



Social Responsibility in small and medium-sized companies in Guayaquil

Responsabilidad Social en pequeñas y medianas empresas de Guayaquil

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Abstract

Competition among companies, due to their eagerness to corner the market, generates fluctuations that are perceived in the global economy and social development, this research work focuses its objective on analyzing social responsibility in small and medium-sized companies in the city of Guayaquil, methodologically a mixed approach was used that involves the different stakeholders, being the economic results a strategy of the company, demonstrating consistency in the behavior of social responsibility. It is concluded that the responsibility generated from small and medium enterprises in Ecuador seeks to generate an impact that modifies social conditions from the territory where they are located, in addition to the set of provisions that exist in the country to manage this type of corporate social responsibility.

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Resumen

La competencia entre las empresas, por su afán de acaparar el mercado, genera fluctuaciones que se perciben en la economía mundial y el desarrollo social, el presente trabajo de investigación centra su objetivo en analizar la responsabilidad social en las pequeñas y medianas empresas de la ciudad de Guayaquil, metodológicamente se empleó un enfoque mixto que involucra a los diferentes stakeholders, siendo los resultados económicos una estrategia de la empresa, demostrando consistencia en el comportamiento de la responsabilidad social. Se concluye que la responsabilidad generada desde las pequeñas y medianas empresas en Ecuador buscan generar un impacto que modifique las condiciones sociales desde el territorio donde se encuentran ubicadas, además del conjunto de disposiciones que existe en el país para gestión esta tipología de responsabilidad social empresarial.

Palabras clave: Responsabilidad social, empresas, desarrollo social, stakeholders

Introduction

The continuous fluctuations in the world economy, which are reflected in increased competition among companies to capture a significant market share, force them to seek mechanisms that can guarantee it. Today, the role of interest groups related to companies exerts strong pressure, they are influential and demand from them a commitment to existing social and environmental problems.

This greater demand and commitment to society, which practically translates into a reciprocal relationship, finds in Corporate Social Responsibility (CSR) a form of retribution. Although even in Ecuador,

socially responsible practices have not reached the level of importance required and practiced in other latitudes. It is even confused with philanthropic actions.

CSR goes beyond that. It is a continuous relationship with society at all levels. It is a process that involves all stakeholders and should be part of the strategic planning of the companies that develop it.

Those that do not do so will be charged by society itself, surely with dire consequences for their survival. Solano (2016) states that "business sustainability is directly related to a good management of the environment, which is reaffirmed by the fact that capital markets in the world reward or punish, as appropriate, the management of the environment in which the company develops".

Today's companies demand a high development of competencies in the process of production and marketing of their services, which entails even greater commitment and responsibility to society, the environment, culture, education, which are demands from customers who are looking for companies that have these responsibilities and help make favorable decisions and the post development of the country.

Likewise, companies, faced with the challenge of these demands, seek to generate benefits that transcend in the organization as a whole and in the stakeholders, since the fundamental objective of companies is to generate the greatest profit in all dimensions, stimulating the internal and external growth of the organization.

The objective of the research was to analyze social responsibility in small and medium-sized companies in the city of Guayaquil.

The methodology applied was a mixed approach of exploratory and descriptive types with an inductive method, taking as a sample 761 premises in the city of Guayaquil, using observation and survey as collection methods.

Social responsibility is an area of study of utmost importance, not only because it is a business trend of the 21st century for the implementation of sustainable economies that ensure long-term sustainability, but also because its content is so extensive that new processes, mechanisms and different ideologies that can be applied in this discipline are appearing all the time. Perez, (2016).

CSR can be understood as a set of behaviors that transcend the purely individualistic and immediatist actions, the latter seeking to satisfy in the short term a need or desire that brings only a selfish benefit. Therefore, the core of CSR is determined by the ability to create new facts that promote with impetus a better quality of life to create a great social environment, this quality being understood as the improvement of dignity and respect for human beings, as well as the constant struggle to defend their fundamental values such as freedom, solidarity and the environment that surrounds them.

There is no doubt that nowadays many companies have adapted their processes with the necessary conditions to compete according to the demands posed by the market, they have also generated changes that can be related to the internationalization of economies, which aim day after day a solid growth of the sector to which the organization belongs as well as of it in particular; likewise, they seek the development of a business environment permeated in great part -if not in its entirety- by technology as an efficient and effective instrument for the development of the corporate purpose, the main purpose of the organization.

Although in the business environment there are many differences between organizations, it is clear that all companies have a common purpose, which was born with them and has been maintained over the centuries; this is aimed at generating wealth for those who are part of them or have a direct or indirect relationship with them; For this reason, an organization that has not been created, structured and empowered to achieve success does not exist and can hardly be conceived; proof of this is the constant search to generate in each

process the necessary tools to compete without fear with the other entities that fiercely intervene in the market.

Corporate Social Responsibility (CSR) is an issue that has become particularly important in recent decades. This importance has been reflected in an international context by the proliferation of regulations and indexes whose main objective is to establish patterns in which companies disclose information on practices related to CSR. (Valenzuela, Jara & Villegas, 2015, p. 330).

Antelo & Robaina (2015) argue that "corporate social responsibility is the ongoing commitment to contribute to sustainable economic development, improving the quality of life of employees and their families, as well as that of the local community and society in general" (p.59). A socially responsible company is one whose managers and owners are aware of the effect that the organization's operations can have both inside and outside the company. To this, Henríquez & Orestes (2015), add that "CSR does not intend that the members of an organization act ethically, but that the company promotes this value and makes it part of its organizational culture." (p.18)

In this line it should be noted, that CSR is not only focused on generating added value or obtaining better financial results, but additionally engages in its atmosphere internal stakeholders such as employees and shareholders, and external stakeholders such as customers, suppliers and distributors, considers that economic performance allows a company to grow, the management of its processes and its transparency allow it sustainability, i.e. existence over time (Henríquez & Oreste, (2015).

CSR practices and the academic development of everything related to social responsibility and sustainable development have become increasingly important. Henríquez & Oreste (2015) point to a notable increase in the recognition of CSR practices in society in general. Terms such as ISO standards, green footprint, sustainability report, among others, are increasingly used by companies worldwide. In the mid-20th century, Cutlip & Center (as cited in Preciado, 2015) put

forward proposals based on studies on CSR, stating that the environment constitutes the social suprasystem of all organizations, which must adapt to it in order to be able to endure over time, while pointing out the importance of dialoguing with the different publics to reach an understanding that can be maintained in the long term.

Social responsibility is very important for companies to succeed in business in the long term, as responsibility in recent years has taken a turn in business, the same entrepreneurs are the ones who express that the ethics of business has evolved by getting involved in the balance sheets of social concerns of people. The term social is an important to achieve a better understanding of CSR as it goes beyond integrity.

Another important aspect of CSR is the preservation of the environment, in order to improve the use of natural resources, trying to implement renovation, reuse and recycling, and also to reduce waste.

Materials and methods

The research design will have a mixed approach, as it involves the combination of both qualitative and quantitative methods. The qualitative approach used data collection without numerical measurement to discover or refine research questions in the process of interpretation; and, the quantitative approach used data collection based on numerical measurement and statistical analysis, to establish patterns of behavior and test theories (Hernández, 2015, p. 86).

During the research process, the qualitative approach was aimed at describing the theoretical and normative references on corporate social responsibility and current SME companies in the city of Guayaquil, while the quantitative approach implemented the use of methods and techniques to quantify the opinions obtained from the application of the survey to SME entrepreneurs in the city of Guayaquil.

Exploratory. It will allow to know with clarity the opportunities and strengths of the Pymes entrepreneurs in the city of Guayaquil. Beginning with basic research that formulates and evaluates theories that allow to explain the social responsibility that exists in each SME in the city of Guayaquil.

Descriptive. It will help to perceive all the characteristics of the functions that are developed in the social, economic, political and cultural environment, referring to the social responsibility of SMEs in the city of Guayaquil, in order to deepen the objective knowledge of the problem subject of the research and describe it as it occurs in reality, in a given time and space, involving people, facts, processes and their relationships.

It will allow the researcher to select the notion of the real facts to follow an order and obtain truthful and timely information, about the social situation that limits social responsibility and the way it influences the application of SMEs entrepreneurs in the city of Guayaquil.

The population to be considered for the collection of primary information is determined to be the owners or managers of SMEs in the northern sector of the city of Guayaquil. Therefore according to data from the National Institute of Statistics and Census (2017), it is identified that in the city of Guayaquil there are about 4145 companies engaged in commercial and service activities of the same 40% represent the northern sector danto a total of 1658 premises. Having this amount is considered the realization of the finite formula which is detailed as follows

For the calculation of the sample size, the formula for the infinite population will be used.

$$n = \frac{Z^2 * P * Q * N}{e^2(N - 1) + Z^2 * P * Q}$$

Z = Confidence level 97% (2.25)

p = Probability of success 50% (0.5)

q = Probability of failure 50% (0.5)

e = Margin of error 3% (0.03)

N= Population

$$n = \frac{2,25^2 * 0.5 * 0.5 * 1.658}{(0.03)^2 (1658 - 1) + 2,25^2 * 0.5 * 0.5} \qquad n = \frac{2098,40625}{2,756925}$$

n = 761, 14

When calculating the finite sample, the surveys will be carried out in 761 stores located in different points of the northern sector of the city of Guayaquil.

The data collection methods employed, in the first place, will be direct observation, through analysis and descriptive study carried out by the researcher, using his own skills to identify the relevant facts as presented in the data obtained from official agencies that provide information. On the other hand, surveys will be used as a descriptive research instrument to obtain information from a selected sample, through the application of a questionnaire with closed questions (Hernández, 2014, p. 96).

Results

Research has shown that when a company adopts a socially responsible attitude, CSR ceases to be an "added expense" that reduces the efficiency and effectiveness of organizations and therefore their economic results, and becomes a strategy that vitalizes and boosts the organization's growth.

Based on the theoretical development OSPINA & SOTELO, (2013), it is important to expose the different benefits that are perceived by the Stakeholders when they interact directly or indirectly with an organization that is socially responsible. The following table is detailed below:

Table 1. *Benefits perceived by Stakeholders*

Stakeholders	Benefits
Employees	<p>They are treated with respect and honesty.</p> <p>They receive decent working conditions.</p> <p>Development of their work skills and abilities.</p> <p>Continuous motivation for the performance of their work.</p> <p>Efficiently meet economic and material expectations.</p> <p>They receive with security and as a fundamental right the means to subsidize food, health, education and clothing.</p> <p>Learning and growth of personnel in different areas: human, intellectual, sports, cultural.</p> <p>Development of culture and access to recreation.</p> <p>Occupational safety.</p> <p>Decent and fair wages.</p> <p>Equitable opportunities and possibilities for labor and human growth.</p> <p>Balance between work and family life of each employee.</p> <p>Economic incentives that optimize the quality of life of workers and their families.</p> <p>Job stability.</p> <p>Zero discrimination on the basis of sex, race, or religious beliefs.</p> <p>Increase in the profits they receive as remuneration for their investment.</p>
Shareholders	<p>Growing companies with a good name in the market.</p> <p>Workers with a sense of belonging.</p> <p>High competitiveness in the market.</p>

Environment	Customer growth.
	Care and respect for the environment.
	Conservation and continuous improvement of nature.
	Carrying out programs or processes that legalize their environmental actions.
	Use of technological tools that optimize processes in the organization to generate clean production.
	Development of processes that generate environmental sustainability.
	Products and services with the highest quality.
Customers	Fair price.
	An adequate treatment and with all the necessary guarantees.
	Assurance that the companies they buy from are legitimate companies, with a positive image and good recognition in the market.
	Reliability at the time of purchase in relation to the contribution of the selling company to society and the environment.
	Recognition of customer loyalty.
Suppliers	I deal with respect and honesty.
	Sale of raw materials at a fair price.
	Timely remuneration in relation to the agreed terms.
Governmental or control entities	Adequate and equitable contracting processes.
	They receive timely and fair payment of their taxes.
	Compliance with traffic regulations, labor regulations, environmental regulations, in general.

Community	Satisfactory fulfillment of obligations by the company
	Improvement in the quality of life of society in general.
	Respect for fundamental rights.
	Protection of natural resources.
	Development of a just and dignified life, with quality

Source: OSPINA & SOTELO, (2013).

According to the author, the benefits that each stakeholder receives for each company that has or maintains a corporate social responsibility "CSR", receive benefits in sales, contributions to the state, improving the quality of their products more efficient and with favorable quality standards, not polluting the environment, community support, improving the situation of each employee and suppliers.

The criteria developed in the social responsibility of the businessmen of the city of Guayaquil was taken into consideration in the research supported by theoretical foundations, likewise the importance of the stakeholders as a system was considered due to the fact that each of the stages that integrate it interrelate with each other to benefit any type of organization.

However, the collection of this type of information (CSR) becomes a bit complex, since companies consider it in some cases confidential or in others, since the law does not require the presentation of it, they are not interested in reflecting it, and currently it is of utmost importance that companies not only seek to be productive, but linked to the proper development of the social purpose, be inclusive with the different individuals or groups that may be tied to the organization.

The commitment to be socially responsible transforms the outlook of organizations, making them aware of the high degree of responsibility they have towards their employees, the environment and society. Their interests will no longer be aligned only by the continuous search

to create purely monetary wealth, it becomes evident that wealth is built in conjunction with the satisfaction and sustainable welfare of the company, society and the environment, which is why RES practices must be reflected whether they are mandatory or not, so that the company can demonstrate that its organizational objectives are not far from the interests of the different stakeholders with whom it interacts.

Every SME in the city of Guayaquil has the same social responsibility in terms of commitment to the state regarding culture, environment, education and the development of the country.

There is consistency between the reviewed bibliography and the results obtained during the field work, where the data tabulated for the proper argumentation show that social responsibility plays a preponderant role for small and medium-sized companies in the city of Guayaquil.

Likewise, the financial part within the business results planned or idealized by the companies in question, ends up being a fundamental part of their operating strategy.

The operating strategy becomes the center of the organization as a critical success factor, and is subject to constant monitoring by the shareholders' meeting, which would make it appear that the economic result is prioritized and not only the one that involves society in general, especially its stakeholders.

All this is linked to the common thread of the concern of contemporary companies that are worried about their sustainability over time, where they prefer to reduce part of their profits through the development of social responsibility programs, but that their customers and the market in general see with good eyes, and this causes the usual fluctuations of the economy at the local, regional and global level.

Conclusions

CSR cannot simply be a marginal, complementary and opportunistic action by a company to achieve profits and create an image of acceptance in the eyes of society. On the contrary, CSR must be recognized as a new paradigm that demands strategic management that generates competitive advantage and that must be exploited for the permanence of a company in a changing market.

Another essential aspect is that CSR is not an isolated and individual practice; it is and must be a commitment of everyone, including the entire hierarchical structure of a company. The members of the company must consider it to be part of their day-to-day activities, which is why it is essential to manage it in a way that requires properly designed strategies, with a strong leadership and well-monitored control mechanisms.

CSR is of great importance for companies to achieve sustainable development, allowing them to meet the needs of their stakeholders and achieve a social, economic and environmental balance.

Conducting this type of research becomes interesting and important, since the results allow companies and society to detect their weaknesses and strengths in this area, so that they can be improved, corrected or innovated. It is therefore essential that companies clearly identify the stakeholders with which they interact, so that they can identify the impact of their normal day-to-day activities on stakeholders and also clearly define the responsible policies to be implemented, so that they can promote or contribute to the achievement or obtaining of benefits (economic, social and environmental) for each of the stakeholders; this as a clear and precise way of ensuring mutual growth between society and the company.

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