DOI 10.18551/rjoas.2020-04.02

WHY DO MSMEs IMPLEMENT SOCIAL RESPONSIBILITY? A STUDY ON THE TRADITIONAL BUGIS FISHING BUSINESS

Dahlan Lukman*

Postgraduate Program, Faculty of Economics and Business, University of Brawijaya,
Malang, Indonesia

Triuwono Iwan, Djamhuri Ali

Faculty of Economics and Business, University of Brawijaya, Malang, Indonesia

*E-mail: lukmandahlan02@gmail.com

ABSTRACT

This study aims to uncover the motives for Social Responsibility (*Makacua*) actions that are implemented by traditional fishermen. Their business may be classified as Micro, Small and Medium Enterprises (MSMEs). *Makacua* is one of the local culture of the Bugis tribe that is still held firm from the past until now. This research site is in the fishing village of Larea-rea, Sinjai Regency, South Sulawesi. This study uses a qualitative-interpretive method with Spradley's ethnographic approach consisting of 12 stages. Data collection uses participatory observation, interview with key informant, and documentation. The process of data analysis takes place in four stages, namely domain analysis, taxonomy, compatibility and cultural themes. The results showed that the implementation of various *makacua* actions by traditional fishermen in their business activities was based on three motives. First, *makacua*'s actions reflect "good faith" (*mappideceng*) to establish harmonious relationships between fellow humans and the surrounding environment. Second, the existence of the *makacua* action signifies the life of spiritual values (*maringngerrang*) in the business activities of the traditional fishermen. Third, the traditional fishermen assume that *makacua* actions as a way to bring "full of luck" in their business activities (*masempo dalle*).

KEY WORDS

Makacua, MSMEs, social responsibility, traditional fishermen.

During this time, Social Responsibility actions are only known to occur at the level of large companies. They do Social Responsibility through CSR programs in the form of assistance, build public facilities, free treatment, scholarships, charity, empowerment and so forth. While the role of Micro, Small and Medium Enterprises (MSMEs) for their Social Responsibility actions is still underappreciated and even ignored by the community, government and academics. This study focuses its study on MSMEs because more than 95% of businesses in the world are MSMEs (Giovanna, Alfredo, & Lucio, 2012; Ibrahim, Jamali, & Karatas-ozkan, 2015; Mousiolis, Zaridis, & Karamanis, 2015; Vives, 2006).

Kotchen & Moon (2012) argue that if the company does more "harm", then they also do more "good". That is, company's Social Responsibility becomes a motive for compensating for irresponsibility that they have done in operational business activities. Not only that, another study states that the expenditure and reporting of social responsibility of public companies is based on the motive to utilize the halo effect contained therein. The halo effect can be in the form of maintaining the reputation or image of the company, strengthening the brand, the pursuit of profit, to competitive advantage to defeat its competitors (Chernev, 2015; Cho & Kim, 2012; Galbreath, 2010; Hong & Liskovich, 2015; Lin, Yang, & Liou, 2009; Orsato, 2006).

Some researchers have given a new paradigm in the world of research by starting to raise the issue of social responsibility at the level of Small and Medium Enterprises (SMEs) (Fassin, 2008; Jenkins, 2004, 2006, 2009; Murillo & Lozano, 2006; Sarbutts, 2003; Spence, 1999, 2007; Spence, Schmidpeter, & Habisch, 2003; Vives, 2006). Vives (2006) explained

that SMEs have implemented responsible practices by not trying to maximize profits (consciously or unconsciously). The general view that profit is the sole purpose of business is not proven in SMEs because of social responsibility practices in SMEs prioritize moral commitment rather than profit maximization (B. Dincer & Dincer, 2013; Looser & Wehrmeyer, 2016). In fact, SMEs are unaware and do not take the initiative to disclose and report on their social actions (Giovanna et al., 2012), as do large companies that make strategic decisions, communicate and report their CSR actions to external parties to optimize profits, image, and business reputation (Mousiolis et al., 2015; Nielsen & Thomsen, 2009).

A study conducted by Ma (2012) revealed that large companies try to reconcile the interests of managers, shareholders, and the community when deciding on their social responsibility (CSR) activities. While SMEs apart from strategic motives, whether the social actions undertaken will reap economic benefits in the future or not. Decision making related to social responsibility actions in SMEs is generally influenced by the values, feelings, religious beliefs, and wisdom of the owner (B. Dincer & Dincer, 2013; Mousiolis et al., 2015; Murillo & Lozano, 2006; Nejati & Amran, 2009; Nielsen & Thomsen, 2009; Spence, 1999; Tantaló, Vanevenhoven, & Caroli, 2012).

This study will examine MSMEs which are even smaller than SMEs in order to provide new insights related to the implementation of social responsibility in the business world. Indonesia has MSMEs that are registered with around 59 million entities, while only 500 large companies are listed as public entities. The traditional fishermen can be categorized as micro businesses (MSMEs) in the form of individual ownership (Proprietary). The motives of traditional fishermen are likely to be different from those of large companies because of differences in culture, structure, system, and so on. This research will try to interpret the motives of the traditional fishermen to do social responsibility or what they call "*makacua*" in their business activities. Therefore, this study can support previous studies that the implementation of Social Responsibility is not only carried out by large-scale entities while extending social responsibility studies to the micro business line (MSMEs).

METHODS OF RESEARCH

This study examines one of the traditions or local culture of the Bugis tribe which consists of various interrelated realities of life so that the method used is a qualitative-interpretive method (Merriam & Tisdell, 2016: 9). We will interpret the motives of *Makacua* (Social Responsibility) that implemented by the traditional fishermen of in their business activities. The phenomenon is explored using an ethnographic approach Spradley (1980). The study was conducted in the fishing village of Larea-rea in Sinjai Regency, South Sulawesi. The fishing village of Larea-rea has around 90 traditional fishing business units. Research data collection using participant observation to the fishermen's business activities and interviews with key informants. Determination of key informants (Mr. H. Andi Amir, Mr. Marsuki, and Mr. Ansar) using the Snowball Sampling technique (selected based on recommendations by the fishermen in Larea-rea). The data analysis of this research includes domain, taxonomic, componential, and cultural theme analysis.

RESULTS AND DISCUSSION

The *makacua* action is not a new thing in the life activities of the Bugis tribe. *Makacua* culture has become a tradition that is rooted and passed down from generation to generation so that it will be easily found and has been integrated in all lines of their lives. This refers to the philanthropic attitude of someone who always uses his time, energy or power, mind, and wealth to help others. The traditional fishermen use *makacua*'s actions to help each other meet their operational needs on land and at sea. The *makacua*'s actions can be in the form of material and non-material assistance. In the context of the material, the fishermen always give / lend money, fishing gear, and boats to help other fishermen business operations. From the context of non-material, the *makacua* actions consist of helping to push the boat, lift the

boat's engine, repair damaged boats and fishing gear, paint and wash the boat, pull the damaged boat, and others.

Traditional fishermen always remind and reprimand one another when there are things that can jeopardize their business activities. They exchange information about the best locations to catch fish and share experiences with other fishermen and children who will become their successors. In addition, the *makacua* action includes giving alms, tithe, thanksgiving, and a willingness to do the same perception in deciding the price of fish to be released by fishermen to the market so that there is no overlapping price that can harm other fishermen. From the description of the various *makacua* actions, we found three themes or motives behind the *makacua* actions in the traditional fishing business activities of Larea-rea, namely *mappideceng*, *maringngerrang* and *masempo dalle*.

Through various *makacua* actions in traditional fisheries business activities, there is a tendency to establish good faith (*mappideceng*) with fellow humans and the surrounding environment. In the perspective of traditional fishermen, *mappideceng* has been handed down from their ancestors as a unifying chain in *muamalah* or to navigate a dynamic life. Therefore, *mappideceng* is inseparable from cultural values that have been always implied in all *makacua* actions of the fishermen.

The fishermen believe that if they establish togetherness will present a sense of *asse nyaha* (mercy) as human beings. So that, it can ease any burden or worry about survival in the future. The fishermen are always grateful for their profession as fishermen and strive to be *makacua* (philanthropist) by helping the surrounding community. They are used to working hand in hand to do business activities. The way the business works like that has become its own dogma in their minds.

Mr. Marsuki said that "*tania na kafang tau itu kalo dena na pakoro*" (is not a human being if he is not *mappideceng*). In a sense, this *mappideceng* is part of the nature / instinct of the fishermen as humans so that it has become a necessity or a separate need in their business activities. Therefore, if a fishermen (business owner) is not happy with his actions in his business activities, then he is indirectly denying his existence as a human being.

Basically, humans have a mind (reasoning), heart (taste), dignity (value) that capable to produce and project ethics, morals, and courtesy in their behavior or life activities. Humans are also given the ability to intend to violate their nature or fall into the behavior of barbarity. The ability of individuals to will (creating, treating, renewing, improving, and developing) is inseparable from the process of searching and developing identity based on the legitimacy of the integration of reason with feelings (conscience). Of course, humans / individuals are not individualize at all times but must interact with other individuals. As its nature as an individual or social creature. That way, every individual has the right to get the same treatment as other individuals (Herimanto & Winarno, 2010: 19-23).

Triuwono (2015: 58) stated that all the actions chosen were an attempt to fulfill the mandate or task as the Khalifah of Allah on this earth to spread the mercy of Allah. So, we must be able to manage the potential nature possessed (common sense and conscience) well in order to complete the mandate in accordance with what the mandate of the wishes. Therefore, the *makacua* actions need to be understood as a mandate from Allah Almighty for all humans to be practiced in daily life, so that if the mandate is not conducted then the human being must also be responsible for his negligence.

See, when a large company commits fraud or behaves unethically, the sanction is the existence of the business institution. Another case with traditional fishing business entities that put the existence of humans or business owners as responsible for all business behavior that occurs. Of course, every behavior or decision taken by humans (fishermen) is influenced by the values or culture prevailing in the region (Parks & Vu, 1994). Therefore, the values owned by fishermen will be reflected in their business practices, such as the value of *mappideceng* that is practiced in various forms of action. These findings are similar as stated by (Ibrahim et al., 2015; Murillo & Lozano, 2006; Nielsen & Thomsen, 2009; Spence, 1999; Tantalo et al., 2012) that the values held by business owners (humans) are very decisive as to what their business practices are, especially business in the form of MSMEs.

The *makacua* actions such as alms-giving, tithe, thanksgiving and the others indicating spirituality in traditional fisheries business activities. The existence of spirituality in business (*maringngerrang*) has become commonplace for traditional fishermen who strongly believe in metaphysical matters. However, this is rarely done by larger business entities, in fact they consider things like this as Oxymoron because it contradicts the modern business paradigm which tends to embrace Social Darwinist understandings, so they negate God's intervention in their business activities.

According to Mr. H. Andi Amir, *maringngerrang* is based on *teppe'* (a sense of confidence in the existence of God) and *pato* (a sense of piety to God). Both are needed by fishermen as capital in running their business. Although it is undeniable that there are still fishermen who have not been aware from the beginning or are aware of having gained experiences related to the blessings / blessings of the practice of spreading in the business. The experience referred to in the form of many catches, smooth business activities, peace of life, and so on. Mr. Marsuki acknowledged that he had practiced *maringngerrang* attitude through *makacua* actions based on advice from Mr. H. Andi Amir and it made his business activities more smoothly.

"Kalo purae ku pugau di olo'e dena gaga istirahat. Iya na jama'e i ta hajji kumi di salihenna pelabuhan na mekessing meto haselena. Iya ro nakeddai ya ta hajji kalo mu'ulle mangeddaiki aro ndi, bangsana tonna ku jama'e mu jama. Jadi makessi metoi ibada'e berjamaah nappa makessi meto dalle'e".

(my previous experiences, I was very busy looking for fish so there was little time to rest. Until I learned how to work Mr. H. Andi Amir, who only hunted fish around here or at a closer distance than most fishermen. However, his catch was instead more, I was then advised by him that you should just stop bashing yourself looking for as much fish as possible, just do as I do. So, looking for fish without putting aside your worship, in the sense of praying in congregation keep going, and our fortune is also smooth.)

The fishermen practice various *makacua* actions which are based *maringngerrang* attitude in carrying out the business not just to continue the tradition or ritual of the parents first. Rather, it is seen as a business need to get *pammase* (mercy) and *barakka* (blessing) from Allah SWT. Alhouti & D'Souza (2018) explained that the company's stakeholders felt there was a value or spiritual benefit to the CSR activities carried out, as did the fishermen who felt the value of blessing in their business due their the actions.

Traditional fishermen are aware of the pleasure of Allah SWT on the costs of the *makacua* actions that has been incurred in the form of *appalang* (reward), which can be obtained in the world or the hereafter. Allah Most High in some of his words (Qur'an, surah Al-Baqarah (2): 195,245, 261; Qs. Al-An'am (6): 160; Qs. Saba '39) has confirmed that everyone who shares or gives away part of his wealth (as is the practice of traditional fishermen's *makacua* actions in his business activities) will be replaced or get more reward from God. In addition, the fishing community also adheres to the advice of the Bugis who advised that *"to makacua'e masempo dalle'na"*. This means that someone who does *makacua* actions will get spaciousness or smooth fortune. Therefore, the researcher concludes that the hope for the smooth provision of God becomes one of the motives of fishermen to take action *makacua*.

The smooth sustenance of traditional fishermen signifies the smooth running of their business activities. The smoothness of their business can be in the form of many catches, boat engines are not fussy, fishermen's nets are not easily damaged, the weather is not extreme, and so forth. Often, traditional fishermen who experience obstacles in their business activities are labeled as *"dena na ma'barakka"* (unblessing). It means that God Almighty does not pay attention to his business activities because the fishermen do not carry out *makacua* actions or are often called *masekke* so that his business experiences many problems.

Mr. Ansar explained that by doing *makacua* actions such as giving or exchanging catches, the fortune will usually become smoother: *"Kalo kui tede di saliheng tasie si areng-areng metto tede. Pakku metto aro tau'e. Nappa iyaro biasa na maladde dalle."* (When we

are at sea, we give each other fish. That has become a natural thing and is often done. Especially if doing so often launches our sustenance).

Mr. Marsuki also confirmed what Mr. Ansar had said, he said that often among them, there were those who got little or no catches, so they shared their catches. In other words, traditional fishermen do not try to maximize their profits because they promote morality (B. Dincer & Dincer, 2013; Looser & Wehrmeyer, 2016; Vives, 2006). This condition makes traditional fishing business able to survive until now. It can be concluded that the *Makacua* action is related to the smoothness or sustainability of traditional fisheries business activities: "*Biasa kalo pole i tede di tasie na engka dena gaga na poleang jaji idi si parengngi bale di runtu e. Di pa pilei bale na puji'e.*" (Usually after we catch fish but there are fishermen who do not get the results or the results are only a little, so we give him some of our fish, according to the fish they like).

We can see the difference between large companies and traditional fishermen in building business sustainability through social responsibility actions. Large companies try to meet the expectations of their stakeholders to build a reputation (Chernev, 2015; C. Dincer & Dincer, 2010; Galbreath, 2010), image (Cho & Kim, 2012; Hong & Liskovich, 2015) and company performance (Lin et al., 2009; Walker, Zhang, & Yu, 2016). Meanwhile, traditional fishermen do not try to maximize their profits and do imaging for building a business reputation in front of its stakeholders (Mousiolis et al., 2015; Nielsen & Thomsen, 2009), but they are trying to win the pleasure of Allah whom they believe to be the ruler and regulator the universe in order to be given a smooth fortune in its business activities.

CONCLUSION

This study has revealed and interpreted three motives of the actions of the traditional fishermen. First, the fishermen have the good faith to always establish a harmonious relationship (*mappideceng*). This good faith comes from the teachings of cultural and religious values. The traditional fishermen also try *mappideceng* in various forms of *makacua* action because it prioritizes the sustainability of their business rather than choosing to be opportunistic and individualistic like modern business behavior that emphasizes the sustainability of their respective businesses. Second, the fishermen believe in the existence of God as the creator of humans in this world (*maringngerrang*). This condition indicates the presence of spirituality in the traditional fishing business (MSMEs), which is sourced from *teppe'* and *pato* values of fishermen's to Allah Swt. Third, traditional fishermen consider *makacua* actions as a way to launch sustenance or to bring "full of luck" in their lives (*masempo dalle*). we can say that *Macacua*'s actions have functions like a supplement to their business sustainability. Overall, these three motifs reflect the awareness of traditional fishermen over their nature as human beings created by Allah, as well as harmony between humans, and the natural surroundings.

REFERENCES

1. Alhouthi, S., & D'Souza, G. (2018). Benefits of corporate social responsibility. *Journal of Consumer Marketing*, 35(3), 277–286. <https://doi.org/10.1108/JCM-08-2016-1895>.
2. Chernev, A. (2015). Doing Well by Doing Good: The Benevolent Halo of Corporate Social Responsibility. *Journal of Consumer Research*, 41(April), 1412–1425. <https://doi.org/10.1086/680089>.
3. Cho, S., & Kim, Y. (2012). Corporate Social Responsibility (CSR) as a Halo Effect in Issue Management: Public Response to Negative News about Pro-Social Local Private Companies. *Asian Journal Communication*, 22(4), 372–385.
4. Dincer, B., & Dincer, C. (2013). Corporate social responsibility decisions: a dilemma for SME executives? *Social Responsibility Journal*, 9(2), 177–187.
5. Dincer, C., & Dincer, B. (2010). An Investigation of Turkish Small and Medium-Sized Enterprises Online CSR Communication. *Social Responsibility Journal*, 6(2), 197–207. <https://doi.org/10.1108/17471111011051711>

6. Fassin, Y. (2008). SMEs and the Fallacy of Formalising CSR. *Business Ethics: A European Review*, 17(4), 364–378.
7. Galbreath, J. (2010). How does corporate social responsibility benefit firms ? Evidence from Australia. *European Business Review*, 22(4), 411–431. <https://doi.org/10.1108/09555341011056186>
8. Giovanna, C., Alfredo, D. M., & Lucio, C. (2012). Corporate Social Responsibility : A Survey among SMEs in Bergamo. *Social and Behavioral Sciences*, 62, 325–341. <https://doi.org/10.1016/j.sbspro.2012.09.053>
9. Herimanto, & Winarno. (2010). *Ilmu Sosial dan Budaya Dasar (satu)*. Jakarta: Bumi Aksara.
10. Hong, H., & Liskovich, I. (2015). Crime, Punishment, and The Halo Effect of Corporate Social Responsibility (No. 21215). NBER Working Paper Series. Cambridge.
11. Ibrahim, S., Jamali, D., & Karatas-ozkan, M. (2015). Corporate Social Responsibility (CSR) in Small and Medium-Sized Enterprises: A Developing Country Perspective. *Contemporary Issues in Entrepreneurship Research (Vol. 2)*. Emerald Group Publishing Ltd. [https://doi.org/10.1108/S2040-7246\(2012\)0000002012](https://doi.org/10.1108/S2040-7246(2012)0000002012).
12. Jenkins, H. (2004). A Critique of Conventional CSR Theory : An SME Perspective. *Journal of General Management*, 29(4), 37–57.
13. Jenkins, H. (2006). Small Business Champions for Corporate Social Responsibility. *Journal of Business Ethics*, 67, 241–256. <https://doi.org/10.1007/s10551-006-9182-6>
14. Jenkins, H. (2009). A ‘ business opportunity ’ model of corporate social responsibility for small- and medium-sized enterprises. *Business Ethics: A European Review*, 18(1), 21–36.
15. Kotchen, M., & Moon, J. J. (2012). Corporate Social Responsibility for Irresponsibility. *Journal of Economic Analysis & Policy*, 12(1). <https://doi.org/10.1515/1935-1682.3308>.
16. Lin, C., Yang, H., & Liou, D. (2009). Technology in Society The impact of Corporate Social Responsibility on Financial Performance : Evidence from Business in Taiwan. *Technology in Society*, 31(1), 56–63. <https://doi.org/10.1016/j.techsoc.2008.10.004>.
17. Looser, S., & Wehrmeyer, W. (2016). Ethics of the firm, for the firm or in the firm ? Purpose of extrinsic and intrinsic CSR in Switzerland. *Social Responsibility Journal*, 12(3), 545–570. <https://doi.org/10.1108/SRJ-07-2015-0097>.
18. Ma, J. (2012). A Study on the Models for Corporate Social Responsibility of Small and Medium Enterprises. *Physics Procedia*, 25, 435–442. <https://doi.org/10.1016/j.phpro.2012.03.108>.
19. Merriam, S. B., & Tisdell, E. J. (2016). *Qualitatif Research : A Guide to Design and Implementation (Fourth Edi)*. San Fransisco: Jossey-Bass.
20. Mousiolis, D. T., Zaridis, A. D., & Karamanis, K. (2015). Corporate Social Responsibility in SMEs and MNEs. The Different Strategic Decision Making. *Procedia - Social and Behavioral Sciences*, 175, 579–583. <https://doi.org/10.1016/j.sbspro.2015.01.1240>.
21. Murillo, D., & Lozano, J. M. (2006). SMEs and CSR : An Approach to CSR in their Own Words. *Journal of Business Ethics*, 67, 227–240. <https://doi.org/10.1007/s10551-006-9181-7>.
22. Nejati, M., & Amran, A. (2009). Corporate Social Responsibility and SMEs : Exploratory Study on Motivations from a Malaysian Perspective. *Business Strategy Series*, 10(5), 259–265. <https://doi.org/10.1108/17515630910989150>.
23. Nielsen, A. E., & Thomsen, C. (2009). CSR Communication in Small and Medium-Sized Enterprises of Middle Managers. *Corporate Communications: An Nternational Journal*, 14(2), 176–189. <https://doi.org/10.1108/13563280910953852>.
24. Orsato, R. J. (2006). Competitive Environmental Strategies : when Does It Pay to be Green? *California Management Review*, 48(2), 127–143.
25. Parks, C. D., & Vu, A. D. (1994). Social Dilemma Behavior of Individuals from Highly Individualist and Collectivist Cultures. *The Journal of Conflict Resolution*, 38(4), 708–718.
26. Sarbutts, N. (2003). Can SMEs “do” CSR? A practitioner's view of the ways small and medium-sized enterprises are able to manage reputation through corporate social responsibility. *Journal of Communication Management*, 7(4), 340–347.

27. Spence, L. J. (1999). Does Size Matter ? The State of The Art in Small Business Ethics. *Business Ethics: A European Review*, 8(3), 163–174.
28. Spence, L. J. (2007). CSR and Small Business in a European Policy Context: The Five “C”s of CSR and Small Business Research Agenda 2007. *Business and Society Review*, 112(4), 533–552.
29. Spence, L. J., Schmidpeter, R., & Habisch, A. (2003). Assessing Social Capital : Small and Medium Sized Enterprises in Germany and the U. K. *Journal of Business and Psychology*, 47, 17–29.
30. Spradley, J. P. (1980). *Participant Observation*. United States America: Holt, Reinhart and Winston.
31. Tantalo, C., Vanevenhoven, J., & Caroli, M. G. (2012). Corporate Social Responsibility and SME ’ s Competitiveness. *International Journal of Technology Management*, 58(1/2), 129–151. <https://doi.org/10.1504/IJTM.2012.045792>.
32. Triuwono, I. (2015). *Akuntansi Syariah: Perspektif, metodologi, dan teori* (2nd ed.). Jakarta: Rajawali Pers.
33. Vives, A. (2006). Social and Environmental Responsibility in Small and Medium Enterprises in Latin America. *Journal of Corporate Citizenship*, 21, 39–50. <https://doi.org/10.9774/GLEAF.4700.2006.sp.00006>.
34. Walker, K., Zhang, Z., & Yu, B. (2016). The Angel-Halo Effect : How Increases in Corporate Social Responsibility and Irresponsibility Relate to Firm Performance. *European Business Review*, 28(6), 709–722.