

ECONOMICS

Sociology

Dolores Gallardo-Vazquez

Department of Finance and
Accounting
Faculty of Economics and Business
Administration
University of Extremadura
Avda. Elvas, s/n 06006 Badajoz
Spain
E-mail: dgallard@unex.es

Isabel Sanchez-Hernandez

Department of Business
Management and Sociology
Faculty of Economics and Business
Administration
University of Extremadura
Avda. Elvas, s/n 06006 Badajoz
Spain
E-mail: isanchez@unex.es
(corresponding author)

Received: July, 2012

1st Revision: September, 2012

Accepted: October, 2012

JEL Classification: M14 –
Q56

Dolores Gallardo-Vazquez, Isabel Sanchez-Hernandez, Information on Corporate Social Responsibility and SME's Environmental Responsiveness: A Regional Study, *Economics & Sociology*, Vol. 5, No 2, 2012, pp. 103-115.

INFORMATION ON CORPORATE SOCIAL RESPONSIBILITY AND SME'S ENVIRONMENTAL RESPONSIVENESS: A REGIONAL STUDY

ABSTRACT. The theoretical framework of market orientation from Kholi and Jaworski (1990), and the extended concept of market considering all agents of interest, has served as background for analysing the relationship between the three sub-dimensions of what we call orientation to environmental responsibility: information on CSR (Corporate Social Responsibility), the disclosure that the company itself makes of its CSR, and the organization's environmental responsiveness. The analysis is based on the perceptions of managers of a large sample of small companies (758 in the Autonomous Community of Extremadura in Spain). It was empirically demonstrated with the methodology of structural equations, that the greater concern about the CSR issues corresponds to the higher engagement in the dissemination of CSR outcomes and consequently, managers increase their predisposition to respond favourably to environmental demands of society.

Keywords: Corporate Social Responsibility, CSR, Environmental Responsiveness, Information about CSR, Region of Extremadura, Spain.

Introduction

Since 2001, with the publication by the European Union of the *Green Paper: Promoting a European Framework for Corporate Social Responsibility*, there have been many definitions and there have been many efforts and achieved progress in this line. Corporate Social Responsibility (CSR) is defined as “*a set of commitments of various types, economic, social and environmental, adopted by enterprises, organizations and public and private institutions and that they add value to fulfil their legal obligations, contributing both social and economic progress within the framework of sustainable development*” (MTAS, 2005). The Law 15/2010, of 9 December, of CSR in Extremadura, as defined in article 3 which is a Socially Responsible Company notes that “*companies that will be considered,..., in addition to strict compliance existing legal obligations, have adopted voluntary integration in its governance and management, strategy, and its policies and procedures, values and*

ethical codes of social concerns, labour, environmental and respect for human rights arising of the relationship and transparent dialogue with its stakeholders, taking responsibility about consequences and impacts arising from their actions”.

The importance of the above concept, increasingly widespread in organizational practices, coupled with the globalization of markets and the need to be competitive in the new international context, has positioned the SR as a source of competitive advantages (Bagnoli and Watts, 2003; Galbreath, 2006; Porter and Kramer, 2006; Bies *et al.* 2007; Maxfield, 2008; Weber, 2008; Siltaoja, 2009; Fernandez-Kranz and Santaló, 2010). There is no doubt that the scope for better positions against the competition is an objective of every business, not just large but also those of smaller dimension working to achieve a good market position in which they are operating (Fisher *et al.*, 2009). Thus, compared to initial opinions that have considered the CSR as a strategy only focused to large companies, the existence of SMEs which perform such actions and the support provided by some developed projects, justify that also SMEs are properly oriented towards SR.

Some facts that justify the obligation to take SMEs into account when discussing about competitiveness and CSR are found in the Observatory for SMEs (General Direction of SME). Specifically, a 99.88% of Spanish companies are of this dimension, so we can also say that between 50% and 60% of employment is generated in this type of business (Jenkins, 2004). Ultimately, it is very significant the contribution of SMEs to the economy of the countries and, particularly, the employment in much of the world (Preuss and Perschke, 2009).

On the other hand, once the figures of the presence of SMEs at a national and European level are known, we note, as showing the importance of SR for competitiveness, the concern of governments to regulate the topic under study. Thus, the Royal Decree of 15th February 2008 was published in the Official State Journal (OSJ) on the 28th February 2008 in which the *State Board of Social Responsibility of Companies* was created and regulated, and stood out among its objectives the creation of a discussion forum carried by the SR- building initiatives, with special attention to the area of SMEs. Later, the Law 15/2010, in the Autonomous Community of Extremadura, has been the first one at the regional level in Spain encouraging companies to achieve responsible behaviours in order to improve competitiveness.

In addition, research in the field of CSR reflects different and complementary focus. While these academic contributions vary in detail, many focus on voluntary company actions designed to improve social or environmental conditions (Wood and Jones, 1995; Carroll, 1999; Maignan and Ferrell, 2000; Turker, 2008). Based on the known approach of the “Triple Bottom Line” (Elkington, 1994), and making a tour through further research, we see the origin of the topic, the focus on which is oriented and the breadth of issues included under the prism of SR. According to Elkington (1994), companies should pursue three distinct and complementary objectives (economic, social and environmental objectives) and they guide each of the designed actions and activities to be carried out. We have selected the environmental dimension as a subconstruct with own identity and determinant for business sustainability. If we focus therefore on the latter dimension, and knowing that the CSR search to reconcile the growth and competitiveness, we can state pursuing the integration of social development and environmental improvement (Fenwick, 2007).

Recently, concern about the environmental dimension is being compounded by the constant and increasing environmental degradation. Several major milestones, such as the dumping of British Petroleum (BP) in the Gulf of Mexico, 2010, floods, pests, disaster of OK Tedi (New Guinea), among others, demonstrate the need for organizations to go away from negative and defensive positions and be starting the use of new instruments of environmental protection on a voluntary basis within the philosophy of the SR (Fernández de Gatta, 2004).

The theoretical framework of market orientation from Kholi and Jaworski (1990), extending the concept of market beyond customers to all agents of interest, has served as a bases for analysing the relationship between the three sub-dimensions of what we call *orientation to environmental responsibility: information on SR, the disclosure that the company itself makes of its SR and the organization's environmental answer towards its agents of interest seen as how to manage and minimize their impact on society*. The analysis is based on the perceptions of managers of a large sample of small representative companies of the businesses in Extremadura. It was empirically demonstrated that the greater concern about the SR and the more information the managers have on the strategy, the higher engaged in the dissemination of their outcomes on SR are more likely and there is more predisposition to respond favourably to environmental demands of society. Hence, we find a significant direct and positive relationship between the level of information possessed by companies, the dissemination they do and the environmental responsiveness offered to the productive enterprise.

In this context the work is presented, analysing with the methodology of structural equations the existing causal relationships between the information that the manager of the Extremadura SMEs has on CSR, the importance attributed to the diffusion of their own responsible behaviour, understood as the process to communicate this behaviour to stakeholders, and the responsiveness conceptualised as a positive attitude towards the preservation of the environment. At the moment of the realization of this work and earlier, in the development stage of the project that fits, we can say that it is a pioneering research culminating in the orientation analysis of environmental responsibility of Extremadura companies from the more or less information they receive about SR and the degree of dissemination that make their results on SR.

The rest of the paper is organized as follows: Section 2 and 3 show the theoretical background to determine the hypothesis. Section 4 is methodological. We discuss the results from estimating model in Section 5, and the conclusions in Section 6.

The relevance of information on social responsibility for entrepreneurship

Before starting the analysis of causal relationships indicated, several aspects are necessary to address in more depth. We refer, firstly, the importance for companies of SR information they receive, the relevance of internal and external dissemination of these values on SR and, finally, a closer study to the environmental dimension of the SR.

The European Commission (EC) issued a report entitled "*European SMEs and social and environmental responsibility*" (EC, 2002) which justifies the importance of the topics covered in these businesses, including information. Later, the study "*Communication CSR: talking to people who listen*" (APCO, 2004), also highlighted the importance for companies in the transmission of information on SR, an aspect that has subsequently been treated by many authors (Capriotti and Moreno, 2007; Nielsen and Thomsen, 2009, Fisher *et al.*, 2009, Hammann *et al.*, 2009). On the other hand, with the same emphasis on the importance of information, the Organization for Industrial Development Units Nations (2002) developed the report "*Corporate social responsibility: implications for small and medium enterprises in developing countries*". At a Spanish level the Ministry of Industry, Tourism and Trade (2009) issued the report "*CSR and SMEs, from talk to implementation. A European Perspective*", in which some actions are indicated, from the European level, are being made to support the implementation of the SR in SMEs, and among which we can mention those related to the dissemination of SR, the development of policies tailored to SMEs, the creation of mechanisms for dissemination, the development of guides and other media, as well as training in these businesses.

Regarding to the dissemination of information, it is noted that after the publication of the *Corporate Report* (ICAEW, 1975) social information disclosure by companies has grown considerably. Moreover, Roberts (1998) indicates that the activities of CSR and disclosure of information are part of the strategic initiatives of companies. Another consideration that supports the importance of disclosure is the acquisition of legitimacy by the company (Hooghiemstra, 2000; Deegan, 2002; Capriotti and Moreno, 2007) and a good communication confer this. Literature indicates that the purposes of seeking legitimization are often a strong motivation for internal and external communication about the developments achieved and towards the agents of interest, those groups that have the right to know (Deegan, 2002; Galetzka *et al.*, 2008). In this sense, the acquisition of legitimate behaviour by the company regarding it involves the development of constant changes, and therefore the company is responsible for their actions within the context in which it operates (Deegan, 2000). Being able to communicate responsible actions constitute a factor to measure the social legitimacy, allowing companies to be distinguished as successful. It is clear that the inclusion of data about economic, social and environmental information in decision making processes is a significant progression for any organization (Adams and Frost, 2008). If such data were not considered it would be difficult to see how organizations can improve their sustainable development.

On the other hand, the disclosure of CSR information and therefore environmental type is a brand of corporate identity, an aspect of behaviour that distinguishes one company from another (Marwick and Fill, 1997; Gray and Balmer, 1998; Olutayo and Melewar, 2007; Holtzhausen and Fourie, 2008). In this sense, environmental responsibilities are factors that govern the formation of opinions about the reputation of a company (Capriotti and Moreno, 2007). For this purpose the existence of environmental development indicators is necessary. Such indicators will show what actions are being carried out by companies and how strong is their orientation to CSR. On this view, supported by Elkington *et al.* (1998), other views have emerged, showing that it is an important issue as a means to assess and compare the current environmental development of companies.

For all these reasons, we consider that it is important to determine the direction of causality between CSR information and its disclosure in the region of Extremadura as a first attempt to test this relationship. There is no doubt that the generalization of the causal model to other areas of the CSR, as well as other regions, could lead to a complete map of causal explanation of the CSR.

From market orientation to environmental responsibility focus

A market oriented organization is carrying out actions under the current marketing concept of satisfying customer needs. The main representatives of the development and practical application of the concept of market orientation (MO) are the celebrated Kholi and Jaworski (1989, 1990) and Narver and Slater (1990), having created a whole field of research on this concept (Atuahene-Gima, 1995; Lukas and Ferrel, 2000; Matsuno *et al.*, 2002; Jimenez-Jimenez and Cegarra-Navarro, 2007; Ledwith and O'Dwyer, 2009).

Kholi and Jaworski (1990) established that the MO was made up of three interrelated subconstructs: (i) the *generation of market intelligence* on current and future needs of customers; (ii) the *dissemination* of such intelligence within the organization and (iii) the *organizational ability to respond* to this market intelligence. According to these authors, the generation and dissemination of market intelligence are the elements necessary for the organization to respond satisfactorily to the needs of it.

Narver and Slater (1990), with a more strategic approach, highlighting the ability of MO to integrate and coordinate the functions within the organization and build competitive

advantage. For these authors, the MO is a type of organizational culture that promotes the behaviours necessary to create more value for customers and, consequently, a higher profit for the organization long term.

In both approaches, the MO is conceived as a philosophy of action, a way of operating in markets that goes beyond the marketing department and that pervades all departments of the organization promoting cross-functional collaboration towards the organizational goal of market needs satisfaction and value creation for the organization.

In addressing the construct of MO from the perspective of CSR, the concept of market expands and is no longer enough to satisfy customers (agent of interest, among others, indicated by the stakeholder theory). Freeman (1984, p. 25) notes that these agents are “those groups or individuals who can affect or are affected for the achievement of entity objectives”. Also Jonson and Scholes (2001, p. 193) indicate that “those individuals or groups whose goals depend on what the organization do and which, in turn, depends on the organization”. In this new framework for action the organization aims to meet the demands of their key stakeholders (Freeman and Miles, 2002; Kaler, 2004). The academic literature shows that CSR meets both, external and internal agents: clients (Brown and Dacin, 1997; Sen and Bhattacharya, 2001; Luo and Bhattacharya, 2006) and shareholders (Clarkson, 1995; Griffin and Mahon, 1997; Orlitzky *et al.*, 2003), as well as managers (Lerner and Fryxell, 1994; Mahoney and Thorne, 2005) or employees (Turban and Greening, 1997; Albinger and Freeman, 2000).

As in the classical conception of MO, our expanded concept of orientation to agents of interest is closely related to the use of information, in our case information on SR. In the discipline of marketing the tools of market research are particularly relevant. Therefore, if the company wants to create value for their markets through its SR actions, coordinate resources and provide effective organizational responsiveness, their actions should be based on information from these markets and variables that may affect their satisfaction.

Based on the above, the conceptual model proposed includes three related latent variables that make up the orientation to environmental responsibility, where information on CSR received by responsible on small enterprises is the independent variable. In parallel with Kholi and Jaworski (1990), the information will have a direct and positive effect on the diffusion made of the information received and a positive effect on the organizational responsiveness to environmental issues. In the model the diffusion is understood in two ways, diffusion to the organization internally and diffusion externally fulfilling the function of informing to society for actions carried out. Finally, focusing the model on the environmental dimension, the variable responsiveness refers to the positive attitude towards conservation and environmental preservation. Posed causal relationships are defined in the following hypotheses:

Main Hypothesis of the conceptual model:

H1: *The greater the concern and the information received on SR, the greater environmental responsiveness.*

Complementary Hypothesis to evaluate the mediating effect of diffusion:

H2: *The greater the concern and the information received on SR, the greater the diffusion on SR.*

H3: *The greater the diffusion on SR, the greater the environmental responsiveness.*

Methodology

To empirically analyse the proposed conceptual model, the structural equation models (SEM) have been selected as the appropriate methodological tool because they offer the possibility to combine and compare the theory with empirical data, performing multiple regressions between several latent variables (not directly observables, expressed by a set of observable variables that act as indicators) so as to provide causal scientific explanations that go beyond the description and the association (Fornell and Larcker, 1981). In this study we have used the software developed by Ringle *et al.* (2005) by subscription and authorization of the authors called Smart-PLS (*Partial Least Squares*) which parameters estimations are based on the ability to minimize the residual variances of the endogenous variables through the maximization of the explained variance (R^2) of the dependent variables. This way the main objective of this technique is got which is to predict the dependent variables (latent or manifest).

The orientation to environmental responsibility (ER) of Extremadura business has been analysed in detail following the logic of market orientation of Kolhi and Jaworski (1990) (information, dissemination and responsiveness), whereas for the section of responsiveness the greater or lesser willingness to respect and preservation of environment. Thus, for the measurement of the constructs different items were defined that were collected in the form of questions on a questionnaire sent first to pre-test with 20 selected managers, adjusted according to their specifications and then administered by telephone with a CATI (*Computer Aided Telephone Interviewing*).

The questionnaire consisted of 18 questions on a Likert scale of 10-point where the managers had to mark their position according to their perceptions between “strongly disagree” or “strongly agree”. Four questions were devoted to collect the independent latent variable (INFO): *Aspects concerning the degree to which employers are concerned about to get information and be aware of issues of SR (information)*. Five questions for the latent variable (DIF): *Issues related to the inclusion of CSR in the strategy and the degree of communication that makes of CSR (diffusion)*. And finally nine questions to the *perceptions of managers on aspects of environmental responsibility (responsiveness)*, issues addressed in the dependent latent variable (ENV RES), questions over which it would be possible to observe if the environmental responsiveness of small business was positive. The sample selected for the study was of 758 small businesses representing the regional network of the Autonomous Community of Extremadura with their default replacement companies to control the rate of non response. The field work was based on phone calls to the heads of the companies during the month of May 2010.

Analysis and Results

Testing model validity and reliability

In this section we shall consider the validity of the scales and the reliability of the measurement model (the *inner model*). The purpose at this point is to analyse whether the theoretical concepts are properly measured by the observed variables. This analysis is carried out for the two attributes *validity* (measuring what one really wanted to measure) and *reliability* (whether the process is stable and consistent). To this end we have proceeded to calculate the reliability of individual items, the internal consistency or reliability of the scales and the analysis of the average variance extracted (AVE) that are listed in *Table 1*.

The strictest criterion for the acceptance of an indicator as part of a construct is that it possesses a loading greater than 0.707 ($\lambda > 0.7$). This implies that the variance shared between

the construct and its indicators is greater than the error variance (Carmines and Zeller, 1979). However, some authors believe that this rule should not be so strict, and that loadings of 0.5 or 0.6 are acceptable in the early stages of development of a scale (Chin, 1998) or when the scales are applied in different contexts (Barclay *et al.*, 1995). Given the factor loadings obtained, we observe that it has not been necessary to remove any item from the initial model because all of them meet the criterion of individual reliability. It was also verified the internal consistency of the constructs of the measurement model. The Cronbach' Alfa coefficients calculated showed values above 0.8 and all the composite reliability indicators were above the 0.7 threshold recommended by Nunnally (1978) to be considered statistically satisfactory. Finally, to check the properties of the measurement model, convergent validity was confirmed. The average variance extracted (AVE) was always above 0.5, indicative that more variance was explained than unexplained in the variables associated with a given construct (Fornell and Larcker, 1981).

Table 1. Measurement Model

Constructs	Indicators	Factor Loadings (λ)	Cronbach' Alpha	Composite Reliability	Average Variance Extracted (AVE)
INFORMATION			0,80	0,87	0,64
	INF1	0,722			
	INF2	0,847			
	INF3	0,818			
	INF4	0,802			
DIFFUSION			0,84	0,88	0,61
	D1	0,797			
	D2	0,782			
	D3	0,755			
	D4	0,826			
	D5	0,749			
ENVIRONMENTAL RESPONSIVENESS			0,89	0,91	0,55
	ER1	0,783			
	ER2	0,747			
	ER3	0,759			
	ER4	0,748			
	ER5	0,527			
	ER6	0,769			
	ER7	0,796			
	ER8	0,751			
	ER9	0,771			

a) A loading is significant when it is above 0.55 (Falk and Miller 1992, p.81). b) Scale reliability is considered satisfactory when composite reliability is above 0.70 (Nunnally, 1978). c) Convergent validity is considered satisfactory when AVE is above 0.50 (Fornell and Lacker, 1981).

Structural model interpretation

After the satisfactory evaluation of the measurement model it is necessary to carry out a correct interpretation of the structural model in order to verify whether this model considers the proposed relationships between the latent variables.

A structural model estimates the assumed causal and linear covariance relationships among exogenous and endogenous latent constructs. Consequently, the structural model assesses the weight and magnitude of the relationships between SR information, SR diffusion and environmental responsiveness. To carry out this assessment it has been examined the explained variance of the endogenous variables (R^2), the path coefficients (β) and their respective levels of significance. Bearing in mind that the fundamental objective of the PLS methodology is prediction, the goodness of a model is determined by the strength of each structural path and analysed using the value of R^2 (explained variance) for the dependent latent variables. Thus, for each path or relationship between constructs, desirable values must be at least equal to or greater than 0.1 (Falk and Miller, 1992). *Figure 1* shows the high predictive power of the model.

Supporting the principal hypothesis of this analysis, the latent variable *SR information* explains about twenty percent of the environmental response of the companies in the sample. Adding to the effect of the *information*, the effect of the variable *diffusion*, both latent variables explain about sixty percent of the environmental responsiveness of companies highlighting the importance of managing these variables

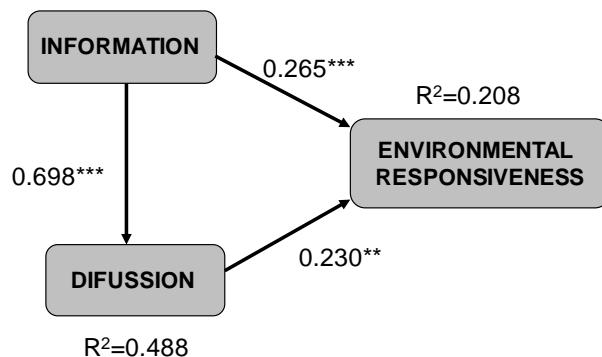


Figure 1. Structural Model Results

The Stone-Geisser test is used to verify the predictive relevance of the model (Chin, 1998). Its index Q^2 is a measure of how well the observed values are reconstructed by the model and its parameter estimates. Values of $Q^2 > 0$ imply that the model has predictive relevance. The resulting values of this Q^2 in our model were positive meaning that both constructs, SR *information* and *diffusion*, have predictive relevance and the model is able to predict satisfactory environmental responsiveness in companies.

Focusing on the analysis of path coefficients or standardized regression weights obtained, they must be interpreted as indicators of the relative strength of statistical relationships, as it is the case of β coefficients in traditional regressions. In this respect, Chin (1998) suggests that the standardized path coefficients should present values over 0.2 and ideally greater than 0.3. But Falk and Miller (1992) are less exigent and proposed as a rule for accepting that a predictor variable has an effect on another that it should explain at least 1.5 percent of the variance of the endogenous variable. Based on the correlation matrix among the constructs, they are confirmed both the predictive power of the *information* and the *diffusion* of the endogenous variable *environmental responsiveness*.

We have observed that standardized path coefficients exceed the value required in the exigent criteria 0.3 for the dissemination and the minimum criteria of 0.2 in the other variables. At the same time is far outweighed the 1.5 per cent of explained variance in all cases. Specifically, the variable *information* explains up to 11 per cent of the *environmental responsiveness* of the small businesses considered, and 49 per cent of the *diffusion*. These percentages are interpreted as an important result of the investigation. In turn, the variable

diffusion helps to explain the 9 per cent of the variance of the *environmental responsiveness*, a complementary result also very satisfying.

An important part of model evaluation is the examination of goodness-of-fit (GoF) index reflecting the predictive power of the estimated inner and outer model relationships. A general criterion for evaluating GoF is to calculate the geometric mean of the average communality and the R^2 average. The resulting value of this GoF index in our model was 0,244, which can be considered as satisfactory (Tenenhaus *et al.*, 2005) and can constitute a reference for future comparisons with other alternative models.

Hypothesis Testing

In this third and final stage of the analysis, related to the goodness of fit of the model in order to confirm the working hypotheses raised, PLS uses a nonparametric technique of resampling offering both the standard error and the t-values of the Student's t-test.

The significance level of the path coefficients was tested via a *bootstrap* re-sampling procedure (500 sub-samples) by using a two-tailed t-test and n-1 degrees of freedom where n was the number of sub-samples. The results obtained were very satisfactory (*Table 2*). The positive signs of the β coefficients for the variable *information* related to the other two variables of the model show the expected behaviour or variables consistent with theory. In addition, all structural relations in the model were significant supporting the hypothesis. The principal goal of this study was to determine the extent to which market information on corporate social responsibility issues explains environmental responsiveness in SME's firms. The H1 of a positive relationship between information and environmental responsiveness was supported by the data with just a one per cent chance of incurring the error of rejecting the hypothesis that the standardized parameter β is equal to zero when in fact this is true. Similarly, H2 and H3 were robustly supported.

Table 2. Measurement Model

HYPOTHESIS / structural relation A → B	Original Path Coefficients (β)	Mean of sub-sample path coefficients	t-value	Supported hypothesis
H1: INFO → ENV RES	0.265	0.432	8.886 (0.047)	Supported***
H2: INFO → DIF	0.698	0.700	21.059 (0.033)	Supported***
H3: DIF → ENV RES	0.230	0.228	3.286 (0.069)	Supported**

*p < 0.05; **p < 0.01; ***p < 0.001 (based on t₍₄₉₉₎, two-tailed test)

t_(0.05;499) = 1.96; t_(0.01;499) = 2.59; t_(0.001;499) = 3.31

Conclusions and Recommendations

It is remarkable the good fit of the model and the very satisfactory results obtained assuming the limitations of this type of analysis based on the selection of a sample, although is very large in this case, but limited to a single Spanish region. Consequently, results are not directly extrapolated to other environments that differ greatly in their defining characteristics.

With regard to the scales used for measure the latent variables we have obtained very good results, the scales have been validated and the theoretical causal model proposed have been satisfactory tested. The analysis offers an unprecedented array of indicators explaining the relationship between the variables because to the best of the authors' knowledge, this is the first time these relationships have been empirically tested obtaining an analytical framework and a wider applicability in SMEs.

The results allow us to affirm that the information that small business owners and managers get on SR plays a role in their environmental response. Being well informed about the actions of SR taking place in the context of business, be aware of events and meetings for the promotion and development of responsibility, spending time and resources for its dissemination in order to raise awareness, informing and educating employees about these topics, constitute an antecedent of the company's environmental responsiveness. Additionally, dissemination of information, both inside and outside the company, contributes to increase environmental response. The company will become environmentally more responsible including SR values in the vision and the strategy, actively participating and cooperating with associations and organizations that promote. Reporting the actions of SR through sustainability reports or other less demanding tools also helps to improve environmental responsiveness.

These results invite business organizations and public institutions to foster the work of diffusion and the awareness of small businesses to the SR because every effort in promoting or training good practices or efforts to encourage small businesses to participate in the preparation of sustainability reports, will have a positive impact on their environmental response.

References

- Adams, C.A., Frost, G.R. (2008), Integrating Sustainability reporting into management practices, *Accounting Forum*, 32, pp. 288-302.
- Albinger, H.S., Freeman, S.J. (2000), Corporate Social Performance and Attractiveness as an Employer to Different Job Seeking Populations, *Journal of Business Ethics*, 28 (3), pp. 243- 253.
- Atuahene-Gima, K. (1995), Involving Organizational Buyers in New Product Development, *Industrial Marketing Management*, 24, pp. 215-226.
- Bagnoli, M.; Watts, S. (2003), Selling to socially responsible consumers: competition and the private provision of public goods, *Journal of Economics and Management Strategy*, 12 (3), 419-445.
- Barclay, D., Higgins, C., Thomson, R. (1995), The partial least squares (PLS), approach to causal modelling: personal computer adoption and use as an illustration, *Technology Studies*, 2(2), pp. 285-309.
- Bies, R.J., Bartunek, J.M., Fort, T.L., Zald, M.N. (2007), Corporations as Social Change Agents: Individual, Interpersonal, Institutional, and Environmental Dynamics. *Academy of Management Review*, 32 (3), pp. 788-793.
- Brown T.J., Dacin P.A. (1997), The Company and the Product: Corporate Associations and Consumer Product Responses, *Journal of Marketing*, 61 (1), pp. 68-84.
- Capriotti, P., Moreno, A. (2007), Communicating corporate responsibility through corporate web sites in Spain, *Corporate Communication: An International Journal*, 12, pp. 221-237.
- Carmines, E.G., Zeller, R.A. (1979), Reliability and validity assessment, *Sage University Paper Series on Quantitative Applications in the Social Sciences*, N-07-017. Beverly Hills, CA: Sage.

- Carroll, A. B. (1999), Corporate Social Responsibility: Evolution of a Definitional Construct, *Business & Society*, 38(3), pp. 268-295.
- Clarkson, M.B.E. (1995), A Stakeholder Framework for Analyzing and Evaluating Corporate Social Performance, *The Academy of Management Review*, 20 (1), pp. 92-117.
- European Commission (2001), *Green Paper. Promoting a European framework for corporate social responsibility*, Brussels: European Commission, July 18.
- European Commission (2002), *European SMEs and social and environmental responsibility*, Observatory of European SMEs, p. 4.
- Chin, W. (1998), Issues and Opinion on Structural Equation Modeling, *MIS Quarterly*, 2 (1), vii – xv.
- Deegan, C. (2000), *Financial Accounting Theory*, McGraw-Hill Book Company, Sydney.
- Deegan, C. (2002), The legitimizing effect of social and environmental disclosures: a theoretical foundation, *Accounting, Auditing and Accountability*, 15 (2), pp. 282-311.
- Elkington, J. (1994), Toward the sustainable corporation: win-win-win business strategies for sustainable development, *California Management Review*, 36(2), pp. 90-100.
- Elkington, J. (1998), The Triple Bottom Line: Sustainability's Accountant, Chapter 4 of *Cannibals with Forks: The Triple Bottom Line in 21st Century Businesses*, New Society Publishers.
- Falk, R.F., Miller, N.B. (1992), *A primer for soft modelling*, Akron, Ohio: The University of Akron.
- Fenwick, T. (2007), Developing organizational practices of ecological sustainability. A learning perspective, *Leadership & Organization Development Journal*, 28 (7), pp. 632-645.
- Fernández De Gatta Sánchez, D. (2004), La responsabilidad social corporativa en materia ambiental, *Boletín Económico del ICE*, nº 2824, pp. 27-43.
- Fernández-Kranz, D., Santaló, J. (2010), When necessity becomes a virtue: The effect of product market competition on corporate social responsibility, *Journal of Economics and Management Strategy*, 19 (2), pp. 453-487.
- Fisher, K., Geenen, J., Jurcevic, M., Mcclintock, K., Davis, G. (2009), Applying asset- based community development as a strategy for CSR: a Canadian perspective on a win – win for stakeholders and SMEs, *Business Ethic: A European Review*, 18/ 1, pp. 66-82.
- Fornell, C., Larcker, D. F. (1981), Evaluating structural equation models with unobservable variables and measurement error, *Journal of Marketing Research*, 18, pp. 39-50.
- Freeman, R.E. (1984), *Strategic Management: a Stakeholder Approach*. Pitman Publishing.
- Friedman, A. L., Miles, S. (2002), Developing Stakeholder Theory, *Journal of Management Studies*, 39(1), pp. 1-21.
- Galbreath, J. (2006), Corporate social responsibility strategy: strategic options, global considerations, *Corporate Governance*, 6 (2), pp. 175-187.
- Galetzka, M., Gelders, K., Verchens, J.P., Seydel, E. (2008), Transparency and performance communication: a case study of Dutch Railways, *Corporate Communications: An International Journal*, 13 (4), pp. 433-447.
- Gray, E.R., Balmer, J.M.T. (1998), Managing corporate image and corporate reputation, *Long Range Planning*, 31 (5), pp. 695-702.
- Griffin, J.J., Mahon, J.F. (1997), The Corporate Social Performance and Corporate Financial Performance Debate, *Business and Society*, 36 (1), pp. 5-31.
- Hammann, E.M., Habisch, A., Pechlaner, H. (2009), Values that create value: socially responsible business practices in SMEs – empirical evidence from German companies, *Business Ethics: A European Review*, 18/ 1, pp. 37-51.

- Holtzhausen, L., Fourie, L. (2008), Communicating to a diverse workfoce. Employees' perceptions of symbolic corporate identity elements, *Corporate Communications: An International Journal*, 13 (1), pp. 80-94.
- Hooghiemstra, R. (2000), Corporate communication and impression management – new perspectives why companies engage in corporate social reporting, *Journal of Business Ethics*, 27, pp. 55-68.
- Institute Of Chartered Accountants In England And Wales (1975), *The Corporate Report*, ICAEW. London.
- Jenkins, H. (2004), A critique of conventional CSR theory: an SME perspective, *Journal of General Management*, 29(4), pp. 37–57.
- Jiménez-Jiménez, D., Cegarra-Navarro, J.G. (2007), The performance effect of organizational learning and market orientation, *Industrial Marketing Management*, 36, pp. 694-708.
- Johnson, G., Scholes, K. (2001), *Dirección estratégica*. Prentice Hall, Madrid.
- Kaler, J. (2004), Arriving at an Acceptable Formulation of Stakeholder Theory, *Business Ethics: A European Review*, 13(1), pp. 73–79.
- Kholi, A., Jaworski, B., (1989), Market Orientation: The Construct, Research propositions, and Managerial Implications, *Research Program-Working Paper, Marketing Science Institute*.
- Kholi, A., Jaworski, B., (1990), Market Orientation: The Construct, Research Propositions and Marketing Management Implications, *Journal 01 Marketing*, (54), April, pp. 1-18.
- Lerner, L.D., Fryxell, G.E. (1994), CEO Stakeholder Attitudes and Corporate Social Activity in the Fortune 500, *Business and Society*, 33 (1), pp. 58-81.
- Ledwith, A., O'Dwyer, M. (2009), Market orientation, NPD Performance, and Organizational performance in small firms, *Journal of Product Innovation Management*, 26 (6), pp. 652-661.
- Lukas, B.A., Ferrell, O.C. (2000), The Effect of Market Orientation On Product Innovation, *Journal of the Academy of Marketing Science*, 28(2), pp. 239-247.
- Luo, W., Bhattacharya, C.B. (2006), Corporate Social Responsibility, Customer Satisfaction, and Market Value, *Journal of Marketing*, 70 (4), pp. 1-14.
- Mahoney, L.S., Thorne, L. (2005), Corporate Social Responsibility and Long-term Compensation: Evidence from Canada, *Journal of Business Ethics*, 57 (3), pp. 241-253.
- Maignan, I., Ferrell, O. C. (2000), Measuring Corporate Citizenship in Two Countries: The Case of the United States and France, *Journal of Business Ethics*, 23(3), pp. 283–297.
- Marwick, N., Fill, C. (1997), Towards a framework for managing corporate identity, *European Journal of Marketing*, 31 (5/6), pp. 396-409.
- Matsuno, K., Mentzer, J.T. , Ozsomer, A. (2002), The effects of entrepreneurial proclivity and market orientation on business performance, *Journal of Marketing*, 66 (2), pp. 18-32.
- Maxfield, S. (2008), Reconciling corporate citizenship and competitive strategy: Insights from economic theory, *Journal of Business Ethics*, 80, pp. 367-377.
- Narver, J., Slater, S., (1990), The Effect of a Marketing Orientation on Business Profitability, *Journal of Marketing*, 54, October, pp. 20-35.
- Nielsen, A.E., Thomsen, CH. (2009), Investigation CSR communication in SMEs: a case study among Danish middle managers, *Business Ethics: A European Review*, 18/1, pp 83-93.
- Nunnally, J.C. (1978), *Phychometric Theory*. New York: McGraw-Hill.
- Olutayo Otubanjo, B., Melewar, T.C. (2007), Understanding the meaning of corporate identity: a conceptual and semiological approach, *Corporate Communications: An International Journal*, 12 (4), pp. 414-432.
- Orlitzky, M., Schmidt, F.L., Rynes, S.L. (2003), Corporate Social and Financial Performance: A Meta-Analysis, *Organization Studies*, 24 (3), pp. 403-441.

- Porter, M.E., Kramer, M.R. (2006), The link between competitive advantage and corporate responsibility, *Harvard Business Review*, 84(12), pp. 78-92.
- Preuss, L., Perschke, J. (2009), Slipstreaming the Larger Boats: Social Responsibility in Medium-Sized Businesses, *Journal of Business Ethics*, 92, pp. 531-551.
- Real Decreto 221 (2008), de 15 de febrero, por el que se crea y regula el Consejo Estatal de Responsabilidad Social de las Empresas. BOE de 29 de febrero de 2008.
- Ringle, C.M., Wende, S., Will, S. (2005), *SmartPLS 2.0 (M3)*, Beta. Hamburg, Available in www.smartpls.de (15/12/11).
- Roberts, R.W. (1998), A Stakeholder Approach to the Corporate Single Audit, *Critical Perspectives on Accounting*, 9, pp. 227-232.
- Sen, S., Bhattacharya, C.B. (2001), Does Doing Good Always Lead to Doing Better? Consumer Reactions to Corporate Social Responsibility, *Journal of Marketing Research*, 38 (2), pp. 225-243.
- Siltaoja, M. (2009), On the discursive construction of a socially responsible organization, *Scandinavian Journal of Management*, 25 (2), pp. 191-202.
- Turban, D.B., Greening, D.W. (1997), Corporate Social Performance and Organizational Attractiveness to Prospective Employees, *Academy of Management Journal*, 40 (3), pp. 658-672.
- Turker, D. (2008), Measuring Corporate Social Responsibility: a scale development study, *Journal of Business Ethics*, 85 (4), pp. 411-427.
- United Nations Industrial Development Organization (UNIDO), (2002), *Corporate social responsibility: implications for small and medium enterprises in developing countries*. Vienna.
- Weber, M. (2008), The business case for corporate social responsibility: A company-level measurement approach for CSR”, *European Management Journal*, 26, pp. 247-261.
- Wood, D. J., Jones, R. E. (1995), Stakeholder Mismatching: A Theoretical Problem in Empirical Research on Corporate Social Performance, *International Journal of Organizational Analysis*, 3(3), pp. 229–267.