consent to use the information for research purposes. Your contact email was found either in your brochure, a Blue Mountains tourism related magazine, or provided publicly on the internet.

*** You must provide your contact details to go into the draw to win the dining voucher for Jamison Views Restaurant, Katoomba. The winner will be drawn randomly on 20 August 2010 at the University of Technology, Sydney, Kuring-Gai Campus, Eton Road, Lindfield, room KG01.06.70. The winner will be notified by 27 August 2010 via phone or email. The dining voucher must be used by 07/07/2011 and a reservation must be made by the winner. The voucher is subject to availability and cannot be used on any long weekend or during Mountain Heritage's Yulefest period. Total prize value is $150. Not redeemable for cash. The voucher is subject to the terms and conditions set out by Jamison Views Restaurant.

APPENDIX 6. QUESTION SCHEDULE FOR FOCUS GROUPS AND INTERVIEWS

Introduction

<u>WELCOME</u>

- Welcome everyone. Thank you for your time.
- Introduce myself (and Deb/Katie)
- Make sure everyone has signed consent forms and made a name card.
- I'm recording but all participants will remain completely anonymous

<u>OVERVIEW OF THE TOPIC</u>

- So the research I'm doing is about the drivers and barriers that small and medium tourism businesses face in practising social responsibility. The online survey that you and others completed has helped me to understand the characteristics of small and medium tourism businesses, and to learn about social responsibility practices that businesses are engaged in.
- From this focus group I want to know more about how and why some of these characteristics act as barriers and some act as drivers of social responsibility. I also want to know what you think may encourage tourism businesses in the Blue Mountains to engage more in social responsibility
- The reason it is so important is because in the past the focus has been on large corporations and their impacts on society, but there is a much higher proportion of small and medium businesses so their accumulative impact on society is important. Also, there appears to be a large focus on environmental responsibility, but I want to know more specifically about social responsibility.

<u>GROUND RULES</u>

- There are no right or wrong answers and all responses are valuable to me. Some businesses are highly engaged in social responsibility and others are not. I have a mixed group of people here and I expect that you will all have differing opinions and experiences so if you want to follow up on something someone else has said, agree, disagree or give an example feel free to do that.
- I will ask general questions and facilitate the discussion, talk to each other – not just to me. One person talking at a time – otherwise it can be difficult to decipher the audio recording,
- Phone's on silent mode, please step out of the room if you do have to take a call.

<u>OPENING QUESTION</u>

- Get everyone to go around and say their name, what their business is and what they think it means to be socially responsible. Reveal my definition – the definition that I want to focus on.

Questions

1. I'd first like to go around and get just a couple of examples of social responsibility that your business does off each of you.
    a. They seem to be very internally/externally focussed – why?
    b. Community-related, employee-related, economy-related – why?
2. What was the original reason for doing these particular socially responsible actions? (DRIVERS)
    a. What are the benefits? Can you expand on them? Do they continue to drive what you do or are just a positive outcome?
    b. You've mentioned a lot about how your business itself influences your social responsibility actions, are there any external factors in the Blue Mountains region?
        i. Are there any particular issues in the Blue Mountains? E.g. Youth unemployment in the upper mountains
        ii. BMCC – 25 year vision
        iii. BMBA/other association
3. What are some of the challenges you face to acting socially responsible? (BARRIERS)
    a. Focus on environmental responsibility in Blue Mountains (NPWS, World Heritage etc) – does this act as a barrier as it overshadows social responsibility?
    b. From survey – 21% of businesses engage in employee-related social responsibility practices and 75% of businesses encourage their employees to be involved in the businesses social responsibility, Do you have any problems with this?
        i. E.g. One respondent said "our difficulty exists that no matter how much we indicate the benefits of social responsibility, staff remain only partially committed to the practices and do not see or share the same vision". Does anyone find this to be a problem?
    c. What would you say is the biggest challenge to engaging in social responsibility?
4. Survey showed that 29% plan to increase their social responsibility. I'd like to explore with you now the ways in which this could be done, what are your plans for the future?
    a. Do you have any suggestions on things that could help you achieve this?
        i. What about a website with suggestions and examples – would that be useful? Would you use it?

If there's extra time:
- It is also called "corporate social responsibility" – what do you think of this terminology? Do you feel like it applies to you?

Conclusion
- Time to wrap up. Deb/Katie – do you have anything to add?
- Check if anyone has anything else to add that wasn't covered during the discussion

- Ask if anyone has any questions
- What I'd like is to send you all the transcripts of our session confirm you're happy with them
- Once I've completed the study I will send you some findings.
- Offer people to take any left-over food
- Thank everyone for their time

APPENDIX 7. SURVEY FINDINGS FOR FOCUS GROUP AND INTERVIEW PARTICIPANTS

- 95% of respondents are engaged in social responsibility to some extent. The following shows how businesses ranked themselves:
    - 27% - Level 5 - Extensive action
    - 31% - Level 4
    - 31% - Level 3
    - 6% - Level 2
    - 5% - Level 1 - No action
- The three most common motivations for engaging in social responsibility are:
    - 30% - General values/beliefs/ethics
    - 10% - To contribute to the community
    - 9% - To improve the business's reputation
- The examples of social responsibility that came from the survey can be categorised into three main areas:
    - Community-related
    - Employee-related
    - Economy-related
- The three most common examples of social responsibility are:
    - 34% - Supporting charities/community events
    - 23% - Providing above standard working conditions
    - 15% - Supporting local schools/TAFE
- The three most common benefits of engaging in social responsibility are:
    - 13% - Improved reputation amongst customers
    - 13% - Increased sales
    - 13% - Feels good to do good
- Owner-managed businesses are less likely to be affected by a lack of time, money and skills, with respect to their level of engagement in social responsibility, compared to businesses that aren't owner-managed. The table below shows the percentage of businesses that are highly affected by this:

	Lack of Money	Lack of Time	Lack of Skill
Owner-managed businesses	17%	17%	7%
Not owner-managed businesses	36%	36%	21%

- This is the same for family-owned businesses:

	Lack of Money	Lack of Time	Lack of Skill
Family-owned businesses	16%	16%	8%
Not family-owned businesses	27%	27%	13%

- 29% of respondents plan to increase their social responsibility over time and 60% plan for their level of social responsibility to remain constant.

APPENDIX 8. SAMPLE FOCUS GROUP TRANSCRIPTION

NB. This sample is taken from Focus group 2.

5:15.6 - 5:24.0 CB - Ok then...so you were saying you purposefully over-bake, like you purposefully bake more than you know you're going to sell...

5:24.0 - 5:38.6 JI - well yeah, we're very optimistic in our baking (Laughs)...so, we'll work to what we really, really hope the day will be, and it's no problem when it's not, in other words...

5:38.6 - 5:41.0 TW - so I guess the extra cost isn't enormous...

5:41.0 - 5:48.9 JI - that's right, yeah...you've already got the baker there, he's the expensive bit, and we just him to make a little bit more...

5:48.9 - 6:07.8 CB - ok so we've already covered what some of the benefits are, so you were saying once you started doing all these donations of bread your sales went up by about 20% automatically. Is that something that continues to drive you to do it, or just a positive outcome more so?

6:07.8 - 6:14.4 JI - a positive and unexpected outcome. And um, we would've never done it to make sales. It's not about that...

6:14.4 - 6:16.2 TW - It was totally unpredictable I would say..?

6:16.2 - 6:27.8 JI - yep, that's right, and our motivation was, you know, a completely different thing, it was to make sure people are being fed properly...you know...

6:27.8 - 6:43.4 TW - I suppose we are more likely to support, let's say a school, who buys from us, but we support them all, but if someone is a customer we'll more likely give them more, but it's marginal really, depends on my mood sometimes...

6:43.4 - 6:52.0 CB - So, with what you do, with donations to schools and that, is that a continuous thing or is it just something that…

6:52.0 - 7:14.3 TW - well we donate a number of prizes, um, and they're annual things I think, a prize for English at the high school, and we have a scholarship at Corrimal, which is a school that my sons went to, a small private school, which is an annual thing. And other things come and go, depending on the school's needs.

7:14.3 - 7:17.2 KS - so it's sort of as they approach you for those things...

7:17.2 - 8:04.5 TW - yeah, yeah, they come and they say we're having some sort of fund raiser - ok here's some vouchers, whatever, and that's usually better than what was my experience in my early days in the book trade where the boss would say "oh there's a box of old stuff under there give them that", which is fine they might value that and use it but then again they might not, If they get a voucher they can raffle it or the school can use it, whatever..

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APPENDIX 9. FOCUS GROUP CONSENT FORM

UNIVERSITY OF TECHNOLOGY SYDNEY

CONSENT FORM FOR PARTICIPATION IN A FOCUS GROUP

I, _____ agree to participate in a focus group being conducted by Christina Barton, from the University of Technology, Sydney.

I understand that the purpose of this study is to gain an understanding of social responsibility engagement in small and medium tourism businesses in the Blue Mountains.

I understand that my participation in this research will involve discussing how my business's characteristics and context affect social responsibility practices. This will be in a group of between four and twelve people and will last between 1 and 1.5 hours.

I acknowledge and accept that my participation is entirely voluntary.

I understand that today's focus group will be voice recorded and recordings and transcripts from today's discussion will be kept for five years in a locked filing cabinet at the University of Technology, Sydney, with my name coded and the coding instructions kept separately. After five years, the unprocessed data will be destroyed via confidential waste paper removal.

I agree that the research data gathered from this project may be published in a form that does not identify me in any way.

I agree that Christina Barton has answered all of my questions fully and clearly.

I am aware that I can contact Christina Barton (Phone: 0425 368 028) or her supervisor Dr Katie Schlenker (Phone: 9514 5303) if I have any concerns about the research. I also understand that I am free to withdraw my participation from this research project at any time I wish without consequences and without giving a reason.

_____   _____ / _____ / _____

Signature   Date

APPENDIX 10. INTERVIEW CONSENT FORM

UNIVERSITY OF TECHNOLOGY SYDNEY

CONSENT FORM FOR PARTICIPATION IN AN INTERVIEW

I, _____ agree to participate in an interview being conducted by Christina Barton, from the University of Technology, Sydney.

I understand that the purpose of this study is to gain an understanding of social responsibility engagement in small and medium tourism businesses in the Blue Mountains.

I understand that my participation in this research will involve discussing how my business's characteristics and context affect social responsibility practices. This will be a one-on-one interview and will last approximately half an hour.

I acknowledge and accept that my participation is entirely voluntary.

I understand that the interview will be voice recorded and recordings and transcripts from today's discussion will be kept for five years in a locked filing cabinet at the University of Technology, Sydney, with my name coded and the coding instructions kept separately. After five years, the unprocessed data will be destroyed via confidential waste paper removal.

I agree that the research data gathered from this project may be published in a form that does not identify me in any way.

I agree that Christina Barton has answered all of my questions fully and clearly.

I am aware that I can contact Christina Barton (Phone: 0425 368 028) or her supervisor Dr Katie Schlenker (Phone: 9514 5303) if I have any concerns about the research. I also understand that I am free to withdraw my participation from this research project at any time I wish without consequences and without giving a reason.

_____   _____ / _____ / _____

Signature   Date