



Developing Competitive Advantage through Ethical and SR Practices: The Case of SME in Australia and Malaysia

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Abstract

This study contributes to existing research by exploring the prevailing attitudes towards ethics and socially responsible considerations among Australian and Malaysian SME owners. Based on interviews conducted with 20 entrepreneurs from Australia and Malaysia who operated in the manufacturing and service sectors, a content analysis of the data revealed three clusters of ethical behaviours: (1) concern for ethical practices; (2) maintenance of honesty and integrity; and (3) taking responsibility and being accountable. The socially responsible behaviours that the respondents perceived to be important were grouped in four clusters: (1) responsibility towards society; (2) responsibility towards staff; (3) responsibility towards customers; and (4) responsibility towards entrepreneurship. The results showed that both Australian and Malaysian business owners considered and exercised ethical and socially responsible practices in their businesses. The study concludes by proposing a framework for empirically testing the links that ethical and social responsibility practices have with a firm's competitive advantage.

Keywords: Ethical, Social Responsibility, SME, Australia, Malaysia

1. Introduction

More than ever, SME entrepreneurs face new challenges that may hamper business growth and success. Debates surrounding the importance of ethical (Román & Munuera, 2005; Spence & Rutherford, 2003; Ushedo & Ehiri, 2006) and social responsibility practices (Luken & Stares, 2005; Zairi & Peters, 2002) suggest that the associated behaviours may be linked with business success. Gibb (2005) states that socially responsible behaviours among smaller firms should be considered as a key competency that lays the ground for the way the business should operate. The same applies to ethical business practices. Despite this, in a study on Hungarian firms, Fülöp et al. (2000) found that smaller firms were rated negatively by non-business respondents in terms of ethical and social responsibility practices. This raises concerns as to the applicability of such concepts among small business owners.

In addition, there are three further reasons as to why ethical and socially responsible practices in smaller firms should be examined more closely. Firstly, there is a large disparity in the number of studies of ethical and social responsibility issues between large firms and small firms (Quinn, 1997). To date, work on ethics and social responsibility has been largely concentrated on large firms (Morris, Schindehutte, Walton, & Allen, 2002) particularly in the context of Malaysia (see, for example, Rashid & Ibrahim, 2002; Thompson & Zakaria, 2004). As noted by Spence and Rutherford (2001), the size of firms is a significant differentiator for ethical issues whereby such issues identified in the larger firms do not reflect what is actually happening in smaller firms. Secondly, smaller firms have strong interconnectedness with the local community in which they operate in (Gibb, 2005). Often, they deal with the same cohort of customers who reside in their local areas (Spence, 1999) and the conduct of ethical and socially responsible business is an important factor in creating a harmonious 'business-customer' relationship in the local community. Thirdly, there is an increasing awareness about ethics and social responsibility, thereby leading societies to disapprove of firms that are found to be ethically ill and irresponsible. In light of the notion, 'good ethics is good for business' (Zairi & Peter, 2002), failure to adhere to such practices would have a major negative impact on business. Similarly, Vyakarnam, Bailey, Myers, and Burnett (1997) argue that ethical behaviour is one of the reasons why a firm is able to stay longer in business.

The research gap is even more significant in comparative international studies on ethical and socially responsible practices in small firms. There have been calls for more research of this nature in order to understand the prevalence of these behaviours in divergent cultural settings (Spence, 1999). Moreover, it has been observed that the ethics and social responsibility agenda in developing countries (e.g., Malaysia) lags behind developed countries (e.g., Australia). For example, the 2006 Corruption Perception Index (CPI) reported that, of the 163 countries studied, Australia was among the top ten scorers of 'highly clean' countries whereas Malaysia was ranked 44th (Transparency International, 2006). Even though the CPI report is not limited to small businesses, it is a reflection of the general ethical standards in these countries. With regards to social responsibility, the Council of Small Business Organisations of Australia (2000) reported that two-thirds of the small businesses surveyed (from a sample of 9000) revealed strong socially responsible behaviours especially in terms of providing support for the local community. More recently, Madden, Scaife, and Crissman (2006, p. 57) found that "there was a genuine enthusiasm for the notion of corporate social responsibility which was viewed as duty" among the Australian SMEs. In contrast, it was observed that the awareness in regards to ethics and social responsibility among smaller business is still relatively lacking in Malaysia. This is because the focus on such issues in Malaysia is often directed to large firms compared to smaller firms (see, for example, Rashid & Ibrahim, 2002; Thompson & Zakaria, 2004).

Following Zsolnai's (2004) suggestion that "ethics is not a luxury of advanced economies, it is an indispensable means to foster economic development" (p.57), it is crucial for the small businesses in developing economies to understand the importance of such constructs in their daily business activities. Hence, drawing evidence from these two countries can be seen as a modest attempt to trace and explore the extent to which ethics and socially responsible considerations are prevalent among small business owners operating in Australia and Malaysia. The study aims to therefore provide some answers to the question: "To what extent do entrepreneurs in small firms, particularly in the context of Australia and Malaysia, perceived ethical and socially responsible behaviours as important in managing their business?"

2. Literature review

2.1 Ethical and Socially Responsible Practices in SMEs

Various studies have shown that ethical considerations are important for business (Hornsby, Kuratko, Naffziger, LaFollete, & Hodgetts, 1994; Spence, 1999; Spence & Lozano, 2000; Quinn, 1997). Ethical practices within a commercial context make claims about 'what ought to be done or what ought not to be done' in managing a business (Kuratko, Hornsby, & Naffziger, 1997). Ethics as a code of conduct in larger firms has been the centre of attention in business ethics research. With a view that ethical practices should be the guiding principle for all businesses, large or small, studies investigating ethics in smaller firms have started to gain momentum. One such study conducted by Vyakarnam et al. (1997) found that ethical issues experienced by smaller firms in the UK revolved around the issues of conflict of interest among the stakeholders, protection of knowledge and information, legal and moral obligation, and personal versus business decisions. Also using a dilemma-based approach, Spence and Rutherford (2001) identified that there are four major dilemmas facing small business owners including profit maximisation, subsistence priority, enlightened self-interest, and social priority.

Closely related to ethical practices is social responsibility. We follow Fülöp et al. (2000)'s definition of social responsibility as "the positive activities a company undertakes in the society in which it operates" including responsibility towards customers, employees and the public. When the concept was first developed more than twenty years ago, organisations found it difficult to operationalise it in their business practices, as it required sacrifices to be made on the financial level. However, recently, organisations' leaders have started to acknowledge the importance of being socially responsible in business affairs. For example, Fülöp et al. (2000) found that there is a growing commitment to social responsibility among smaller firms, which is comparable to that of larger firms. Specifically, they found that small firms have demonstrated willingness to make arrangements to meet the requirements of social responsibility especially to their customers, their employees, and the public.

Notwithstanding this, the issues of ethics and social responsibility in small firms may be to some extent different from their larger counterparts due the nature and characteristics of these firms. Small firms are, by nature, independent and self-managed (Spence & Lozano, 2000). Presumably, the key aspects of ethics would revolve around the personal values and beliefs of the owners themselves, rather than governed by the ethical codes of conduct as in larger firms. 'Multitasking' is another key criterion of small businesses (Spence, 1999). The variety of tasks facing small business owners may leave them with less time to consider ethics in their daily business management. In addition, according to Vyakarnam (1997), "what constitute personal and business ethics are probably closer in situations where the owner is also the manager in a business. Relatively speaking, recession has greater impact on small firms compared to larger ones, making business survival one of the top agenda among smaller firms" (p.1627). Given these constraints facing small business owners, it is therefore crucial to closely examine the extent to which ethical and social responsibility considerations is applicable in smaller firms.

3. Method

Given the limited studies of ethical and social responsibility practices in small firms, this study follows Spencer's (1999) suggestion that exploratory research that builds upon qualitative interviews is needed as this will allow researchers to delve into ethical and social responsibility issues that are of particular relevance to smaller firms. Moreover, according to Morse and Richards (2002), employing a qualitative approach is appropriate if "the purpose is to learn from the participants in a setting or process the way they experience it, the meaning they put on it, and how they interpret what they experience" (p. 28). In view of these suggestions, semi-structured interviews were conducted on an individual, face-to face basis. In the interviews, respondents were asked to comment on various aspects of their approach to managing their businesses that they perceived to be important to the success of a business. The interviews did not highlight any issue pertaining to ethical practices and socially responsible behaviours to avoid 'socially desired responses' (Spence & Rutherford, 2001). Instead, the study was presented to the participants as being about practices for small business owners in managing their business. Interviews were transcribed and behaviours that reflected ethical and social responsibility practices were extracted.

According to Curran and Blackburn (2000), access to small firms and getting them to participate in a study is often difficult. We found the same issues and hence, participants were recruited based on recommendations by the director of South Australian Young Entrepreneurs Scheme program (Australia) and a contact person at the National Productivity Council (Malaysia) who dealt with small business owners. The sample consists of ten entrepreneurs each from South Australia and Northern Malaysia. The sample selection criteria are as follows: (a) business founder who played an active role in the business, (b) companies with less than 50 employees. A summary of the participants' profile is depicted in Tables 1 and 2.

4. Findings

The management literature generally is increasingly highlighting the importance of ethical management behaviours and the researcher made reference to this literature when defining this competency domain (e.g., Fülöp et al., 2000; Hornsby et al., 1994). Specifically, the definition of ethical business behaviour proposed by Lewis (1985) was used to define ethical practices as behaviours that indicate the use of "rules, standards, codes, or principles which provide guidelines for morally right behaviour and truthfulness in specific situations" (p. 381). In the present study, comments suggesting that participants demonstrated the application of ethical rules and principles within a commercial context and considered them important in running a business were categorised as "ethical practices". Generally, this was reflected in comments about "what is right and good for human" (Jones, 2000). Also, comments that are related to the social responsibility theme were also extracted from the interviews. Social responsibility has been referred to as "the positive activities a company undertakes in the society in which it operates" including responsibility towards customers, employees, and the public (Fülöp et al., 2000). In the present study, behaviours and comments by the participants that demonstrated these "positive activities" were categorised as socially responsible practices.

To begin the analysis process, transcripts of interviews with both Australian (10) and Malaysian (10) participants were examined for evidence of behaviours reflecting competencies that are perceived to be important by them. Transcripts were read several times to ensure familiarity with the data before the process of identifying and organising themes commenced (Easterby-Smith, Thorpe, & Lowe, 1991). It has been suggested that the familiarity created by reading transcripts increases the researcher's "awareness of the patterns, themes, and categories" (Patton, 1987, p. 150) that exist in the data. The process of data analysis was conducted concurrently with data collection, to allow for the identification of important issue pertaining to the research and to probe for further information in the following interviews.

A content analysis of the interview data revealed themes associated with ethical and socially responsible practices. To facilitate the description of the findings, behaviours were regrouped into 'clusters'. As there is no *a priori* cluster that has been developed for ethical practices, thus, behaviours reflecting ethics, as described earlier, were aggregated, on a logical basis, to form clusters of ethical behaviours. In this case, it is debatable however, that one cluster is equally different to another cluster. Notwithstanding this point, clusters were used to enhance descriptions of the data. Clusters for social responsibility were mainly based on the work of Fülöp et al. (2000), who identified four main clusters of social responsibility including (1) responsibility towards customer, (2) responsibility towards employees, (3) responsibility towards public, and (4) responsibility towards entrepreneurship. Selected quotes are presented in the discussion to highlight the issues identified by the participants.

4.1 Ethical Practices

Based on the qualitative data gathered, behaviours that were related to ethical practices in business dealings were traced. In this study, ethical practices are defined as practices related to "the rules of moral values that guide decision making; the understanding of the difference between right and wrong" (Hatten, 2006, p. 67). Eleven behaviours that were grouped into 3 clusters representing ethical behaviours are shown in Table 3 below.

Both Australian and Malaysian participants viewed ethical behaviour as important to their business. Thirteen participants (six from Australia and seven from Malaysia) highlighted issues of ethical practices in business. Entrepreneur D (owner of a computer and related services company, Australia) noted that ethical considerations outweighed the material or financial considerations. Business people, according to him, should not be caught up in the “culture of greed and materialism” but need to uphold the ethical standards in their business dealings. This entrepreneur also conveyed his frustration that some business owners refused to pay taxes when he said,

I have got no time for somebody that sort of rips somebody else off or rips the government off by saying they didn't pay their taxes, I don't like that. Entrepreneurs should pay their fair dues to the society by conducting their business in an ethical manner.

Some of the participants highlighted strong concern for maintaining honesty and integrity in their business practices. For example, entrepreneur F (owner of a public relations consulting firm, Australia) confirmed that she had an unquestioning belief in the importance of being honest, open, and transparent in business dealings and relationships with customers and staff. For her, absolute openness and integrity were hugely important, arguing that “...anything less than absolute honesty and absolute ethical behaviour will hinder you in the long run”. She added,

I think ethics is becoming a real issue for business. There's much more emphasis on corporate governance. There's much more interest in how directors behave and how executive behave. So I strongly believe that ethics goes without question.

Others (two Australians and three Malaysians) strongly felt that entrepreneurs should admit their mistakes and tell the truth to their customers, especially when it comes to product or service safety issues, so as to avoid harming the public. An example reflecting this behaviour is;

The toughest thing is when you are making mistakes and having to tell the customer that they have occurred. But you have to do it no matter what...no compromise on that (Entrepreneur F, the owner of a public relations consulting firm, Australia).

The importance of being transparent in business dealings was also being highlighted by one participant from Malaysia (entrepreneur K, owner of a cosmetics manufacturing company).

It is a common practice in my business that during consultation sessions with the customers and potential dealers I will explain in detail the effects of each of the products and how the products could help solve the problems that customers have, and at the same time explain the side effects of using the products. I would also disclose to my customers the potential hazards for those who have specific medical problems. As a result, I gained 100% trust from my customers (translation).

She added, her first priority in business was to be transparent to her customers during consultation sessions and not risking the customers' safety simply to gain more profit.

Similarly, entrepreneur M (owner of a steel trading company, Malaysia) admitted that he first started a humble ‘two-dollar’ company and in the first decade of operation, as he had dealt with his suppliers and financial institution with honesty, he had not faced any problems with reliability in supply or financial support. He suggested that the most important criteria were honesty and sincerity in business dealings because if money is the prime motivation, one may not last long in business.

Being trustworthy was another area that was highlighted during the interviews. Entrepreneur N (owner of a motor trading and insurance company, Malaysia) believed that the most important criteria in business was to be trustworthy and this meant keeping one's promises because when doing business, ethical considerations should outweigh other personal or financial motives.

In sum, participants from both countries demonstrated concerns for ethical business practices in managing their business. Behaviours revolving around maintaining honesty and integrity, being trustworthy, engaging in fair commercial practices, not being too money-oriented, and taking responsibility as well as being accountable for one's own actions were highlighted by the participants. The finding is seen as consistent with a statement made by Fülöp et al. (2000) that “ethical business behaviour is becoming increasingly important and starting to arise in the global economy” (p. 5), even in smaller firms. The importance of upholding ethical principles and practices have proven beneficial for entrepreneurs (as identified by entrepreneurs K and M), particularly in obtaining customers' trust and support from suppliers and financial providers.

4.2 Socially Responsible Practices

Themes that are related to social responsibility were also found in the interviews. Thirteen behaviours were identified from the comments and represented in 4 clusters of social responsibility behaviours, as shown in Table 4. The findings of the current interviews indicated some overlap with those of Fülöp et al. (2000).

Among 20 entrepreneurs who participated in the interviews, 11 of them (six from Australia and five from Malaysia) pointed out the relevance of being socially responsible in handling a business. Entrepreneur I (owner of a musical instrument manufacturing company, Australia) argued that “entrepreneurs could achieve far more by helping the people around them to achieve their dreams”. She explicitly argued that entrepreneurs should consider helping the local community rather than simply using people around them to achieve their personal goals because such practices give them satisfaction. She also added that she could find what she wanted in life by making people around her happy.

I have to make others happy, so in a sense, I don't do it for myself only but if I were to make everybody else happy, and give them what they want in life, I in turn get what I want in life. That is how I see it.

Another common theme of socially responsible behaviour was demonstrated by entrepreneur Q (owner of a catering service company and a restaurant, Malaysia) who strongly believed that business practitioners should be responsible for ‘improving the well being of the society’.

In business it is not always about us...how much profit we want to achieve, how to improve our business, and how to get more customers. We have to consider people around us, the society. We should consider their welfare and how we can help them improve their well being (translation).

Participants from both countries felt that being socially responsible to the customers was important. This meant providing extra services to the customers, giving them value for their money, offering good product or services at good price, responding to customers' complaints immediately, and also demonstrating the willingness to add value to customers' well-being.

However, compared to Australian participants, Malaysian participants showed more concern for staff welfare including offering fair salaries and organising training and development programs that could improve staff knowledge and skills. As mentioned by entrepreneur T (owner of an ice cube manufacturing company, Malaysia),

To manage 26 people is not an easy task but the one thing that I know for sure is that if you take good care of your staff, they will in turn take good care of your business. So give them fair salaries and treat them well... For me, it is important that the staff welfare is taken care of and that they are happy working with me (translation).

Responsibility towards entrepreneurship as highlighted by Fülöp et al. (2000) include areas such as innovation, profitability, and survival. Interestingly, these themes were also identified in the present study, thereby confirming the earlier findings. Fourteen participants (eight Australians and six Malaysians) mentioned that it was important to reinvent, create new ways of doing things, and even create new product or services that would be perceived as valuable by potential customers. Participants from Australia highlighted reinventing the business and producing something new (i.e., innovate). Entrepreneur A, (owner of a handbag designing and manufacturing company, Australia) reported being uncomfortable doing things that other people have done. Those from Malaysia stressed the importance of having new ideas on how to market products and services; new approaches to customer service; and developing a new business concept. Profitability and survival were also mentioned. The following quote illustrates this:

If you can survive for a long period of time and make money, you've achieved something more than what a lot of small businesses achieve (Entrepreneur E, the owner of an air conditioning service company, Australia).

Despite many similarities among entrepreneurs from both countries demonstrating concern and awareness of being socially responsible to the local community, public and customers, there were a few differences. Malaysian participants however expressed greater concern for the welfare of their employees. Interestingly, the participants pointed out that being socially responsible, especially towards customers, is beneficial for their business in the long run. Two examples serve to illustrate this:

I'll go to the same old thing, if you're doing the right thing, if you're giving people the value for their dollar, they'll come back to you and you keep them. When you keep them you can't go wrong, you build your business to a certain level (Entrepreneur B, owner of a tailoring and dry cleaning business, Australia).

If you treat somebody good and they know they got a good deal from you, they will tell ten people. If you upset somebody, then they will tell fifty people (translation) (Entrepreneur N, owner of a motor trading company, Malaysia).

While ‘serving others’, a term referred to “working for others’ benefit rather than your own” (Rushworth & Gillin, 2006), was described as the reason why some entrepreneurs were concerned about social responsibility, respondents indicated that acting in a socially responsible manner, especially towards customers, has economic advantage for the business in the long run. The associated behaviours are therefore, seen as a mechanism for the firm to achieve competitive advantage. Interestingly, there was no indication of social commitment in terms of restoring and protecting the environment reported by the participants. The finding is consistent with Fülöp et al. (2000) who studied social responsibility among small and large firms in Hungary. Specifically, the authors found that responsibility towards environment was rated more importantly by larger firms than smaller ones, in which in smaller firms, the priority was placed on responsibility towards employees.

5. Discussion and conclusion

This study found that ethics and social responsibility issues are important aspects of entrepreneurial behaviours in smaller firms. It was also found that the behaviours identified in both countries are somewhat similar, signifying the generalisability of such considerations in smaller firms. It may be that, compared to other managerial practices, (in which Abdullah and Lim (2001) found that Australians and Malaysians differed significantly in their approach towards business management, with the former emphasising strongly on 'task' while the latter on 'relationship') ethical and social responsibility standards in smaller firms transcend cultural boundaries. Among the behaviours that were frequently identified as important among Australian and Malaysian participants included the need to demonstrate ethical practice in business dealings; honesty and integrity; willingness to admit mistakes and to tell the truth; a commitment to social obligation and social welfare; willingness to give extra service to people; to take responsibility and accountability for one's own action. A possible explanation for the concern with ethical practices and social responsibility is the strong emphasis given to these issues in modern business writings, which can be associated with a growing awareness that these practices 'pay off' in the long run (Zairi & Peter, 2002).

The notion of 'if you take good care of your staff, they will in turn take good care of your business'; 'deal with suppliers and financial providers with honesty to obtain support'; 'if you're doing the right thing, they (customers) will come back to you and you keep them'; and 'if you treat somebody good and they know they got a good deal from you, they will tell ten people' as identified in the present study demonstrates the prevalence of ethical and socially responsible concerns in enhancing commitment, trust, and satisfaction among employees, customers, suppliers, financial institutions, as well as other stakeholders. As suggested by Bejou, Ennew, and Palmer (1998), the demonstration of ethics on the part of the individual who manages a relationship (in the case of the present study, the business owners themselves) could be related to trust and satisfaction and eventually determines the success or failure of a relationship. Koh and Boo (2004) found evidence that the perception of ethics in an organisation is positively related to employee's satisfaction and commitment. More importantly, as argued by Goll and Rasheed (2004), in fast-changing and unpredictable environments, socially responsible behaviours help organisations to gain support from various external stakeholder groups. Such behaviours provide them with some protection from unpredictability they face. It is also important to note that an organisation's image and reputation may be influenced by the good ethical conduct it portrays to the public (Jones, 2000). Taken together, the benefits of ethical and socially responsible practices enable competitive advantage to be attained as a firm distinguishes itself from its competitors. For instance, highlighting fair and honest marketing practices as well as open relations with customers may be a potential marketing selling point that the firm could capitalise on. Based on the preceding discussion of the prevalence of ethical and social responsible practices, this study concludes by proposing a model for small business to create competitive advantage through such business practices (refer to Figure 1).

Based on the proposed model, the present study offers the following propositions for further research:

Proposition 1: Ethical practices will improve the quality of relationships between a firm and its stakeholders through enhancing commitment, building up trust, and increasing satisfaction among the stakeholders, which will subsequently lead to competitive advantage.

Proposition 2: Socially responsible concerns will improve the quality of relationships between a firm and its stakeholders through enhancing commitment, building up trust, and increasing satisfaction among the stakeholders, which will subsequently lead to competitive advantage.

The value of this study lies in its effort to provide an informed understanding of the ethical and socially responsible practices in smaller firms, particularly in the context of Australia and Malaysia. The identification of the ethical and socially responsible behaviours in this study signals an important message regarding the prevalence of such practices, particularly in smaller firms, because of their strong interconnectedness with employees, customers, and local community. For them, ethical and socially responsible conduct of business is seen important to create harmonious 'owner-employee', 'customer-business, and 'community-business' relationships that may have long term benefits for the firms. Also, in view of 'good ethics is good for business', it is assumed that failure to adhere to such practices will have major implication to the business well-being. The good example (in terms of the possession of ethical and socially responsible competencies) set by the smaller firms may influence the broader trading environment to improve standards of behaviour and integrity in business. The awareness of ethical business practices among smaller firms could also furnish a healthier economy (Bishop, 1992), as they make up more than 80% of all establishments in most countries.

Importantly, business practitioners should realise that ethics, social responsibility, and profit making can go hand in hand; they are not conflicting agenda. Therefore, a challenge for entrepreneurship educators and policy makers is to recognise the distinctive aspect of these practices in SMEs and not to treat the issues of ethical and social responsibility through the lens of large firms' corporate policies but as means for creating small firms' competitive advantage. As argued by Hatten (2006), ethical and social responsibility issues in smaller firms should go hand in hand with the strategic planning of the firms because the entrepreneurs' decisions of "what to do and how to go about doing it" are

largely influenced by their ethical and socially responsible values. Training programs that could portray the relationships among strategic planning, ethics, and social responsibility of the entrepreneurs is of great value.

The present study is not without its shortcomings. One limitation of the study concerns the generalisability of the results (i.e., the ecological validity). While both Australia and Malaysia are culturally diverse countries that may have implications to the way SME entrepreneurs operate their business, only a small part of the diversity pertaining to ethical and social responsible practices was captured in the study. Moreover, the study is an international comparative study of only two countries (one Western and one Eastern) and, as such, the generalisability of the results to other settings and cultures remains to be determined. An avenue for future research is therefore to empirically test the proposed model using a larger sample of small business owners to establish an informed understanding of the linkage among ethical practices, social responsibility, and small firms' competitive advantage.

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Table 1. Profile of the Australian Participants

Participants	Gender	Current Age	Education Level	Nature of business	No of employees	Firm Age
A	Female	28	Bachelor degree	Handbag designer and manufacturer	14	3
B	Male	63	Certificate	Tailoring and dry cleaning	15	47
C	Male	37	Certificate	Software development and computer service	5	12
D	Male	40	Halfway through university	Computer and related services	2	8
E	Male	42	High School	Air conditioner service	17	15
F	Female	45	Masters degree	Public relations consulting	3	3
G	Male	56	High school	Electrical goods and furniture retailer	15	20
H	Female	23	Masters degree	Website development	4	2
I	Female	32	Certificate	Musical instruments manufacturer	13	3
J	Female	24	Bachelor degree	Business consulting	2	2
<i>M</i>		39			9	11.5
<i>SD</i>		13.19			6.25	13.96

Table 2. Profile of the Malaysian Participants

Participants	Gender	Current Age	Education Level	Nature of Business	No of employees	Firm Age
K	Female	45	High school	Cosmetic producer/ manufacturer	13	5
L	Female	40	Diploma	Software development and computer services	8	4
M	Male	44	Masters degree	Steel trading and retail	15	5
N	Male	50	High school	Motor trading and insurance services	27	20
O	Male	43	High school	Transportation and logistics service	17	16
P	Male	42	High school	Car trading and insurance services	25	18
Q	Male	41	High school	Catering service and restaurant	11	3
R	Male	35	Bachelor degree	Optometry service	6	9
S	Male	36	High school	Printing service	5	7
T	Male	45	High school	Ice cube producer	26	15
<i>M</i>		42.1			15.3	10.2
<i>SD</i>		4.43			8.28	6.40

Table 3. Clusters and Examples of Ethical Behaviours

Cluster	Examples of behaviours
Concern for ethical business practices	• Handle business based on ethical standard and philosophical consideration • Avoid being too greedy or money-oriented • Handle business based on corporate governance • Engage in fair and open marketing practices • Be committed to offering products/services at fair prices
Maintain honesty and integrity	• Be honest and transparent in business dealings • Be trustworthy • Keep promises • Hold on to integrity
Take responsibility and be accountable	• Take responsibility and be accountable for own actions • Admit mistakes and inform the affected party that they have occurred

Table 4. Clusters and Examples of Socially Responsible Behaviours

Cluster	Examples of behaviours
Responsibility towards society	• Engage in community activities • Concern for social welfare – ‘serving others’ • Create job opportunities for local communities
Responsibility towards staff	• Concern for staff welfare • Provide staff with training or send them for training
Responsibility towards customers	• Provide extra services to people/customers • Give customers value for their money • Offer good product/services at good price • React to customers complain immediately • Demonstrate the willingness to add value to customers well being
Responsibility towards entrepreneurship	• Survival • Innovation • Profitability

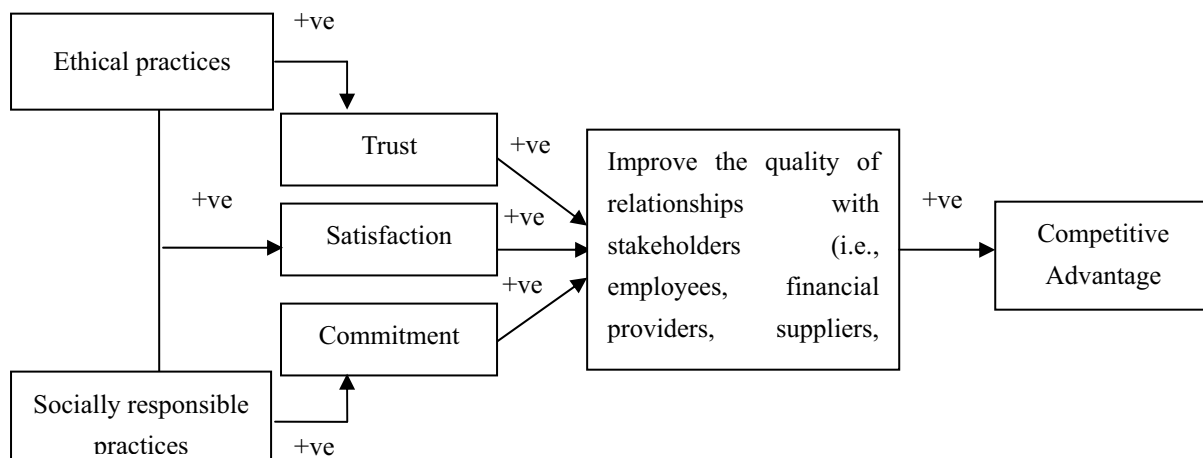


Figure 1. A Proposed Model