Abstract

Corporate governance is not an abstract goal, but exists mainly to serve corporate purposes by providing a structure within which stockholders, directors and management can pursue most effectively the objectives of the corporation. Among the major corporate governance policies that attract discussion is corporate social responsibility (‘CSR’).

Corporate social responsibility is usually regarded as philanthropy. A company with social responsibility will anticipate the needs of society as well as solving social problems. For large companies such as public listed and government link companies (‘GLCs’), goodwill and reputation are vital for the business. On the other hand, in small and medium businesses, their main objective is profit maximisation and as such, the CSR agenda is not likely to be included in the business plan. It is perceived that the implementation and enforcement of CSR in SMEs is equally important as in large companies.

This paper aims to discuss how CSR plays a role in business sustainability for SMEs. This paper also makes special reference to the strategies of the Malaysian government's plan to transform GLCs into high performing entities by 2020 and discusses how these strategies could be applied to Malaysian SMEs in producing high performance SMEs.

INTRODUCTION

The role of Small and Medium Enterprises (‘SMEs') in the Malaysian economy is undoubtedly important. It
assumes a significant role in the country’s industrialisation program as it represents the largest percentage of establishments at 99.2%. In terms of its economic contribution, SMEs contribute 32% to the Gross Domestic Product, 56.4% to the total work force and 19% to total exports. n1 Based on the Census on Establishments and Enterprise 2005, there are a total of 552,849 companies in operation. n2 Out of this, a total of 548,307 or 99.2% were defined as SMEs. n3

Referring to the statistics published by SMIDEC, the leading fraction of Malaysian SMEs is in the services sector (86.6%), followed by the manufacturing sector (7.2%) and final but not least the agriculture sector (6.2%). In the services sector, the majority of SMEs were in retail, (46.4%), followed by restaurants (14.2%), wholesale (9.1%), transport and communications (6.5%) and financial intermediaries (4.1%). Whilst in the manufacturing sector, textile and apparel represent the largest sub-sector (23.4%), followed by food and beverage (15%), metal and metal products (13%), and paper and recorded media (7.2%). For the agriculture sector, the primary activities are mainly in planting, market plantation and horticulture (65.6%), followed by fisheries (20.8%) and poultry farming (7%).

### Distribution of SMEs in Services Sector, 2005

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>PERCENTAGE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>46.4</td>
</tr>
<tr>
<td>Restaurants</td>
<td>14.2</td>
</tr>
<tr>
<td>Wholesaler</td>
<td>9.1</td>
</tr>
<tr>
<td>Selected Services</td>
<td>8.8</td>
</tr>
<tr>
<td>Financial Intermediaries</td>
<td>4.1</td>
</tr>
<tr>
<td>Transport and equipment</td>
<td>6.5</td>
</tr>
<tr>
<td>Professional services</td>
<td>2.9</td>
</tr>
<tr>
<td>Real Estate activities</td>
<td>2.0</td>
</tr>
<tr>
<td>Consultancy services</td>
<td>1.9</td>
</tr>
</tbody>
</table>

### Distribution of SMEs in Manufacturing Sector, 2005

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>PERCENTAGE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Textile and apparel</td>
<td>23.4</td>
</tr>
<tr>
<td>Metal and metal products</td>
<td>13</td>
</tr>
<tr>
<td>Food, beverages and tobacco</td>
<td>15</td>
</tr>
<tr>
<td>Publishing, printing and recorded media</td>
<td>7.2</td>
</tr>
<tr>
<td>Furniture</td>
<td>6</td>
</tr>
<tr>
<td>Rubber and plastics products</td>
<td>5.9</td>
</tr>
<tr>
<td>Wood and wood products</td>
<td>5.5</td>
</tr>
</tbody>
</table>

Source: Census on Establishments and Enterprises 2005, Department of Statistic Malaysia.
Machinery and equipment 4
Manufacturing and elsewhere classified 4.9
Chemical and chemical products 2.9
Tobacco products 0.5
Electrical and electronic products 2.7
Medical, precision and optical instruments 0.5

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>PERCENTAGE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-metallic mineral products</td>
<td>4.5</td>
</tr>
<tr>
<td>Leather products</td>
<td>1.3</td>
</tr>
<tr>
<td>Transport equipment</td>
<td>0.8</td>
</tr>
<tr>
<td>Paper and paper products</td>
<td>1.8</td>
</tr>
<tr>
<td>Recycling</td>
<td>0.1</td>
</tr>
<tr>
<td>Petroleum products</td>
<td>0.2</td>
</tr>
</tbody>
</table>

Source: Census on Establishments and Enterprises 2005, Department of Statistic Malaysia.

Distribution of SMEs in Agriculture Sector n5

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>PERCENTAGE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planting, market plantation and horticulture</td>
<td>65.6</td>
</tr>
<tr>
<td>Fisheries</td>
<td>20.8</td>
</tr>
<tr>
<td>Poultry farming</td>
<td>7</td>
</tr>
<tr>
<td>Agricultural and animal husbandry</td>
<td>5</td>
</tr>
<tr>
<td>Forestry, logging and other related services</td>
<td>9</td>
</tr>
<tr>
<td>Mixed agriculture -- Agricultural and animal husbandry</td>
<td>6</td>
</tr>
<tr>
<td>Hunting, trapping and game propagation</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Census on Establishments and Enterprises 2005, Department of Statistic Malaysia.

The definition of Malaysian SMEs can be grouped into three categories: Micro, Small, or Medium. These groupings are decided based on either:

* the numbers of people a business employs; or
* the total sales or revenue generated by a business in a year.

I. Number of Employees

Based on the number of full-time employees:

<table>
<thead>
<tr>
<th>Primary Agriculture</th>
<th>Manufacturing</th>
<th>Services Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
II. Annual Sales Turnover

Based on annual sales turnover:

<table>
<thead>
<tr>
<th>Category</th>
<th>Primary Agriculture</th>
<th>Manufacturing &amp; MRS*</th>
<th>Services Sector (including ICT**)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>Less than RM200,000</td>
<td>Less than RM250,000</td>
<td>Less than RM200,000</td>
</tr>
<tr>
<td>Small</td>
<td>Between RM200,000 &amp;</td>
<td>Between RM250,000 &amp;</td>
<td>Between RM200,000 &amp;</td>
</tr>
<tr>
<td></td>
<td>less than RM1m</td>
<td>less than RM10m</td>
<td>less than RM1m</td>
</tr>
<tr>
<td>Medium</td>
<td>Between RM1m &amp; RM5m</td>
<td>Between RM10m &amp; RM25m</td>
<td>Between RM1m &amp; RM5m</td>
</tr>
</tbody>
</table>

*MRS: Manufacturing-Related Services** ICT: Information and Communications Technology

Referring to the definition of SMEs based on the annual sales turnover, it is observed that the amount of return is not very big, in particular for the micro and small business. As such, it is clear why many SMEs are reluctant to practice corporate social responsibility, which is normally regarded as philanthropic in nature. CSR is always thought to be practiced only by big conglomerates, such as the GLCs and public listed companies.

This paper intends to discuss how CSR may assist SMEs in sustaining business in the long term. This paper also aims to discuss how the Malaysian government's plan to turn GLCs into high performance entities by 2020 could also be adapted by SMEs in producing high performance SMEs.

CORPORATE SOCIAL RESPONSIBILITY ('CSR')

There is no exact definition of corporate social responsibility since various interpretations could be found about it, which all differ from one to another. Nonetheless, the general definition of corporate social responsibility refers to the company's responsibility towards stakeholders such as employees, suppliers, society and the environment, apart from its responsibility to its shareholders.

According to Merrick Dodd (1932), a sense of social responsibility toward employees, consumers, and the general public may thus come to be regarded as the appropriate attitude to be adopted by those who are engaged in business. In Corporate Social Responsibilities: Law & Practice, Saleem Sheikh (1996) explained that corporate social responsibility refers to the assumption of responsibilities by companies, whether voluntarily or by virtue of statute, in discharging socio-economic obligations in society. He observed that corporate social responsibility comprises of two main principles i.e. corporate philanthropy, where a company discharges a social service role and trusteeship principle, where directors act as trustees for shareholders, creditors, employees, consumers and the wider community. Ramon Mullerat (2005) described corporate social responsibility as a concept where companies voluntarily decide...
to respect the interests of a broad range of stakeholders while contributing to a cleaner environment and a better society through an active interaction with all. n10

From the above definitions, it is observed that the gist of CSR is the responsibility of a company towards its stakeholders. However, what is indefinite and non-exhaustive is the list of the stakeholders. n11

DEVELOPMENT OF CSR IN MALAYSIA

A decade ago not much emphasis was given to corporate social responsibility in Malaysia though its existence could be felt. However following the global trend of practicing corporate governance, CSR is now considered an important concept in the Malaysian corporate scene.

There is no provision in the Companies Act 1965 that requires a company to practice social responsibility towards society. Nevertheless, there are certain codes and regulations that reflect the requirement for companies to practice CSR, for example, the Company Director's Code of Ethics (1996) which enunciates that directors should be conscious of the interests of employees, creditors and customers. Part Three of the Code has outlined briefly that the director in performing his duties should, inter alia:

* ensure effective use of natural resources and improve quality of life by promoting corporate social responsibility;
* be proactive towards the needs of the society; and
* ensure that the activities of the company do not harm the interests and well being of society and to assist in the fight against inflation.

In 1998, the Finance Committee Report on Corporate Governance defined corporate governance as:
the process and structure used to direct and manage the business ... towards enhancing business prosperity ... realising long term shareholder value, whilst taking into account the interest of other stakeholders. n12

The phrase 'the interest of other stakeholders' actually reflects the element of corporate social responsibility. The definition places the interests of stakeholders at par with the interests of shareholders. Though the word stakeholders could not be outlined precisely, in general it may cover employees, customers, suppliers, the environment and the local community.

As a consequence of the Finance Committee Report on Corporate Governance 1998, the Malaysian Code on Corporate Governance was published in 2002. Among others, the Code provides that information received by the board of directors should be:
... not just historical or bottom line and financial oriented but information that goes beyond assessing the quantitative performance of the enterprise and looks at other performance factors such as customer satisfaction, product and service quality ... environmental performance and so on, when dealing with any item on the agenda. n13

Consideration given to customer satisfaction and environmental performance are parts of corporate social responsibility. Thus indirectly, corporate social responsibility does exist in the Code, though the term CSR has not been specifically mentioned.

In 2004, Bursa Malaysia came out with the corporate social responsibility framework as a guide for public listed companies. Paragraph 2.17 of the Listing Requirements requires that public-listed companies disclose in their annual
reports any activities on corporate social responsibility.

Another interesting development that occurred in Malaysia was the establishment of CSR Malaysia in 2006. The initiative to set up CSR Malaysia was made by the ACCA Malaysia together with nineteen organisations and the Securities Commission. CSR Malaysia which was later changed to Institute of Corporate Responsibility, Malaysia and is meant to be a platform and a network for corporate and regulatory institutions to develop responsible business practices in Malaysia. Its main mission is to promote socially responsible business practices and encourage sustainable development. Objectives of the Institute include providing resources for organisations to integrate corporate social responsibility practices into their daily business and to work with organisations to embed corporate social responsibility through capacity building, sharing of information and exchange of experience. It should be noted that the institute is known as Institute of Corporate Responsibility (ICRM') and the word 'social' has been omitted. The omission of the word 'social' was purposely done to emphasise that CSR is not mere philanthropy or social work. The Institution wanted to clearly highlight that CSR is not about how a company spends money but it is actually how a company can make money. In its annual review 2006/2007 it is stated that:

CSR Malaysia was renamed Institute of Corporate Responsibility, Malaysia to better reflect the identity of the network as a catalyst to ensure that corporate responsibility and sustainable development is not just a fad but is entrenched as 'the way of business' for companies in Malaysia. n14

In promoting responsible business, in January 2008, ICRM launched a special award for companies that demonstrate outstanding corporate responsibility practices that go beyond community and philanthropic activities.

Corporate social responsibility had also received the full support of the government. In the 2008 Budget, the Prime Minister expressly stated that there would be tax deductions for companies that had provided significant benefits to the local community even if those investments benefit the companies at the same time. The Prime Minister also mentioned that the government will support the efforts in implementing CSR projects by establishing a CSR fund, with an initial sum of RM50m. The Prime Minister also launched the Prime Minister's CSR Award 2007 to encourage more participation and the involvement of companies from the private sector. Nonetheless, the most significant action taken by the Malaysian government in promoting CSR was the publication of the Silver Book.

THE SILVER BOOK -- CSR MANUAL FOR GLCs.

Generally, GLCs are defined as companies in which the Malaysian government has a direct controlling stake. This refers to the government owning a certain percentage of shares in the respective companies and has the power to appoint members of the board of directors, senior management, and to make major decisions such as contract awards, restructuring and financing. In Malaysia, GLCs generally comprise of companies whose businesses are as service providers to the nation and include electricity, telecommunications, postal service, airlines, public transport, banking and financial services. n15

For the purpose of achieving Vision 2020, (to be a comprehensively developed nation), the transformation of GLCs into high-performance entities is pivotal and subsequently the Putrajaya Committee on GLC High Performance (PCG) was formed. PCG introduced Policy Guidelines to provide an enabling environment for the GLCs to perform. The Policy Guidelines among others include corporate best practices within the GLCs and guideline 4.2 is specifically about CSR. The guideline provides that GLCs should consider the following steps as a codification of minimum best practice:

* Clarify their social obligations in coordination with relevant regulators and ministries. As well as attempt to identify costs, and benefits, if any, of such obligations;
* Where such social roles and related costs are significant and beyond
the affordability of the GLC, then the GLC should review and seek alternative funding options, for example from relevant government ministries.

The Policy Guidelines were later translated into ten initiatives, which have been gradually rolled-out and implemented in 2005 and 2006. Guideline 4.2 was codified in the *Silver Book* and was launched in September 2006.

The *Silver Book* actually contains guidelines on how GLCs can contribute to society in a responsible manner and create a positive impact for their businesses and society. It provides a strategic framework for GLCs to proactively contribute in a socially responsible manner. The *Silver Book* also guides the GLCs on how they can establish an effective contribution program and mitigate the cost of any social obligation, or even transform these obligations into positive social contributions.

It is important to highlight that the *Silver Book* used the term 'social contribution' rather than CSR. It emphasises that social contribution is wider than corporate philanthropy or meeting an external set of compliance criteria on CSR. Contribution to society has been defined as an: n16

An activity undertaken by a business where the primary objective is to benefit the society in which it operates or groups of individuals or communities within that society. It includes both voluntary contribution as well as social obligations.

In short, the *Silver Book* recognises voluntary contribution and social obligations as CSR. Voluntary contribution refers to any act that is initiated by the company and is voluntary in nature, whereas social obligation is any act that is undertaken by the company in response to, or to fulfill the demand of stakeholders (and is not required by law) for example, service provider companies. n17

**HIGHLIGHTS OF CSR PROGRAMMES CONDUCTED BY GLCs**

GLCs are receptive about CSR practices and this can be seen through the 2007 Interim Progress Review, which was based on the reports sent by twenty selected GLCs. It is observed that the concentration of CSR activities are on human capital development, community involvement and environmental protection. The report also shows that by referring to the *Silver Book*, GLCs have developed more structured and cohesive CSR strategies. Examples of activities carried out by GLCs are: n18

**(i) Education**

A school adoption programme, known as PINTAR (Promoting Intelligence, Nurturing Talent and Advocating Responsibility) is one of the project carried out by most GLCs. n19 The main objectives of PINTAR are to motivate school children and to ensure a conducive learning environment. PINTAR is a long term commitment instead of being a one-off activity through a mere transactional cash contribution.

**(ii) Community Involvement**

GLC involvement in the community is visible in the form of financial and benefits-in-kind to support various social causes such as drug addiction, cancer, disaster relief and community health programmes. There are also contributions to charitable organisations, homes, the poor and various vulnerable communities. GLCs have also deployed their employees for disaster relief missions during the Johor floods in 2006, the Aceh tsunami in 2004 and the Pakistan earthquake in 2005. This volunteerism has been regarded as employees’ personal development.

**(iii) Environmental Protection**
Most of the GLCs are involved in industries that affect the environment. Some companies are taking serious steps to ensure operational compliance to environmental standards and regulations, which involve practices to minimise impact on the environment and at the same time, encourage conservation and awareness efforts. A few examples on these measures are:

* Water ranger programme, replanting indigenous plants along riverbanks and recycling projects.
* Rehabilitation of beaches.
* Integrated pest management.
* Research on palm oil.

(iv) Poverty Reduction

The GLCs are involved in programmes where the aim is to provide sustainable assistance to poor and marginalised communities, for example, providing shelter, healthcare, education and skill-building programmes.

(v) Employee Welfare

The GLCs also emphasise on improving workplace environment for their employees. Some conduct entrepreneurship development to improve their employees' welfare. For example, POS Malaysia launched a programme called Promoting Employees to Entrepreneur Realisation, where single-employee post offices throughout the country are converted into mini-post offices and they are franchised to former employees.

SOCIAL OBLIGATION PROGRAMMES

A number of GLCs are involved in providing services to the community, therefore services to communities in remote areas or impoverished areas would be known as social obligation. Examples of social obligation activities conducted by GLCs:

(i) MAS

MAS wings was formed to connect the vast majority of the interior towns and remote settlements of rural Sabah and Sarawak to the major towns in Malaysia. MAS wings for Children was formed to provide free airlifts for children from infants to 12 years of age who suffer from life threatening or chronic illness requiring specialised medical attention.

(ii) TNB

TNB installs independent solar hybrid power plants to provide electrification for remote areas.

(iii) MAHB

The company manages and operates Short Take-Off and landing Ports (STOLPorts) in remote areas of Sabah and Sarawak. These STOLPorts not only bridge the rural-urban divide but bring development and improves the standard of living of rural citizens.

(iv) Maybank

Has extended its operation network to non-urban areas and in most circumstances, is the only bank to offer its services.
CSR IN SMEs

Referring to the guidelines provided by the government for GLCs and also the mechanisms adopted by the GLCs in practicing CSR, it is obvious that SMEs could similarly participate in practicing CSR. The scope of projects or activities carried out by SMEs may be smaller but the emphasis of CSR is actually not in the value or money worth of the project but in the participation and contribution of companies to society.

Guidelines 4.2 of the Policy Guidelines clearly state that in implementing CSR, the initial steps that GLCs should take is to implement best practices and this could be done by:

* Clarifying their social obligations in coordination with relevant regulators and ministries, as well as attempt to identify the costs, and benefits, if any, of such obligations;
* Where such social roles and related costs are significant and beyond the affordability of the GLC, then the GLC should review their plans and seek alternative funding options, for example from relevant government ministries.

The two guidelines above highlight the importance of companies clarifying the roles that they could play in society and to estimate the cost that they would incur in practicing CSR. As such, it is important for SMEs to firstly identify what social contribution they should embark on and how much it would cost if they embarked into such activities. According to the guidelines, these two basic tasks should be done in collaboration with relevant ministries or government agencies. With many ministries and organisations related to SMEs such as SMIDEC and the Ministry of Entrepreneur and Cooperative Development, certainly it would be possible to involve relevant regulators and government agencies in assisting SMEs to practice CSR, both in administrative and financial matters.

The Silver Book guidelines on how GLCs can contribute to society could also be implemented by SMEs. It is important to highlight that the Silver Book strategic framework is focused on social contribution rather than corporate responsibility. This means it does not matter how small a business is, as long as it is contributing to society, then it is already implementing best practices. To contribute to society, SMEs could choose or focus on any one or a combination of the seven core areas of social contribution. n27

One of the immediate steps that SMEs could undertake in practicing CSR is by taking care of their employees’ welfare, such as providing a conducive, healthy and safe workplace environment. The practice of ethical business behavior and good customer service also amounts to social contribution. As regards to environmental protection, SMEs could contribute in their own ways, such as recycling or by having a good waste management system. In short, all CSR strategies as stated in the Silver Book (which are specially formulated for the GLCs) may be applied by the SMEs on their own and in affordable ways. Social contribution activities may not even require a single cent from the companies but it obviously requires good business attitude and ethical behaviour.

HIGH PERFORMANCE SMEs

Small and Medium Enterprises (SMEs) represent the largest percentage of establishments in Malaysia at 99.2%. In terms of its economic contribution, SMEs contribute 32% to Gross Domestic Product, 56.4% to the total workforce and 19% to total exports. n28 These statistics illustrate the role of SMEs as a major contributor to the country’s economy. As such, if the government is very concerned about producing high performance GLCs, it should equally if not more, focus on producing high performance SMEs. In the Silver Book, strategies to transform GLCs into high performance entities emphasise on how companies can contribute to society in a responsible manner and at the same time create a positive impact for their business.

The Silver Book laid out seven core areas which GLCs could be involved in on the road to becoming socially
responsible high performing entities: n29

(i) **Human rights** -- refers to business responsibility to uphold human rights, covering the right to be free from discrimination, the right to life, liberty and security of the person, the right to education and the right to an adequate standard of living.

(ii) **Employee welfare** -- refers to providing the basic rights of all workers such as right to equal opportunity and equal treatment in employment and occupation, the right to a safe and healthy work environment and the right to collective bargaining and freedom of association.

(iii) **Customer service** -- refers to meeting customers needs through exceptional customer service and responsible marketing

(iv) **Supplier partnership** -- refers to working with suppliers to promote and share good economic, social and environmental practices.

(v) **Environmental protection** -- refers to the preservation of the environment by minimising the consumption of resources and polluting activities (such as noise, light, water, air and soil).

(vi) **Community involvement** -- refers to participation in community development especially in education, employment, health and quality of life.

(vii) **Ethical business behaviour** -- refers to promoting good business practices and fair competition including respect for intellectual and other property rights, and working against all form of corruption and extortion.

It is observed that the above strategies are targeted at making GLCs responsible entities, which in turn would lead to high performance GLCs. The word performance here obviously does not refer to the quality of the product but on being a **responsible and highly respected entity**.

Companies must succeed in the global market by not only passing the test of the quality of their products but by, more importantly, obtaining a high score on the quality of their reputation. Getha n30 and Inovar n31 are examples of companies that were once SMEs but have developed their brands and are now market leaders in their own categories. Both companies are good examples of how SMEs can compete in the global market by adopting the right brand strategies along with a high level of commitment to social contribution. n32

Referring to the seven core areas, it is rightly perceived that SMEs could equally target the achievement of high performance status if they strive towards contributing to society in one or some or all of the **seven core areas**. As mentioned earlier, SMEs could be involved in their own way, no matter how small or big.

**BUSINESS SUSTAINABILITY**

It is observed that the main focus of the strategy is actually establishing the goodwill and reputation of companies in society through social contribution. Once companies have succeeded in establishing good standing/reputation in the eyes of the public/consumer, the longer they will be able to sustain in the market.

According to the Business/Secrets of the Sales Ninja, gathering referrals is a great mechanism for long term business. n33 The writer contended that instead of spending three times as much energy on finding new customers, companies should take good care of the old ones and ask them to help out in kind. If companies take care of the clients; the easier it is to get referrals. This is because satisfied clients will recommend the company/product to their friends/relatives/neighbors etc. A similar 'martial art' strategy is applied in the Silver Book. By contributing to society, companies will create a long term standing in the market as the good reputation will be propagated by the satisfied
public/society and this gives a long term effect to the business. For example, big conglomerates such as Nestle, Shell, Petronas and Microsoft are not only known and made famous because of their products but also because of their extensive social contribution. As such, for SMEs to sustain business, it is highly perceived that they should explicitly include social contribution as part of their business plan.

CONCLUSION

The discussion above clearly makes a case for the importance of CSR for SMEs as it is for GLCs. It is also shown that strategies for GLCs could be implemented directly by SMEs, but on a smaller scale and at affordable cost. CSR is not only about money and donations, it is more about business ethics and how companies can contribute to society, the environment and the economy. The paradigm of CSR has now moved from mere philanthropy to social contribution and it is obvious that despite being small in size, SMEs could contribute on their own and in many ways.

The direct implications of CSR may not be experienced by SMEs in the short term, but it would obviously bring good effect to the business in the long term. As discussed earlier, CSR would be able to turn SMEs into high performance entities, sustaining their businesses in the long term.

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FOOTNOTES:

n2 Ibid.
n3 Ibid.
n7 (1932) 45 Harvard Law Review 1145 at p 1160.
n8 Dr Saleem Sheikh, Corporate Social Responsibilities: Law and Practice, Cavendish Publishing Limited, Great Britain, 1996 at p 1.
n9 Ibid at 15.
n11 The issue of who may constitute stakeholders of a company would required a separate discussion.

n15  Reference to Putrajaya Committee on GLC High performance -- Summary of Transformation Manual (March 2006) shows that there are 57 GLCs at that time. It should be noted that the number of GLCs is subject to change.


n17  Ibid.


n19  Twenty five GLCs involved in PINTAR programme adopting ninety six schools around the country.

n20  A comprehensive plan to educate school children to protect the environment and the freshwater ecosystem -- BCHB.

n21  Villagers are taught ways of discarding agricultural and household waste other than to throw them into the river, as well as methods for composting waste materials -- BCHB.

n22  MRCB had managed to halt soil erosion at Teluk Cempedak, Pahang and the beachfront had been extended by about 80 metres.

n23  Reduced the use of pesticides and minimising crop losses to pests -- TH Plantation and Golden Hope.

n24  To explore further diversification in the use of palm oil -- Guthrie.

n25  For example, AFFIN had built houses for the hardcore poor families.

n26  Above note 18 at pp 35-37.

n27  Refer to the next page.


n29  Above note 15 at p 17.

n30  Getha is Malaysia's leading latex mattress and bedding manufacturer. The company is involved in extensive product research to ensure quality, and are thus involved in ensuring good customer service

n31  Inovar, is a manufacturer in laminate flooring, which utilises timber cultivated from a special region in Miri, Sarawak. This approach helps to ensure quality and preserving the environment.
