Barriers to Environmental Responsibility as a Social Responsibility Concern of SMMEs in Sub-Sahara Africa: Insights from Two Southern African Countries

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Abstract:- Studies on the small, medium and micro enterprises (SMMEs) environmental responsibility (ER) is scarce in the African context leading to lack of proper understanding of the SMMEs/ environmental responsibility interface on the continent and the need for accelerated empirical research on the subject. This paper forms part of a larger study on ER within SMMEs in two Southern African countries, South Africa and Lesotho. The paper reports on barriers to environmental responsibility among the SMMEs surveyed in the study. In the study, data were collected from 600 participants, 300 from each country using self-administered questionnaire. The results indicate that although the surveyed SMMEs in both South Africa and Lesotho have good knowledge on environmental responsibility and engage in it, their efforts are hindered by inadequate time, financial resources, training, equipment, and information. Based on these findings, conclusions are drawn followed by policy recommendations as well as practical recommendations for SMMEs.

Keywords:- *Business Social Responsibility, Environmental Responsibility, SMMEs, ER Barriers*

I. INTRODUCTION

Environmental responsibility (ER) is an important business issue globally, which falls into the context of sustainable business practice, an equally topical issue globally. According to Nkoli (2013), sustainability is fast gaining momentum across economies, as a way to pursue economic growth and development, while preventing environmental degradation, and unsustainable natural resource use. Thus, environmental responsibility is the attitude of business towards the environment.

Businesses do not operate in a vacuum; therefore, their actions and decisions must not disadvantage the communities and environment where they operate. The aim of business is not only to make profit for its shareholders but also to accommodate the interests of its divergent stakeholders, for without whose support the continuous existences of business will be jeopardized. In developing countries, there is a myriad of examples of business malpractices leading to exploitation of natural resources, environmental degradation and negative externalities oftentimes including incidences of environmental injustices comprising the development potential of local communities (Honke et al. 2008). Such impacts derived from operations of both large and SMMEs. Sadly, studies reveal that discussions on, and to a large extent implementation of, ER are largely focused on large companies. This worrying trend disadvantages SMMEs with regards to ER awareness, especially if one considers their huge numbers, both locally and globally, and their collective impact on the environment (Okyere, 2016).

The relative importance of SMMEs in advanced and developing countries has led to a reconsideration of the role of SMMEs in the economy of nations. Indeed, several studies suggest that SMMEs contribute significantly to economic growth in Africa too. Nieman and Nieuwenhuizen (2010) for instance estimate that SMMEs make up 97.5% of all businesses in South Africa, and they generate 35% of gross domestic product (GDP). Similarly, Abor and Quartey (2010) state that SMMEs in Ghana provide about 85% of employment and contribute up to about 70% of GDP. Furthermore, data suggests that in Lesotho, SMMEs comprise at least 85% of the private sector and account for nearly 50% of the GDP (Ministry of Trade and Industry, Cooperative and Marketing (MTICM), (2008). The above data makes the SMME sector in South Africa and Lesotho very important to socio-economic development. However, the activities of SMMEs should not compromise the environment within which they do their businesses.

Even though Reinhardt and Stavins (2010) state that business leaders, government officials, and academics continue to focus considerable attention on business social responsibility (BSR) particularly in the area of environmental protection, Loucks et al. (2010) postulate that SMMEs have largely been left out of the picture. Considering the considerable size of the SMME sector on the continent, this has the potential to compromise sustainable development on the continent (Parker et al., 2009). Thus, Revell et al. (2008) could not have said it better when they opined that the importance of research on SMMEs' ER is justified by their sheer numbers. Therefore, ER calls for scrutiny among SMMEs least it becomes their nemesis. In South Africa and

Lesotho, there is dearth of empirical studies on environmental practices of SMMEs. This paper examines barriers that hinder ER efforts of small businesses in the two countries.

A. Problem Statement

Given the sheer size of the SMME sector in South Africa and Lesotho and their potential collective impact on the environment, a clear ER agenda is required to promote ER for this sector. This requires understanding of the status of ER in these businesses. Unfortunately, there is insufficient empirical data regarding environmental issues of SMMEs that operate in Africa in general, and in South Africa and Lesotho specifically. In fact, what little data there is suggests that ER does not seem to be high on the agenda of SMMEs in South Africa (Okyere, 2013), but this is speculative because data was limited to a few SMMEs in one locality.

The problem is that it becomes very difficult to tell exactly what potential environmental SMMEs are actually doing in terms of ER; and what obstacles hinder their environmental activities endeavours. Without such information, governments and policy-makers cannot reasonably be expected to formulate appropriate support mechanisms to enhance the ER efforts of SMMEs. In the end, local communities in Africa and in particular these research areas might lose out on the benefits that are usually associated with ER activities of SMMEs.

B. Aim and Scope

Based on the above problem statement, the main aim of this study is to identify barriers that hinder environmental responsibility endeavours of SMMEs. This study focused on potential environmental polluting businesses such as motor vehicle mechanics, panel-beaters, and clothing manufacturing businesses in South Africa and Lesotho.

C. Contribution/ Importance of the Paper

Several reasons can be attributed to the significance of this study. To begin with, given the lack of in-depth research, and hence limited knowledge on ER in the African sector, this study seeks to investigate the level of environmental initiative awareness of small businesses in South Africa and Lesotho. The study is necessary because it seeks to explore how SMMEs in both South Africa and Lesotho engage in ER activities and the barriers they encounter; thus the research will contribute to SMMEs management of ER practice. This will provide valuable insight to policy-makers and business advisory bodies to formulate appropriate ER policies for SMMEs.

D. Structure of the Paper

The paper begins with a literature review, and then followed by theoretical and conceptual frameworks; methodological approach; discussions of empirical findings; and lastly conclusions and recommendations.

II. LITERATURE REVIEW

Dzansi and Okyere (2015) advise that it is customary to begin literature review with definitions. Environmental issues form one of the three legs of sustainable business practice. Broadly, this means that a business needs to balance its social and environmental concerns (Okyere, 2016). However, research evidence reports that ER rarely forms an integral part of businesses' development plan, particularly in developing countries. The next section examines extant definitions of ER.

A. Defining ER

For Huckle (1995), ER is defined as the obligation of decision makers to take actions that protect and improve the environment as a whole, along with other interests. Glasby (2002) on the other hand states that the now widely accepted general standard of environmental soundness is "sustainable development," which is defined by the World Commission on Environment and Development (WCED) (1998) as development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs. Dasgupta (2007) says this definition calls for each generation passing down as much as what it inherits from its predecessor to its successor, therefore allowing the successor generation to own the same economic possibilities as before when receiving rich asserts from its predecessor. Portney (2008) in line with Lyon and Maxwell (2008) define ER as environmentally friendly actions not required by law, which are also referred to as going beyond compliance, or voluntarily internalising externalities. Revell et al. (2008) sees environmental issues through the lens of business practice that is based on respect for the environment, designed to deliver sustainable value to stakeholders as well as society at large.

In spite of some contrasting opinions in the definitions above, there seem to a common ground amongst them. That for a business to be environmentally responsibly, it actions should internalise environmental externalities, protect and care for the environment, and value stakeholders concerns. For the purpose of this study, ER is defined as the obligation of business to embark on actions that protect and improve the natural environment so as to create sustainable development (Okyere, 2016).

B. Related Studies

In the discussion of SMMEs environmental responsibility endeavours, it is important to examine related studies of other researchers. Much as large companies tend to occupy the spotlight in discussions of ER, the large number of SMMEs, both locally and globally, has made it impossible to overlook them. In 2002, Observatory of European SMEs (2002) asserted that the little empirical evidence then suggested that European SMMEs' ER activities remained low, especially in comparison with their large counterparts. Hillary (2000) had earlier reported that research on

ISSN No:-2456-2165

environmental practices of SMMEs demonstrated that small firm owners/managers: lacked the tools and resources to tackle environmental problems; were resistant to voluntary action due to the perceived cost, time and resources required to reduce environmental impacts; were sceptical about the business benefits of sustainability; and proved difficult to engage in anything to do with reducing environmental their impact.

Pinkse and Dommisee (2009) and Massimo et al. (2014) reported that SMMEs are not equipped, in terms of tools and training, to deal with ER issues. Parker et al. (2009) and UNIDO (2010) identify lack of financial resources as a factor that hinders small businesses' ER endeavours. Brammer et al. (2012) also concluded in their study that the few or limited employees of SMMEs are assigned to a set of duties that take up the full time of their weekly employment and leave them no time for environmental initiatives. Parker (2009) aver that many SMME owners/managers lack commitment to reduce their negative environmental impact because the benefits of engaging in ER are not known to them. Previous work by Alemagi (2006) and Burgi (2014) suggest that age of business, number of employees and gross annual turnover have a significant effect on ER engagement. Thus, businesses that have been in existence longer, those with more employees and higher gross turnover per annum engage in ER more than the smaller ones.

In a study conducted by Sidek and Backhouse (2014), the authors concluded that SMMEs in Malaysia are often characterised by limitation of people resources, and have different needs, goals and challenges than larger organisations. Nkoli (2012) examined owner-manager's perceptions of environmental sustainability practices among Nigerian SMMEs with the case of the water sachet manufacturers. The results showed that the perception of owner-manager's towards their environment is negative. A study carried out by Jappesen et al (2012) on BSR and ER in SMMEs in the textile and garment industry in South Africa and Vietnam found out that, less than half of the textile and garment firms in Cape Town stated that the development of BSR and ER practices had led to an increase in efficiency.

C. The Theoretical Framework

Environmental responsibility falls under the umbrella term business social responsibility (BSR). Therefore, a brief examination of BSR will help in unpacking the theoretical foundation of ER, which forms one of the three legs of BSR. Even though understanding and definition of BSR remains quite elusive (Fontaine, 2013), academics agree that a socially responsible business means going beyond legal compliance and investing in employees, the local community, and the environment. According to Shama and Kiran (2013), BSR is a concept whereby companies integrate social, economic, environmental and health concerns in their business strategy (policy) and operations and in their interactions with stakeholders on a voluntary basis. Garay and Font (2011) state that a firm's social responsibility should go beyond profit making and its relationship with customers to include such areas as the broader society and environmentalism. Dzansi (2011) contends that social responsibility as practiced by firms usually takes the form of consumerism, employee relations and community relations. For this study, BSR is defined as a company's balancing commitment to its economic obligations (owner value); stakeholders (customers, employees, local community); and the environment that goes beyond legal compliance (Dzansi & Okyere, 2015).

The above definitions has portrayed that the social responsibility of business is threefold (economic obligation, social obligation and environmental obligation). Thus, apart from its economic obligation (owner or shareholder value), a company must consider the interests of society by taking responsibility for the impact of activities on customers, suppliers, employees, communities and other stakeholders as well as the environment. In spite of the various theoretical foundations upon which social responsibility is built, this study aligns to the stakeholder theory. According to Dzansi (2011), this position is considered appropriate for SMMEs. Freeman (1984) defines stakeholders as a group or individuals who can affect or is affected by the achievement of the firm's objectives. This study recognises the environment as a stakeholder, though a silent one; however, its voice is echoed by environmental activists and the media.

D. The Framework Guiding this Study

The literature review in this section has shown that BSR is characterized by activities that focus on economic, social, and environmental facets: that a business must (i) fulfill its economic obligation to its shareholders; (ii) accommodate the interests of its stakeholders—customers, employees and local community; and (iii) care for and protect the environment.

For this study, three attitudinal scenarios are depicted for SMME environmentalism. The first is that an SMME can be described as *environmentally irresponsible* where environmental practices fall short of the minimum standards practiced by law. The second group are seen as *environmentally compliant*, insofar as the SMME meets only the minimum standards prescribed by law. Finally, one can think of a third group as *environmentally responsible*, when the SMME consciously and voluntarily ensures that environmental practices exceed standards prescribed by law.

This empirical study will be guided by the model in Fig 1, which is an adaptation of Dzansi's (2006) framework. Similar to Dzansi (2006), the researcher sees the economy, society and environment as the three main dimensions of BSR for all types of businesses including SMMEs. Thus, unlike Dzansi (2006), environmental issues are major responsibility concerns for SMMEs. In brief, the model shows that engaging in responsible activities (environmental, economic and social) benefits both business and society. This study focuses on the area shaded in green, which has to do with environmentalism.

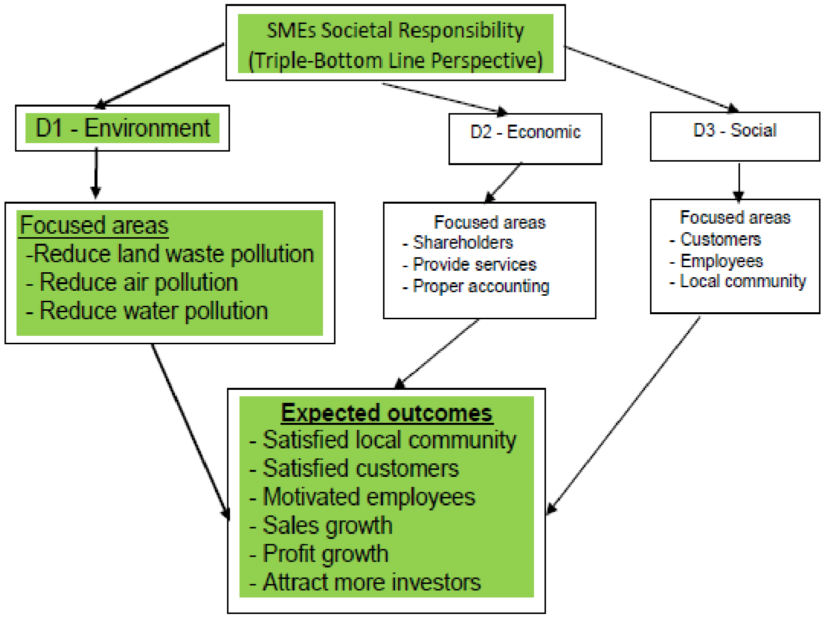

Fig 1:- Conceptual framework of SMMEs' societal responsibility
Source: Okyere, 2016

III. METHODOLOGY

A. *Philosophical approach and research design*

The above reviewed literature pertaining to environmental issues as a social responsibility concern for small businesses. This chapter describes the methodology and procedures employed in this empirical study. According to Bryman and Bell (2011), research methodology is a framework that guides the planning, gathering, analysis and interpretation of data. This study is exploratory as it seeks to investigate barriers encountered by motor vehicle mechanics, panel-beaters, and clothing manufacturing SMMEs in South Africa and Lesotho. The research design is mainly quantitative, which aligns with the positivist paradigm. Descriptive and inferential statistics assisted in data presentation and interpretation.

B. *Population, sampling, data collection and analysis*

The target population for this study comprised typical small businesses whose operations have the potential to pollute the environment. Specifically, the study targeted small-sized motor mechanic shops, small panel-beaters, and small-scale clothing manufacturers in both rural and urban areas in the two countries covered in the study. Fraenkel and Wallen (2006) advise that the purpose of the research must determine the type of sampling technique adopted. As a quantitative approach, it was deemed appropriate to use probability sampling, and most preferably simple random sampling, especially in a situation where the sample is large. However, considering the different types of SMMEs in the sampling frame (motor vehicle mechanics, panel-beaters and small-scale clothing manufacturers), a stratified sample was used. This study relied on structured questionnaire that was completed by the respondents. The completed data were analysed using the latest version of Statistical Package for the Social Sciences (SPSS).

IV. RESULTS AND DISCUSSION

A. *Response Rate*

In all, 680 SMMEs were the targeted in both South Africa and Lesotho. However, 600 SMMEs participated in the survey, giving a response rate of 82.2%. Thus, there were 300 respondents from each country, which included motor vehicle mechanics, panel-beaters and small-scale clothing manufacturers.

B. *Validation of Questionnaire*

The structured self-administered, structured survey instrument was validated for reliability using Cronbach's Alpha, which resulted in a value of 0.85. Blumberg et al. (2008) and Zikmund and Babin (2010) posit that a score of 0.7 is an acceptable reliable coefficient. Therefore with R=0.85, the questionnaire was considered as reliable.

ISSN No:-2456-2165

C. Demographic Characteristics

Personal details	Category	Lesotho		South Africa	
		Frequency	Percentage	Frequency	Percentage
Gender	Male	230	76.7%	237	79.0%
	Female	70	23.3%	63	21.0%
Race	Black	232	77.3%	192	64.0%
	White	15	5.0%	26	8.7%
	Coloured	2	0.7%	33	11.0%
	Indian	30	10.0%	30	10.0%
	Other	21	7.0%	19	6.3%
Age	18-35 Years	88	29.3%	71	23.7%
	36-45 Years	139	46.3%	148	49.3%
	46-55 Years	65	21.7%	60	20.0%
	56-65 Years	7	2.3%	19	6.3%
	66 Years+	1	0.3%	2	0.7%
Highest Level of education	None	-	-	3	1.0%
	Grade 1-4	11	3.7%	3	1.0%
	Grade 5-9	62	20.7%	28	9.3%
	Grade 10-12	131	43.7%	143	47.7%
	Post Grade 12	96	32.0%	120	40.0%
Type of Respondent	Post Graduate			3	1.0%
	Owner	18	6.0%	14	4.7%
	Manager	53	17.7%	57	19.0%
	Owner/Manager	135	45.0%	166	55.3%
	Employee	94	31.3%	63	21.0%
Religious Denomination	Christian	275	91.7%	277	92.3%
	Muslim	18	6.0%	12	4.0%
	Hindu	1	0.3%	7	2.3%
	Other	6	2.0%	4	1.3%

Table 1:- Respondent details

One of the key findings has to do with gender. The results in Table 1 shows that male respondents dominated the study, with 76.7% in Lesotho and 79% in South Africa. This trend of male domination will not please policy makers, especially in South Africa where ensuring equitable women participation in business, and particularly in the small business sector, has become a major target. However, considering that the motor vehicle mechanical and panel-beating businesses have traditionally been male dominated, this finding is not surprising. Rather, it is quite encouraging to find some women venturing into such a traditionally male dominated business.

Another important finding is race. Table 1 depicts the racial distribution of respondents. The results indicate that the majority of the respondents were black (77.3% and 64%) for Lesotho and South Africa respectively. The second most represented racial group in Lesotho is Indians with 10% whereas in South Africa coloureds were second with 11%. Only 5% of the respondents were white in Lesotho as compared to 8.7% in South Africa. Policy makers will be pleased with the extensive apparent black participation in these SMMEs in South Africa, because efforts have been made to encourage more blacks into mainstream economic activities through a desire to address the imbalances created during the apartheid era. For Lesotho, this finding is not surprising since it is a predominantly black country.

With regards to age, Table 1 shows that the 36-45 years age group is the most represented with 46.3% and 49.3% for Lesotho and South Africa respectively. This is followed by the 18-35 year group, with 29.3% for Lesotho and 23.7% for South Africa. Overall, the age distribution of respondents is interesting since the results reveal that the majority (75% for Lesotho and 73% for South Africa) of the respondents are youths, between the ages of 18-45 years. This finding augers well for youth employment. Statistics show that South African youth unemployment rate was 63% in 2013 (Oosthuizen & Cassim, 2014) and in Lesotho youth unemployment was 38% in 2010 (Economic Review, 2012). With such high levels of youth unemployment in both countries, and efforts being made to arrest the situation, governments in Lesotho and South Africa will be pleased that the youth are getting involved in SMMEs.

Table 1 shows findings of level of education of respondents. The Table reveals that in both South Africa and Lesotho, the majority of the respondents have Grade 10-12 as their highest level of education. Since education provides competencies, this finding is a positive sign for the future of small business management in both countries. Dzansi (2004) believes that a sound level of education should be a good omen for training providers who may not have too much difficulty in providing further training to owners/managers of SMMEs given their existing educational background.

With type of respondents, the results in Table 1 also shows that for Lesotho 45% of the participants owned and managed their business entities, whereas for South Africa the percentage stood at 55.3%. The high involvement of owners in managing their businesses might be a good sign for SMMEs' engagement in ER initiatives. For instance, Parker et al., 2009; Williams & Scheafers, 2013 contend that engagement in environmentally responsible initiatives can be driven by the personal values, beliefs and knowledge of SMME owners/managers (Parker et al., 2009; Williams & Scheafers, 2013; Okyere 2017). Thus, ER in SMMEs depends on the personal judgment and values of owners/managers, and Ma (2012) posit that in most cases the owners/managers are the sole decision makers.

Details of type of business reveals that in Lesotho, 39% were from the manufacturing sector, 30.7% motor vehicle mechanic and 30.3% panel-beating. In South Africa the highest number of participants were drawn from the manufacturing sector (37%), followed by motor vehicle mechanic (33%) and panel-beating (30%). While for estimated return for the previous year, Table 1 indicates that 14% and 13% of the businesses in Lesotho and South Africa respectively are making losses. Those that break even in Lesotho accounted for 26% for Lesotho and 36% for South Africa. Therefore in total, 40% of businesses in Lesotho and 49% in South Africa do not make any profit at all. Even though the data show that the majority are making profit, the figures of 40% in Lesotho and 49% in South Africa who are not making any profit are worrying since such businesses would find it difficult if not impossible to contribute towards ER.

On business longevity Table 1 portrays that a relatively small proportion of businesses (3.3% in Lesotho and 0.3% in South Africa) are in the very early stage of existence (between 1 and 3 years); 14.7% and 12.7% are between 4 and 6 years in Lesotho and South Africa respectively; and the majority of the companies (66.3% in Lesotho and 68% in South Africa) are between 8 and 15 years old, while 15.7% in Lesotho and 19% in South Africa have been in operation for longer than 15 years. This means that the majority of them are quite stable and well established.

D. Barriers to ER

The barriers to ER of both countries are outlined in this section. It should be noted here that a decision was taken to convert the five point Likert of strongly agree, agree, neutral, disagree and strongly disagree to only two points of agree and disagree. In the conversion, agree and strongly agree were added as agree and disagree and strongly disagree were added to disagree. On the other hand, neutral was further added to disagree. The reasoning behind this is that a person who has a positive disposition to an issue does not hesitate to say so (Dzansi and Okyere, 2015). Tables 2 and 3 below depict the original five-point Likert scale and the converted two-point scale respectively.

Barriers to ER (South Africa)		Frequency Distribution: Strongly Disagree	Disagree	Don't know	Agree	Strongly Agree	% Agree/ Strongly Agree
28. Company does not have enough time to engage in ER	Count	3	4	3	109	181	96.6%
	%	1.0%	1.3%	1.0%	36.3%	60.3%	
29. Company is not profitable enough to allocate money to ER	Count	3	29	65	135	68	67.7%
	%	1.0%	9.7%	21.7%	45.0%	22.7%	
30. The benefit of doing ER is not clear to us	Count	62	103	14	61	60	40.3%
	%	20.7%	34.3%	4.7%	20.3%	20.0%	
31. Management does not think it is worth pursuing	Count	151	113	12	17	7	8.0%
	%	50.3%	37.7%	4.0%	5.7%	2.3%	
32. Employees do not have time to spare on environmentalism	Count	0	0	0	82	218	100.0 %
	%	0.0%	0.0%	0.0%	27.3%	72.7%	
33. Employees are not equipped to deal with environmental issues	Count	0	0	3	199	98	99.0%
	%	0.0%	0.0%	1.0%	66.3%	32.7%	

Table 2.1a: Barriers to ER in South Africa (raw data)

Barriers to ER (South Africa)		Frequency Distribution	
		% Disagree	% Agree/
28. Company does not have enough time to engage in ER	Count	10	290
	%	3.4%	96.6%
29. Company is not profitable enough to allocate money to ER	Count	32	203
	%	32.3%	67.7%
30. The benefit of doing ER is not clear to us	Count	179	121
	%	59.7%	40.3%
31. Management does not think it is worth pursuing	Count	276	27
	%	92.0%	8.0%
32. Employees do not have time to spare on environmentalism	Count	0	300
	%	0.0%	100.0%
33. Employees are not equipped to deal with environmental issues	Count	3	297
	%	0.0%	99.0%
Average		31.2%	68.8%

Table 2.1b: Barriers to ER in South Africa (transformed data)

Barriers ER (Lesotho)		Frequency Distribution					
		Strongly Disagree	Disagree	Don't know	Agree	Strongly Agree	% Agree/ Strongly Agree
28. Company does not have enough time to engage in ER	Count	19	22	12	119	128	82.4%
	%	6.3%	7.3%	4.0%	39.7%	42.7%	
29. Company is not profitable enough to allocate money to ER	Count	11	41	24	131	93	74.7%
	%	3.7%	13.7%	8.0%	43.7%	31.0%	
30. The benefit of doing ER is not clear to US	Count	6	59	27	97	111	69.3%
	%	2.0%	19.7%	9.0%	32.3%	37.0%	
31. Management does not think it is worth pursuing	Count	85	137	18	33	27	20.0%
	%	28.3%	45.7%	6.0%	11.0%	9.0%	
32. Employees do not have time to spare on environmentalism	Count	5	10	21	127	137	88.0%
	%	1.7%	3.3%	7.0%	42.3%	45.7%	
33. Employees are not equipped to deal with environmental issues	Count	6	11	11	132	140	90.7%
	%	2.0%	3.7%	3.7%	44.0%	46.7%	

Table 2.2a: Barriers to ER in Lesotho (raw data)

Barriers to ER (Lesotho)		Frequency Distribution	
		% Disagree	% Agree
28. Company does not have enough time to engage in ER	Count	53	247
	%	17.6%	82.4%
29. Company is not profitable enough to allocate money to ER	Count	76	224
	%	25.3%	74.7%
30. The benefit of doing ER is not clear to us	Count	92	208
	%	30.7%	69.3%
31. Management does not think it is worth pursuing	Count	240	60
	%	80.0%	20.0%
32. Employees do not have time to spare on environmentalism	Count	36	264
	%	12.0%	88.0%
33. Employees are not equipped to deal with environmental issues	Count	28	272
	%	9.3%	90.7%
Average		29.1%	70.9%

Table 2.2b: Barriers to ER in Lesotho (transformed data)

From the South African data, as shown in Table 2.1a, it is evident that the respondents are very enthusiastic about participating in environmental protection activities but encounter certain barriers. A majority of the respondents (59.7%) recognize the benefits of partaking in environmental protection as indicated by the response to question 30 ("The benefit of doing ER is not clear to us"), which indicates that only 40.3% are not clear about such benefits.

Table 2.1a further shows the barriers to ER in South Africa. An overwhelming majority (96.6%) of the participants suggest that the company does not have enough time to engage in ER, while 67.7% contend that the company is not profitable enough to allocate money to ER. Again, about 40.3% of them agree that the benefit of doing ER is not clearly outlined to them, but more than 50% seem to have understood the benefit of doing ER. Some 8% of the respondents feel that management does not think it is worth pursuing, while 92% feel that the management does think it is worth pursuing. All (100%) of the participants subscribe to the idea that employees do not have time to spare on environmental initiatives. Lastly, an overwhelming majority (99%) seems to think that employees are not equipped to deal with environmental issues.

Information in Table 2.1b suggests that, as much as the SMMEs in South Africa acknowledge that the benefit of engaging in ER is clear to them, and believe it is worth pursuing, their efforts meet with some barriers. Prominent among them is time, as 96.6% say the company in general has no time to engage in ER, while all the employees see time also as a major hindrance. In total, 99% of employees acknowledge that they are not equipped to deal with environmental issues.

Table 2.2a shows the barriers to ER in Lesotho. The results show that 82.4% of the participants suggest that their companies do not have enough time to engage in ER, 74.7% say that their companies are not profitable enough to allocate money to ER, and about 69.3% agree that the benefit of doing ER is not clearly outlined to them. Some 20% feel that the management does not think it is worth pursuing, while 80% feel that the management does think it is worth pursuing. In addition, 88% of the participants are of the view that employees do not have time to spare on environmentalism. Lastly, an overwhelming majority (90.7%) believe that employees are not equipped to deal with environmental issues.

Figure 2 shows the rankings of the barriers to ER in the two countries. Time is a major concern in both countries as shown by the percentages of those who say that employees do not have time to spare on environmentally responsible activities (question 32). In South Africa 100% of the respondents agree to time being a major barrier while in Lesotho 88% identify with this barrier. The majority in both countries believe that management think it is worth being responsible for the environment, as shown by about only 8% in South Africa who think management does not think it is work pursuing and 20% in Lesotho. Also, while SMMEs in South Africa affirm that the benefits of engaging in ER are outlined to them, those in Lesotho hold the opposite view.

ISSN No:-2456-2165

Table 2.2b reports that 69.3% of SMMEs in Lesotho say the benefit of engaging in environmental responsibility is not known to them, though they believe ER is worth pursuing. The vast majority mention time and financial constraints as barriers to their ER endeavours. Again, 90.7% of employees are of the view that they are not equipped to deal with ER activities.

The findings in this section are consistent with those that emerged in the literature review, detailed in Section 2.3. For instance, Pinkse and Dommisee (2009) and Massimo et al. (2014) reported that SMMEs are not equipped, in terms of tools and training, to deal with ER issues. Parker et al. (2009) and UNIDO (2010) identify lack of financial resources as a factor that hinders small businesses' ER endeavours. Brammer et al. (2012) also concluded in their study that the few or limited employees of SMMEs are assigned to a set of duties that take up the full time of their weekly employment and leave them no time for environmental initiatives. Parker (2009) aver that many SMME owners/managers lack commitment to reduce their negative environmental impact because the benefits of engaging in ER are not known to them.

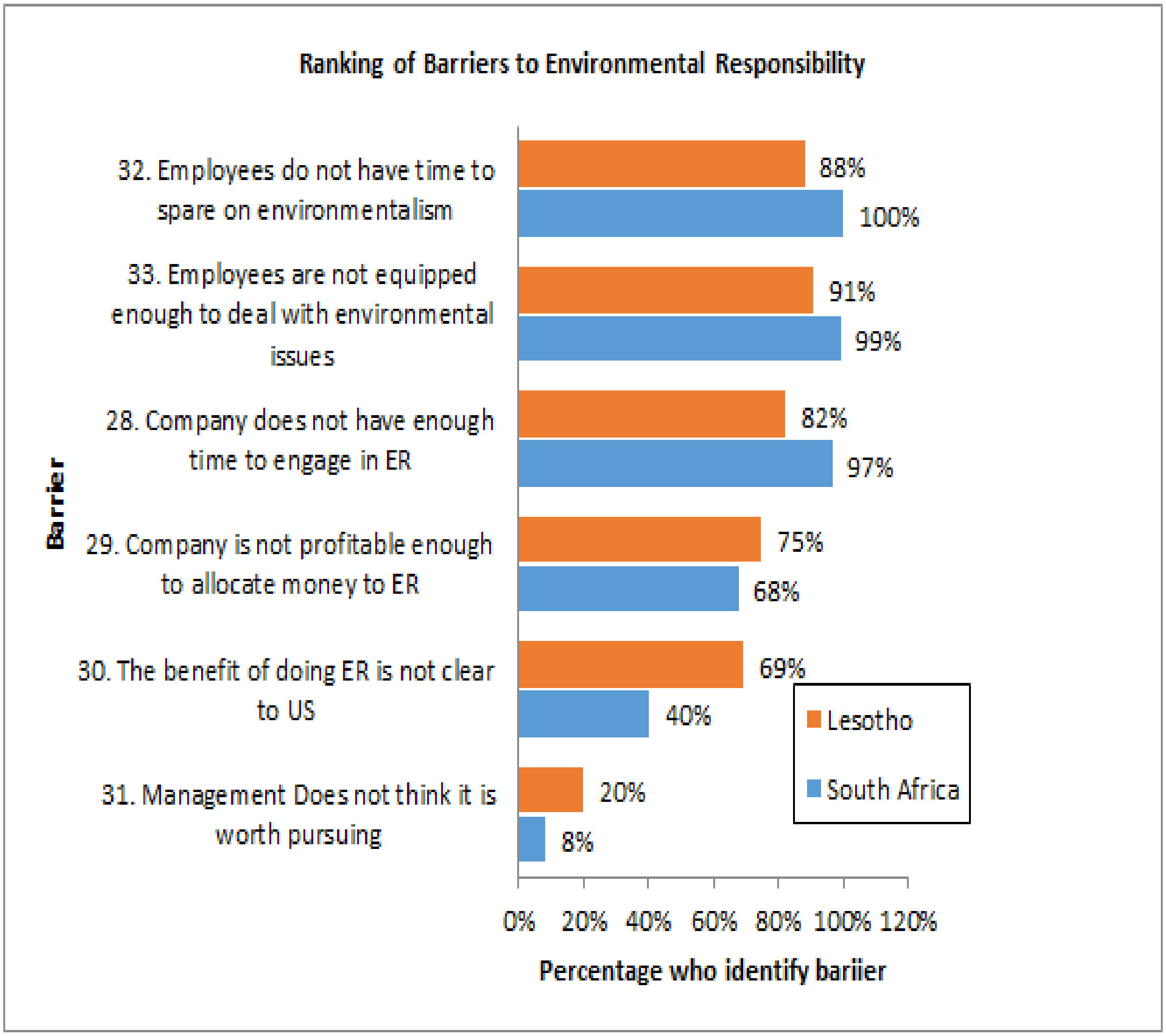

Fig 1:- Barriers to ER

E. Demographics Versus Barriers to ER

This section looks at effects of demographics - both personal and company factors on barriers to ER among SMMEs in South Africa and Lesotho. Table 3 details the findings. In this section only the number of employees and gross turnover per annum will be examined, as the others are not seen as barriers to ER

Barriers to Environmental Responsibility		Kruskal-Wallis Tests									
		South Africa					Lesotho				
		N	Mean Rank	Chi-square	df	p-value	N	Mean Rank	Chi-square	df	p-value
Personal Details											
Highest Level of education	None	3	137.83	14.46	5	0.013*	-	-	24.10	3	0.000*
	Grade 1-4	3	128.50				11	186.36			
	Grade 5-9	28	159.20				62	184.73			
	Grade 10-12	143	165.69				131	153.90			
	Post Grade 12	120	129.37				96	119.65			
	Post Graduate	3	225.50				-	-			
Type of Respondent	Owner	14	129.36	12.79	3	0.005*	18	167.58	22.43	3	0.000*
	Manager	57	121.46				53	100.01			
	Owner/ Manager	166	152.69				135	158.17			
	Employee	63	175.69				94	164.68			
Company Details											
Type of Business	Manufacturing	111	140.72	2.54	2	0.281	117	117.79	27.74	2	0.000*
	Motor Vehicle	99	159.35				92	174.35			
	Mechanic										
	Panel-beater	90	152.83				91	168.44			
Number of employees beside owner	1-5	42	151.51	7.33	4	0.120	85	176.01	45.11	4	0.000*
	6-10	125	161.10				93	179.02			
	11-20	82	145.20				49	105.33			
	21-50	44	124.13				48	124.20			
	51-200	7	183.14				25	96.74			
Gross Turnover per annum	Up to R500 000	167	169.06	19.04	2	0.000*	149	166.64	15.13	3	0.002*
	R500 000-R2mil	119	123.97				118	139.94			
	R2mil-R4mil	14	154.64				31	121.63			
	R4mil-R6mil	-	-				2	18.25			
Age of Business	1-3 years	1	77.00	3.70	4	0.449	10	94.35	9.45	4	0.051
	4-6 years	38	164.99				44	172.68			
	8-10 years	121	143.95				123	151.71			
	11-15 years	83	159.10				76	137.38			
	More than 15 years	57	143.51				47	159.74			
Form of business	Sole proprietor	50	159.25	1.76	3	0.625	79	174.95	11.63	4	0.020*
	Close corporation	7	132.64				7	147.36			
	Pty Ltd	167	145.70				141	135.11			
	Partnership	76	156.93				72	155.06			
	other	-	-				1	83.50			

Table 3:- Demographic factors versus Barriers to ER

F. Effects of Personal Factors on Barriers to ER

Table 3 reports that for South Africa there were no significant differences in the five categories of number of employees on barriers to ER (Kruskal-Wallis Chi-square=7.33, df=4, p-value=0.120), but for Lesotho there were significant difference on the five categories of number of employees (Kruskal-Wallis Chi-square=27.74, df=2, p-value=0.000). For Lesotho, the table shows that companies that employ 6-10 people experience the most barriers/challenges to ER (Mean rank=179.02) followed by those with 1-5 employees (Mean rank=176.01), 21-50 employees (Mean rank=124.20), 11-20 employees (Mean rank=105.33), and 51-200 (Mean rank=96.74). It can be concluded that small businesses in Lesotho see number of employees as a greater barrier to BSR than do medium-sized ones.

Gross turnover per annum significantly affects barriers to ER in South Africa (Kruskal-Wallis Chi-square=19.04, df=2, p-value=0.000) as well as Lesotho (Kruskal-Wallis Chi-square=15.13, df=3, p-value=0.002). In South Africa, companies with gross turnover per annum of up to R500, 000 encounter the most barriers to ER (Mean rank=169.06), followed by companies with gross turnover per annum between R2ml and R4ml (Mean rank=154.64) and those between R500, 000 and R2ml (Mean rank=123.97). In Lesotho, companies with up to R500, 000 gross turnover per annum encounter the most barriers (Mean rank=166.64) followed by those between R500, 000 and R2ml (Mean rank=139.94), R2ml and R4m (Mean rank=121.63) and R4ml and R6ml (Mean rank=18.25). It can be inferred that for both countries small businesses see their low gross turnover per annum as a barrier to ER. Previous work by Alemagi (2006) and Burgi (2014) suggest that age of business, number of employees and gross annual turnover have a significant effect on ER engagement. Thus, businesses that have been in existence longer, those with more employees and higher gross turnover per annum engage in ER more than the smaller ones.

G. Barriers to Small Businesses' ER

Section F in the questionnaire investigated barriers that hinder SMMEs' engagement in ER activities. Results in Tables 2.1a to 2.2b revealed barriers to SMMEs' ER endeavours. The following are concluded as SMMEs' ER barriers:

- *Time*

Both management and employees share the same sentiment that there is not enough time for ER activities. This makes it difficult for South African and Lesotho SMMEs to engage in ER as much as they would have liked.

- *Financial Resources*

The surveyed SMMEs complain that their ER efforts are thwarted by lack of financial resources. Thus, their companies are not profitable enough to engage in ER.

- *Training and Equipment*

It emerged from the data analysis that small businesses in South Africa and Lesotho lack the necessary training and equipment/tools to engage in environmentally responsible activities, in spite of their understanding of the concept.

- *Lack of Information*

Tables 2.1a and 2.2b reported that SMMEs in Lesotho do not have access to information on the benefits of carrying out ER. Even for South African SMMEs, a high proportion (40%) indicating that they do not know the benefits of doing ER should be a worrying concern.

V. CONCLUSION AND RECOMMENDATIONS

One key area of concern is SMME owners/managers' and employees' lack of time. Due to the fact that both parties are pressed for time, ER initiatives are relegated to the background. Policy makers need to address this, by coming up with appropriate strategies to assist SMMEs to manage their time well. This will enable SMMEs to pay equal attention to ER programs.

Again, access to information on ER and appropriate training and equipment seem to be a hindrance to SMMEs. It is thus suggested that policy makers should find means of making information (especially of implementation and benefits of engaging in ER) available to SMMEs. They should also provide training on environmental system management, and support SMMEs in acquiring appropriate and affordable equipment.

It is recommended that small businesses should also make efforts to identify and approach appropriate institutions that can assist them in their ER efforts rather than always claiming ignorance on the subject.

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