

CSR Practice and Sustainability Strategy of Smes in Developing Economies: The Case of Azerbaijan

Shahla Gahramanova

Department of Economics and Business Administration, UNEC Business School, Azerbaijan
State University of Economics (UNEC), 6 Istiglaliyyat Str., Baku, Azerbaijan

Abstract

Research background: In the beginning of XXI Century overwhelming majority [if not all] of companies and organizations in post-soviet countries including Azerbaijan were not fully aware of the essence of corporate social responsibility (CSR) - one of the most important factors required for the sustainable development and successfulness of modern business activity. However, since several years, the question of social responsibility of businesses became crucial in this geography and the concept of CSR has been increasingly moved to the forefront. Expanded into the international business landscape raised awareness of owners in this region about the importance of systematic social activities, as well as timely and duly reporting on these activities. CSR that was not familiar to the overwhelming majority of newly established business organizations in early post-soviet Azerbaijan, has now been more or less integrated into the strategy of the majority of large firms as it is largely recognized that good reputation and being socially responsible are closely interrelated with long-term success and sustainability. However, this positive tendency is almost not visible in the activity of small and medium size enterprises.

The main purpose of this research work is to give an overview of the development of CSR policy and practice in modern Azerbaijan with a focus on CSR activity of SMEs, obstacles they face to integrate this concept in their activity and duly report on them. Government support to SME development and sustainability in the country, the way government can influence and encourage SMEs to become more socially responsible, the benefits of CSR orientation for ensuring SMEs sustainable development are also among issues discussed in the paper.

Findings & value added: Conclusions and recommendations in this research work can be used by business organizations, particularly by SMEs interested in sustainable development and in practicing consolidated CSR strategy. It may also be useful for the government agencies

responsible for ensuring the sustainable development of SMEs. Furthermore, the content and the research materials of the study can be used for developing lectures/courses on CSR and Corporate Governance, Business Ethics, Strategic Management and other related contexts.

Keywords: SMEs; CSR; socially responsible business, sustainable development, social investments.