

Corporate Social Responsibility as a Determinant of Sustainability of SME: A Study of House of Tara, a Small Business Operating in Nigeria

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Abstract : In the pursuit of profit maximization as a major objective of business organizations, several firms forfeit their social and economic responsibility whilst focusing on activities that are deemed to solely profit the firm, without taking into cognizance the effect of their operations on the society in which they operate. Business analysts have, however, realized the determinant role of social responsibility in corporate performance, such that firms that are able to imbibe corporate social responsibility in their core business operations may be able to take advantage of the social reputation gained across their several stakeholders. Small and medium enterprises operating in highly competitive markets are also advised to leverage on this reputation gained from being socially responsible, if they seek ways to remain relevant in the same markets dominated by multinational corporations. Adapting a case study approach, this study highlights the advantages (such as employee and customer loyalty) gained by House of Tara, a small business operating in the beauty and make-up industry in Nigeria, resulting from the firm's commitment to advancing the society in which it operates through several social responsibility activities. It is observed that although competing with major makeup brands such as MAC, Maybelline, Dior, Mary Kay and others, House of Tara has been able to not only thrive, but gain a sizeable market in the Nigerian makeup industry, because several consumers purchase their products not solely because of the quality or price of their product, but because they perceive themselves as buying into the firm's CSR vision. This study, therefore, recommends that small and medium enterprises that may lack adequate resources (manpower, technology, capital) needed to successfully compete with multinationals, can harness the potentials in the reputation and loyalty gained from adequate investment in corporate social responsibility.

Keywords : corporate social responsibility, small and medium enterprises, House of Tara, sustainability

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