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Sustainability from the perspective of the small firm owner-manager

Dr Martina Battisti
New Zealand Centre for SME Research,
Massey University, New Zealand
m.battisti@massey.ac.nz

Mr Hernan Roxas
New Zealand Centre for SME Research
Massey University, New Zealand

The role of SMEs in corporate sustainability has attracted increasing attention in recent years with much of the evidence pointing to the low number of SMEs that are taking up sustainability programmes and the difficulties to engage SMEs in the sustainable business debate (Rutherford et al. 2000, Revell and Rutherford 2003).

Definitions of corporate sustainability are very broad and do not take into account specific business contexts. Some commentators claim that this plethora of definitions is of little practical relevance to organisations (Marrewijk 2003). This seems to be particularly important in the context of SME research, given the heterogeneity of this sector. However, theories and practices on corporate sustainability have been predominantly developed for and in large firms (Jenkins 2004, 2006). Although the specific characteristics of small firms are acknowledged, for example resource constraints, personalised management style, lack of formal structures and ownership structure (Storey 1994, Gibb 2000), attempts to engage small firms in sustainable practices have centred on the modification of conventional approaches to sustainability to fit the needs of small firms. Assumptions are often made that measures to engage SME firms in corporate sustainability can be scaled down versions of those developed in large firm contexts (Jenkins 2004, 2006). As a result many of the programmes that have been developed are not relevant for SMEs and therefore making it difficult for SME owner-managers to buy into it.

There is a perceived need to understand sustainability from the perspective of small firm owner-managers. The focus of the present study is to understand how small business owners define sustainability in the context of their firm and explore how they put this understanding into practice. This paper reports on a qualitative study funded by Massey University Research Fund. It is based on face-to-face interviews with 50 owner-managers of firms with less than 50 employees.

Results suggested four different perspectives on sustainability which were labelled as “It’s about making money”, “It’s a business opportunity”, “It’s a lifestyle” and “It’s about keeping the business running”. These four perspectives are discussed in the paper and then linked to the firms’ sustainability practices.

The paper contributes to the academic discourse by identifying a range of different perspectives on sustainability within the SME context. However, results suggest that these perspectives are not mutually exclusive as we found multiple perspectives being evident in a single owner-manager’s understanding and experience of sustainability. Following-on from the results it is suggested that taking into account the owner-managers values, beliefs and most importantly their motivations of doing business might help to understand why emphasising the business case for sustainability might be contra productive within the SME sector. The reasons for being in business are far more complex than purely economic reasons (Revell and Blackburn 2007).

From the analysis, recommendations are drawn that might assist policy makers and practitioners in the design of sustainability programmes for SMEs.