

# The Communication Process in the Dissemination of Sustainable Practices: A Survey of Brazilian MSMEs

Conference paper

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## Abstract

### Purpose

The purpose of the study is to ascertain the relevance of the communication process to sustainability-building in 40 Brazilian MSMEs by weighing the answers to three questions: a) do Brazilian MSMEs consider communication a strategic process in the promotion of their business sustainability?; b) what are the media and the communication tools adopted by the entrepreneurs to promote their products and services?; and, c) how do MSMEs relate to their stakeholders?

### Methodology

This exploratory study examined 40 Brazilian MSMEs through an on-line questionnaire and a semi-structured interview. The statistical analysis included: tabulations, contingency tables, intensity variables, analysis of correlations between the relevant variables for the survey. The results were arranged in a matrix to help determine whether MSMEs conduct their communication process in support of their business sustainability.

### Results

The results reveal that the communication process is used strategically to ensure the sustainability of the business activity in 32 of the 40 MSMEs in our sample. Entrepreneurs play the role of communicator by planning and carrying out communication activities to improve their businesses; moreover, the leadership of the founder in the management of the communication process is found to lend credibility to the actions undertaken.

### Originality

This is an unprecedented study, attempting to identify communication practices and their impact on the processes of sustainability within MSMEs in different regions of the country.

### Keywords

*Communication strategies, sustainability process, CSR communication processes, context of Brazilian MSMEs, entrepreneurship*

## Introduction

MSMEs<sup>1</sup> have enormous relevance to the Brazilian economy, as they account for 99.7% of all enterprises in the country. Global Entrepreneurship Monitor (GEM, 2014)<sup>2</sup> estimates that approximately 45 million people aged between 18 and 64 (34.6% of all Brazilians within that age bracket) are entrepreneurs. Taking the entire population as a parameter,<sup>3</sup> approximately 22% of all Brazilians are involved in entrepreneurship, a figure only surpassed by China and the United States.

The above scenario corroborates the fact that MSMEs are the main driver of development in the country and validates the need for a comprehensive study that leads to the dissemination of good practices. This survey was founded on three conceptual pillars: The first is the contextualization of MSMEs in Brazil, against the broader backdrop of entrepreneurship in the country. The information permitted the identification of meaningful data on the socioeconomic importance, the trends as well as the weaknesses and challenges of the sector. Based on that pillar, the various criteria and parameters relating to the profile of the sample of MSMEs were defined. The second pillar consists of the theoretical framework on which the communication process rests, taking into account the technological developments and their impact on the reality of the organizations. The concept selected what that of communication as a process, as this is the view that best describes the

scenario of interactivity and developments in the area of information and communication technologies (ICTs). The perspectives outlined by Ferrari (2011) and Castells (2013), as well as those found in the research conducted by Grunig and Hunt (1984) on the models of public relations comprised the theoretical framework of this analysis. The third pillar corresponds to sustainability, a concept to which different meanings have been attached along the time (Bonfiglioli, 2011), and which Veiga (2010) defines as a value comparable to the idea of democracy itself. The study emphasized corporate sustainability that leads to the consolidation of companies in the long run (Almeida, 2002). The approach demands from companies a willingness to interact and make commitments to the society, nature, future generations and citizens, as repeatedly confirmed in the review of the literature that makes up the theoretical base for research on issues related to corporate sustainability, such as Mirvis and Googins (2006); Amato Neto (2009) and Willard 2005 apud IBGC, 2007)4

This article is divided into four sections. The first sets the MSME context and highlights their strategic relevance for the country's development. The second section contains a reflection on the communication processes and sustainability within MSMEs. The third section deals with the methodology, sample selection criteria and tools adopted. The final section introduces the results extracted from the respondents to the survey.

### MSMEs and their strategic relevance for the country's development

Brazilian MPMEs account for 65% of all formal employment in the country5. MSEs - micro and small enterprises - alone, generate 25% of the national GDP and account for 40% of the country's wage bill. The proportions are similar around the world, where the small enterprises account for more than 95% of all private business activity (Wymenga et al., 2012 apud Spence, 2014).

Small businesses are vital to the developing countries, where entrepreneurship is considered critical to development and poverty eradication (Jamali et al., 2009, Singer, 2006, apud Spence, 2014). In Brazil, nearly 70% of small-sized enterprises are located inland, which contributes to the creation of opportunities to develop public policies geared toward the generation of income and the improvement of living standards across the country (Sebrae6, 2013). Sachs (2008) suggests that stimulating the creation and expansion of small-sized businesses should be a priority when drawing up policies aiming at increasing social inclusion through employment. Hardt (2012) sustains that small businesses are of utmost relevance in the construction of a new development pattern, and that they should not be regarded solely as a consequence of a permanent increase in consumption. According to the author, small businesses have the power to lead the world to a more sustainable development model.

Smaller businesses are also important as agents of innovation. According to Elkington (2014, p. 93), it is important to recognize that tomorrow's crucial "breakthrough innovation will emerge from small enterprises we never heard of before." Data from SBA, US Small Business Association from 2012 point to the fact that, in the United States, companies with up to 500 employees produce 13 times more patents per employee than the large-scale companies. Businesses with that profile are seen as critical to the growth dynamics as well as to job creation in developing countries7. In Brazil, the Entrepreneurship statistical surveys (2014) carried out by IBGE and Endeavor Brasil8 centered on high growth enterprises9. The analysis over a 3-year period (2010-2012) revealed that, by the end of 2012, 35,206 enterprises spread across the entire country fit the high growth definition in Brazil. More than half of them employed up to 49 individuals, which characterizes them as small enterprises.

Another element taken into consideration by those studying the subject is the motivation that leads people to start their own business in the country. In Brazil, 70.6% of the companies were established because their founders believed there were opportunities to grow and develop their projects. Curiously, up until the start of the year 2000, the motivation behind a start-up was inverted: people started their businesses because they did not see any other way to survive. In comparison with other countries in Latin America and the Caribbean, the rate of opportunity-motivated entrepreneurship in Brazil (70,6%) surpasses that in Uruguay (82,4%), Chile (81%) and Mexico (76,3%). The continental average is 74.4%, very similar to that of Asia and Oceania (74.6%), higher than that of the European Union (73.4%) and lower than that of the United States and Canada (78,9%)10. The data leads us to conclude that there is still a lot to be done in the field in Brazil.

Becoming an entrepreneur is one of the ultimate aspirations of fulfillment for Brazilians. A GEM survey (2014) revealed that this ambition is surpassed only by two other aspirations: owning a home and traveling around the country. After gathering data from 10,000 interviews, GEM contacted 108 specialists in entrepreneurship to hear their views on the conditions offered to entrepreneurs in the country. In that exercise, the entrepreneurial skills of the Brazilians were a recurrent feature stressed by the participants. Government policies, education and training, on the other hand, appeared both as favorable and as limiting factors, simultaneously.

As we recognize the role and the strategic importance of MSMEs for the social and economic development of the country, our study attempts to address a critical question: what is the contribution of the communication process to MSME sustainability? That was the underlying concern through every step of the research exercise conducted.

### The communication processes and MSME sustainability

The survey dealt with two central issues, namely: communication and sustainability. Communication is to be understood as a process involving the company's commitment and participation vis-à-vis its stakeholders. According to Ferrari (2011, p. 154) this approach entails abandoning the model of sender-recipient, characterized by unilateral communication and endorsing "a more dynamic and complex orientation that hinges upon the construction of meaning, where the players are

allowed to be active and to take the initiative". In this model, the stakeholders - businesses and publics - create and share meanings through the exchange of information (Ferrari, 2011). Castells (2013, p. 11) adds that it is through communication and interaction that networks are constructed and, ultimately, the autocommunication, through the "use of the Internet and the wireless networks as digital communication platforms". Those two views - communication as a process and auto-communication - were decisive in understanding the communicative context of the MSMEs surveyed.

The availability of tools that allow the entrepreneurs increased autonomy and mobility in the communication process is an important consideration when doing business and carrying out partnerships. Ovanesso (2015, p. 4)11 argues that small- and medium-sized enterprises are able to seize the advantages of the digital economy more quickly, as they are not burdened with complex and bureaucratic processes. According to the author, "the nature of the digital economy brings about a type of competition in which being big is not necessarily an advantage".

It is important to take into account the point of view of authors who argue that the communication process is inherent to the very creation and management of the companies. In this context, Taylor and Cooren (1997, apud Casali, 2009, p. 113) argue that organizations, in general, are established and express themselves through communication, "which materialize in words, ideas, concepts or other elements of oral or body expression". Freitas (1991, p. 34) supports this stance by stating that organizations can be seen as "a phenomenon of communication, without which they would be non-existent".

For the sake of promoting organization sustainability, the communication process takes on an educational role as, in addition to informing, it must also mobilize people and often modify behavior, which entails changes and adjustments of practices and conduct, particularly among workers and suppliers. Securing a sustainability-oriented culture calls for a communication process that transcends the mere transmission of information: the process must also stimulate learning and develop the individuals involved.

According to Sodré (2012, p. 36), communication and education go hand in hand; the same is true for the sustainability processes: "sustainability requires ample knowledge sharing, which cannot be seen as a simple vulgarization of technical information, even when characterized by the enormous volume of data and the high speed of the digital technologies", he argues.

The involvement of the stakeholders is decisive for the competitiveness of a business, and just as important as the company's price policy, its product quality or innovation. However, to ensure the effective involvement, the organization needs to convey trust, which implies the formulation of a mission and values that are credible to the publics (Nakagawa, 2012). Moreover, the more a company relies on a quality network of relations, the higher its chances to enjoy a good reputation vis-à-vis its publics. According to Caridade (2012, p.68), "what creates value for a business is the interaction between the different groups of stakeholders (clients, suppliers, the financial community, the community at large, etc.) around the activities the company engages in".

Whether or not they are engaged in the value chain of large-sized companies, small enterprises can no longer disregard the practices and attitudes attached to sustainability. Just like their large- and medium-sized counterparts, MSMEs are increasingly subjected to the choices of the consumer and the regulations in the field of environment and human rights, which require adjustment to the principles of sustainability. By the same token, those companies seek to develop new business opportunities by introducing innovation to their products and services.

In 2012, Sebrae conducted one of the rare Brazilian surveys on the understanding of the concept of sustainability by SMEs. The "What micro and small businesses think of sustainability"12 survey involved 3,912 entrepreneurs across the country in the fields of retail and services (50%), manufacturing and construction (46%) and agribusiness (4%). Although the majority of the entrepreneurs defined their understanding of sustainability as the result of the balance between the social, the economic and the environmental dimensions, what one sees on their daily activity is the prevalence of the environmental dimension. The survey revealed that 54% of the entrepreneurs do not take on board sustainability in their business and growth strategy, even though they adopt certain measures of environmental efficiency (reduction of water and energy consumption, for example) with the purpose of cutting down on costs. The results of the survey show that the actions taken and perceived as sustainable by the bulk of the Brazilian SMEs are isolated and geared toward the optimization and improvement of processes (Barreto, 2012).

There seems to be, however, a trend towards a more generalized adoption of a stance that promotes sustainability as a strategy focused on the strengthening and growth of the small-sized undertakings. Along those lines, Amato Neto (2009, p. 10) stresses that "the sustainable business is one whose concerns are focused on research activities, development and innovation, on human resources policies, productive work practices, and marketing as well as financial strategies".

## Methodology

The sample of MSMEs surveyed was conceived taking into account the following criteria: a) classification of the business as a MSME based on the number of employees; b) participants should be companies solely funded by domestic capital; c) participant companies should be private; d) participant companies should be located in all regions of the country; e) participant companies should develop and/or trade products and services on sustainable principles. Based on those criteria, an analysis of public databases from business promotion agencies and organizations promoting entrepreneurial activity was conducted to identify qualifying MSMEs for the sample.

The first selection was carried out by each of those agencies approached,13 which resulted in a preliminary list of 107 MSMEs meeting the established criteria. The list of 107 MSMEs was narrowed down following visits to company sites and

the review of publications in the conventional and specialized media. Lack of sources of complementary information (sites or media, email and telephone numbers) excluded a series of companies, and the final list comprised 79 MSMEs.

On-line questionnaires were sent to 79 companies with the purpose of assessing their practices on the following topics: a) establishment of the company; b) entrepreneurship; c) communication process; d) company vision with regard to business sustainability. Responses to the questionnaire were obtained from 40 of the original list of 79 MSMEs, i.e., a response rate of 51%. Following the statistical processing of the questionnaire results, a semi-structured interview was carried out with eight entrepreneurs (20% of the sample) with the objective of deepening the understanding of the communication process vis-à-vis the sustainability of the companies surveyed. The respondents were characterized as follows: 22 of them (55%) were founders and/or CEOs of the companies; eight (21%) were partners; four (8%) were directors; four (8%) were managers or supervisors; and two of the respondents did not specify their positions in the companies.

From the 40 MSMEs surveyed, 22 (55%) are in the manufacturing sector; 12 (30%) are in the service sector; four (10%) are in the retail sector; and two (5%) are in the agribusiness sector. The companies are, in average, 13 years old, which denotes the presence of young organizations, created since the year 2000. This is an important detail, because it is from that year that entrepreneurship in Brazil begins to flourish no longer as a way of securing survival, but rather as a business opportunity. This about-face resulted in some qualitative changes, such as a higher number of entrepreneurs with higher education and a graduate degree, which, according to GEM (2013), has reflected on the progressive increase of the MSME survival rate. The average number of employees in the MSMEs was 52 full time employees, which suits the criteria established for participation in the survey. Of the sample surveyed, 60% were companies that trade their goods or services directly to the consumer. Other companies were part of a value chain of larger enterprises or companies that do business with the government or other public companies. Most of the companies surveyed do business with more than one type of client. Thirty-one (78%) of the respondents are men of approx. 45 years of age.

Because of the size of the companies, the owners or partners in the business monopolize all decisions, both strategic and operational. The educational level of the respondents is high, and show that 28 (70%) have completed university and 21 of them (51%) have completed a graduate course.

A two-axis matrix was chosen to analyze the data gathered in the questionnaire and in the interviews. The vertical axis contains the four models of Public Relations practices formulated by Grunig and Hunt (1984), allowing to assess the position of each company according to the way in which it carries out its communication. The definition of Public Relations adopted is that provided by Ferrari (2011), according to which the role of the discipline is the promotion of the inter-relation between the organization and its publics and between the publics and the organization. This is a broader concept than that of the strictly mediated communication.

According to this perception, the communication process between the organization and its stakeholders assumes a more relational and interactive character, and that is considered critical in terms of conduct, and we have seen in our literature review. The vertical axis also considers the asymmetric and the symmetric relationships. The asymmetric relationships are those where the entrepreneur considers the communication process solely as a tool to secure a favorable reception of the business through the publication of information, without admitting the possibility of a dialogue. This addresses two specific concerns of the survey: the identification of the tools adopted in the communication process and the media chosen to disseminate sustainability actions. In the symmetric relationships, the entrepreneur uses the communication strategically, and seeks relationships with the stakeholders. This addresses two other specific concerns of the survey: ascertaining how the entrepreneurs surveyed relate to their stakeholders, and determining whether they adopt some form of strategy or plan in the development of their communication actions with a view to securing sustainability.

Supported on the above authors, the researcher defined the parameters for the assessment of the communication practices carried out by the MSMEs surveyed, fitting them into the models - symmetric or asymmetric - as shown in Table 1.

TABLE 1: PARAMETERS FOR THE CLASSIFICATION OF MSME COMMUNICATION

Model	Parameters
Symmetric	<ul style="list-style-type: none"> <li>- Open to dialogue;</li> <li>- Intent to communicate strategically;</li> <li>- Planned communication geared toward sustainability processes;</li> <li>- Plan to create or strengthen communication policies;</li> <li>- Perspectives of opportunity in exploiting the digital and other media for communication and establishment of relationships;</li> <li>- Constant presence of the founder and/or partner;</li> <li>- Collaborative practices;</li> <li>- Proactive attitude;</li> </ul>

Asymmetric	<ul style="list-style-type: none"> <li>- Unilateral communication;</li> <li>- Low (or no) disposition to dialogue;</li> <li>- Lack of planning linked to non-existent strategic intent;</li> <li>- Exclusive focus on the dissemination and promotion of products and services;</li> <li>- Reactive attitude;</li> <li>- Sporadic communication actions;</li> </ul>
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An analysis of the answers reveal that 32 (80%) organizations adopt symmetric communication practices and eight (20%) adopt asymmetric communication. Those results confirm that the majority of the MSMEs adopt collaborative practices, are open to dialogue with their publics and use communication strategically.

The horizontal axis of the matrix introduces the stages of sustainability produced by the researcher, based on the concepts introduced by Willard (apud IBGC, 2007), Mirvis and Googins (2006, apud Lauriano, Bueno Spitzcek, 2012; 2014) and Amato Neto (2009). Willard (2005) conceived the five stages the companies go through as they seek sustainability, namely: 1) Against-compliance of legal requirements: the company is solely geared to profit maximization; it ignores sustainability and is against any regulation in the area as it entails additional costs. 2) Compliance of legal requirements: the company manages its liabilities complying with labor, environmental and health and safety legislation; social and environmental actions are considered costs. 3) Beyond compliance of legal requirements: the company understands that it can save money through eco-efficiency; it recognizes that social and environmental investment may boost its reputation and generate a positive impact in economic terms. Sustainability initiatives are concentrated in certain areas and are not institutionalized. 4) Integrated strategy: rather than concentrating on costs and risks, the company identifies investment and opportunities; it reaps benefits from sustainability. 5) Purpose and passion: the company adopts sustainable practices because it believes that it is the only purpose of the business; this culture stems from the founder’s culture.

Mirvis and Googins (2006) see sustainability as a synonym of corporate citizenship, and identify five sustainability stages a company may find itself in: 1) elementary: sustainability is sporadic and the company programs are not elaborate. The companies under this category are reactive and moved by their legal obligations; 2) committed: leadership takes into account some aspects linked to sustainability, but companies tend to be reactive and their communication is limited to their stakeholders; 3) innovative: leaders are at the forefront of the sustainability process. Companies have contact with a variety of stakeholder groups, but their perception of transparency and ethics is still limited. Their activities lack coordination; 4) integrated: leadership is at the forefront of the sustainability projects, has an inclusive vision, and makes efforts to mobilize employees to commit to sustainability; they rely on an integrated structure; 5) transformers: sustainability is at the core of their business model. Their challenge is to create new markets by combining sustainability and business. Those ideas are in line with the concepts advanced by Amato Neto (2009), defining a sustainable company as one that inserts sustainability principles into all of its activities and relationships and is committed to the dimensions that go beyond the triple bottom line such as ethics, culture, work and human rights.

Based on the ideas of the authors, the researcher developed five concepts in an attempt to ascertain the stage of sustainability of the MSMEs surveyed, as shown in Table 2.

TABLE 2 : THE CONCEPT OF SUSTAINABILITY AND THE STAGE OF THE COMPANIES

Concepts of sustainability	Stage of the company
It is a set of standards, regulations and certifications related to the environment, work relations and payment of taxes;	Frail
It is the practice and dissemination of initiatives to reduce costs through introduction of efficiency in the use of resources such as water and energy and handling of waste;	Eco-efficient
It is the marketing positioning of the company, its products and services;	Marketing-oriented
A business strategy that takes into account the social, economic and environmental pillars;	Integrated
A culture of change and cooperation, whose purpose is to mobilize the company toward the development of sustainable products and services, contributing to the protection of the environment, continuous improvement of the living standards and the guarantee of the rights of the future generations.	Transformer

Source: Researcher-produced, supported on the concepts by Mirvis and Googins (2006) apud Lauriano, Bueno, Spitzcek (2012; 2014); Willard (2005 apud IBGC, 2007; Amato Neto (2009).

Taking into account the tools adopted to survey the 40 MSMEs, Table 3 shows companies according to the stages defined by the author.

TABLE 3: THE STAGE OF COMPANIES

Number of companies	Stage of the company
29	Transformers
08	Integrated
02	Marketing-oriented
01	Eco-efficient
0	Frail
40	Total

Out of 40 companies, 29 were considered transformers, for whom one of central challenges is the development of products and services for a market where the business and the sustainability agendas go hand in hand (Mirvis and Googins, 2006). Their leaders are committed and take the responsibility to lead the organization on the sustainability path and see this as a way to achieve growth, consolidation and increased competitiveness (Nakagawa, 2009). They are concerned about fostering an organizational culture based on sustainability and conveying it to their network of contacts through technology, innovation, differentiation of products and services or even through setting an example as an entrepreneur committed to sustainability practices and principles.

The average age of the transformer companies in the survey is 13 years. This means that the wide majority of the transformers were founded after the year 2000, when entrepreneurship started to be seen more as an opportunity to develop than as the only alternative to survive (GEM, 2013). The transformers are companies created within the digital environment, boosted by the popularization of the Internet starting in the year 2000. Of those, 23 (57.5%) adopt the symmetric communication model. They see communication as an essential element for the company performance, they are proactive, have an understanding of and maintain a dialogue with their publics and resort to digital devices to facilitate their interaction with their contact network. They know how to exploit the opportunity of visibility derived from the participation of the founders in events, exhibits, competitions and award initiatives. In sixteen of the companies in the sample, (55%), the founders or managers have graduate courses, and in 25% (7 companies), they have a university degree. The relationship with the academia and research centers is highly regarded by 23 (75%) of the transformer companies, which can be explained by their interest in seeking partnerships which support innovation and the development of their products and services.

An element that deserves attention is that six companies in the transformer stage in terms of sustainability adopt the asymmetric communication model. The results show that there is an obvious mismatch between understanding sustainability (more advanced) and the adoption of asymmetric relationships, which supposes a reactive behavior, low willingness to the dialogue, sporadic action and absence of planning. That notwithstanding, the survey revealed that companies see communication as a strategy for the achievement of their businesses. One of the possible explanations for the asymmetry in the practice of communication is the likely ignorance of the benefits in terms of sustainability that more effective stakeholder interaction may bring, as well as the low-cost devices and tools available, such as the intensive use of the digital media, participation in events, exhibits and award ceremonies.

Eight of the organizations surveyed are in the integrated stage, and their sustainability policy takes into account the social, economic and environmental pillars, known as Elkington's sustainability "triple bottom line" (1998). The MSME survey revealed that the companies in the integrated stage are the oldest in the sample, and have existed, in average, for 20 years. It also became clear that the organizations that belong to the integrated category stem, in the majority, from the manufacturing and retail sectors, and offer to the market products that do not seem to contain the latest technology with high innovation potential. In their vision of the future, factors such as climate changes and globalization are seen much more as a threat or as an irrelevant element to the business than as a challenge to be met or an opportunity to develop new products and services. On the other hand, they seem to be committed to the development of their staff and employees, and of the community in which they exist. They adopt the symmetrical model and practice one of conditions suggested by Elkinton (1998) in the field of communication, which consists of stakeholder engagement in value creation. They take into account the expectations of their publics when developing the products and services (Misser, 2014)<sup>14</sup>. According to Grunig (2011), companies that "listen to" and maintain a dialogue with their stakeholders refine their knowledge of the network of relationships and practice, therefore, the symmetric communication model.

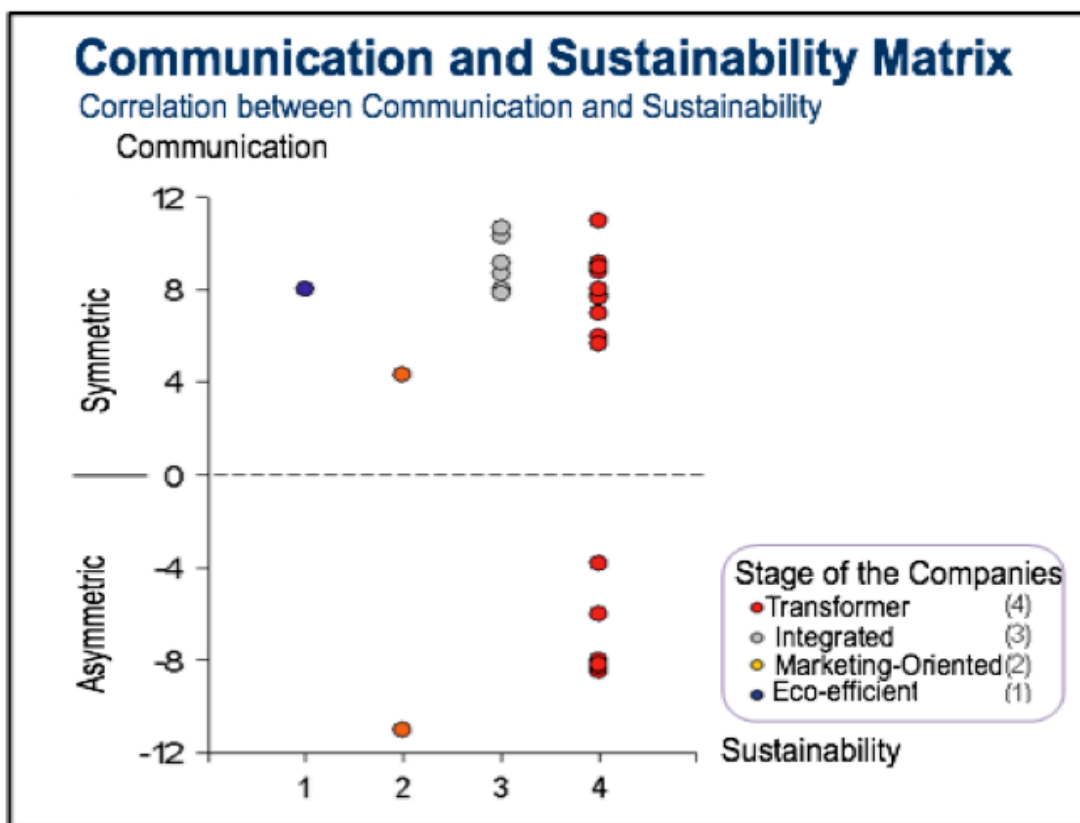
The companies that are in the marketing-oriented stage see sustainability as a way of positioning their brand, products or services on the market. Those organizations feel that adopting the attitudes and principles recognized as sustainable by the public opinion is an important differential for their business. In the center of their motivation to pursue sustainability are the improvement of their image and reputation, a competitive advantage, the access to new markets and the generation of profits for their shareholders. Enterprises that fit this type of profile can be considered to be in the stage called legal compliance (IBGC, 2007). The companies in this category comply with the labor, environmental and legal regulations, see eco-efficiency as a way to cut down on costs and generate financial benefits and consider that the association of their products and services with sustainability can bring business opportunities. However, they are still to find themselves in the stage where the principles of sustainability are integrated into all of their processes, activities and relationships. Only two companies were identified in the survey as being in the marketing-oriented stage, adopting both symmetric and asymmetric models.

Enterprises whose vision of sustainability is limited to the benefits brought about by the reduction of costs through the control of consumption of water and energy, or by the adequate handling of waste produced in their activity are classified as being in the eco-efficient stage. Only one company has been identified as being in this stage. The previously mentioned 2012 Sebrae survey shows that most of the Brazilian MSMEs that have reasonable experience with or information on sustainability practices identified with eco-efficiency and develop specific strategies detached from a global business strategy. Those companies adopt asymmetric communication practices, unrelated to the company's strategic objectives.

Companies in the frail stage develop their business without taking into account the social or environmental impact of their activity; their sole objective is profit maximization. The survey did not identify any MSME in that frail stage. An explanation may be that one of the criteria for the admission of the companies to the sample was that companies should develop products and/or services linked to sustainability. The absence of that type of company in the sample is positive, and shows that the MSMEs surveyed have taken the sustainability path and regard profit as only one of several motivational factors.

The matrix in Chart 1 shows the 40 companies positioned around the quadrants formed by the two axes: communication and sustainability.

CHART 1: ANALYSIS MATRIX - SURVEY RESULTS



In the matrix, 23 transformer companies that adopt symmetric communication are in the upper right quadrant of the chart. Of all the companies surveyed, this group of companies is in the most advanced stage as far as communication and sustainability are concerned. The transformer companies are those that have introduced the concept of sustainability into their processes and relationships and make an effort to strengthen a culture based on sustainable values throughout the network. Their leaders believe that the business in the future will be determined by sustainability, and they see phenomena such as climate change and globalization as challenges or opportunities. As far as communication is concerned, they are proactive companies that adopt more collaborative forms of communication, have a strategic vision and know how to utilize the devices and tools available to them to achieve their objectives.

The organizations in the integrated stage of sustainability adopt symmetric communication and are found in the upper right quadrant of the chart, to the left of the group of transformers, which adopt a symmetric communication strategy. The companies in the integrated stage have sustainability policies defined according to the triple bottom line (Elkington, 1998); they conduct their business taking into account the impact of their activity on society and on the environment. As far as communication is concerned, they are proactive, open to the dialogue with their stakeholders, and develop strategically focused actions.

The transformer companies, which adopt the asymmetric communication model, are found in the lower right quadrant. As previously stated, it is possible that those companies, that have integrated sustainability into their business, are yet to com-

prehend the positive impact that the intelligent use of the communication tools available may bring in terms of sustainable growth and development, which may explain why they embrace the asymmetric model of communication.

The upper left quadrant houses the eco-efficient organization, which adopts the symmetric communication model. The two companies found in the marketing-oriented stage are placed according to their communication models, symmetric and asymmetric.

How do the companies surveyed communicate?

Our survey has revealed that communication actions by the MSMEs are heavily aligned with the business activity and in 38 of the 40 companies the leadership position is occupied by the founder or by the partners, and that is an element that boosts business credibility. The results identified correspond to Sigtizer and Prexl's claim (2008, apud Bortree, 2011) that organizations that maintain a dialogue with their publics on sustainability are able to promote commitment, which in turn contributes to the welfare of the society as a whole; they also corroborate the stance taken by Caridade (2012), who underpins the value created by the relationships.

Along the survey, we have seen a clear correlation between the communication process and the companies' business prospects. The analysis of the entrepreneurs reveals that the most relevant stakeholders in terms of sustainability of their projects are the clients, the employees and the business partners, and that reinforces the idea that the intensification of the relationships leads to business growth. All of the participants recognize the clients as their most relevant public; and for 38 companies (95%) employees and business partners follow suit. Thirty-seven companies (92.5%) seek to strengthen their organizational culture, and 34 (95%) seek recognition of their sustainability efforts by the public opinion.

Some entrepreneurs reinforce the role of communication as a promoter of general public awareness on the issue of sustainability and its benefits. According to them, this increases the value of the products and services they deliver, thus rendering them more competitive in the market. (Nakagawa, 2009). Although they focus their relationship activities on the stakeholders directly associated to their businesses, 34 (85%) of the companies surveyed seem to be highly committed to the future generations and to the community as well.

The relationships with the academia are more relevant for companies with high innovation aspirations, as is the case of enterprises that conduct research on new materials and technologies to fight pollution and to improve basic sanitation systems. Some of the companies surveyed stem from university startups, or were created by members of research centers. On the other hand, 16 companies (40%) are indifferent to Government and professional organizations, which reveals that part of the entrepreneurs conduct their activity without taking into account the influence of those publics as facilitators in the process of sustainable development of businesses.

When analyzing the correlation between the publics in the companies and the tools used to interact with each of the publics, one can see that the choice is made based on the objectives of the organization, and is therefore not a random choice. Digital media are adopted to communicate with clients to emphasize the promotion of their products and services, often conducted by the entrepreneurs themselves. Through them, they seek interaction, as explained by one of the entrepreneurs interviewed: "communication is not a one-way road; I can only sell my product when my client is able to communicate with me as well". In some cases, the entrepreneur takes the responsibility for producing the content or the image communicated, as acknowledged by one of the respondents: "I visit my construction site; if I see something of interest, I make a video myself, I make a statement and publish the material on Youtube and on the social media".

From the sample surveyed, 27 entrepreneurs (67.5%) claim to use Facebook to communicate with their clients. The interviews revealed that some of the entrepreneurs master the media and adopt an integrated approach when communicating with their publics. Information shared through the participation in competitions and award initiatives or conferences, for instance, are multiplied through the network of contacts which, in turn, generate public awareness of the company, as one entrepreneur describes: "we are an emerging company which has a duty to communicate with society at large, but we have no money to invest in merchandising. Therefore, we have to do it ourselves. When I take part in an award ceremony, a conference, an event, I give an interview to the press. I do some marketing and promote (the company)".

#### Final remarks

Through this survey, we were able to find an answer to the key issue in our study: the degree of relevance of the communication process for the sustainability of the MSMEs in our sample. We came to the conclusion that the communication process is part of the daily life of most of the MSMEs surveyed; it is carried out strategically and with the support of the leadership of the founders; furthermore, those companies practice the symmetric communication model, are highly motivated to the dialogue, the interaction, are proactive and have a vision of opportunities. We could say that those organizations can be considered "communication phenomena", according to Freitas' definition (1991). That may bear a relation to the nature of MSMEs in a country where being an entrepreneur is among the highest aspirations of the Brazilians.

The companies recognize the stakeholders that best contribute to the sustainability of their projects, and give priority to their clients, workers and suppliers. The community and the future generations are also included in the groups of publics considered relevant to the sustainability; this is reflected in the commitment the MSMEs have to the improvement of the life standards around them as well as in the preservation of the rights of the future generations. In their interaction with their stakeholders, the companies resort to the digital tools that have transformed the business scenario by allowing free access to the networks and applications that have made interaction a real-time/no-cost activity. The companies in our



sample are also highly active in terms of participation in events and award initiatives, which are used as a strategy to show, promote and attain visibility for their products and innovation. Only eight companies adopt asymmetric communication practices, which may reveal a low level of awareness of the potential benefits that communication may generate for a business; those entrepreneurs are mostly reactive and less collaborative in their communication practices.

The findings are quite relevant if one considers that this group of companies has a high potential of business growth, innovation and dissemination of sustainable practices. The 40 companies surveyed occupy a prominent position in terms of advancement in sustainability processes, sustained on the profile of their founders. It must be stressed, however, that the results of this study cannot be generalized to the universe of MSMEs in the country, considering that both GEM (2013) and Sebrae (2014) have revealed a high incidence of informality and mortality of MSMEs in Brazil.

From the results produced by this survey, three findings deserve special attention:

1) Information and communication technologies have transformed the business scenario in which the Brazilian MSMEs in the survey perform today. The results reveal that the information and communication technologies have contributed to the empowerment of the entrepreneurs, who have become agents and producers of their own communication to their publics. By mastering the digital tools, the entrepreneurs have gained more autonomy; the cost barriers that prevented them from carrying out communication activities have disappeared. Before the advent of digital media, small companies felt marginalized from the communication market: lacking financial resources to invest, they were forced to develop their own sporadic and limited actions, which only produced scant returns in business terms.

2) According to the researchers, the lead of the communication process by the founder of the company has resulted in increased credibility to the actions developed, which was strategic in terms of MSME sustainability. The entrepreneurs have a clear idea of who their most significant publics are for their business, which allows them to define the means and the tools to conduct the interaction according to the specific profile of the stakeholders to create and maintain more effective bonds that benefit their project.

3) Most entrepreneurs believe that communication can help shift paradigms by disseminating information on sustainable practices. As a result, they expect greater awareness of their clients and consumers vis-à-vis the concealed "value" of their sustainable products and services. The MSMEs in the study claim that they contribute to increasing the awareness of sustainability by carrying out specific activities, by sharing their own business example and by their commitment to their network of contacts.

The survey brings to light some important challenges for the development of the communication projects of enterprises that are innovative and interested in seizing the business and market opportunities that sustainability may generate. It is imperative to promote MSME research in light of their importance in the scenario of the Brazilian economy. To that end, research should privilege an inter-disciplinary perspective, analyzing the various angles and interfaces of MSMEs, such as the areas of communication, innovation, sustainability processes, leadership, management, etc. to broaden the spectrum of the findings.

#### Limitations and future research

This study has produced an initial sketch of the understanding of a specific group of Brazilian MSMEs of the communication process geared toward sustainability. One of the limitations of the study has been the modest number of MSMEs analyzed. Future research should attempt to attain more enhanced knowledge by studying a more representative sample of Brazilian MSMEs.

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## NOTES

1 MSMEs are enterprises that employ up to 499 people (in the manufacturing sector), or 99 persons (in retail and services).

2 Surveys carried out since 1999 as a joint project by the London Business School and Babson College. Today, 100 countries are covered in the project. In 2014, the exercise included 70 countries, the equivalent of 75% of the world population or

90% of the world GDP. Brazil joined the project in the year 2000 and is represented by IBQP, the Brazilian Institute for Quality and Productivity with the technical support of SEBRAE (MSME Support Services). In 2011, the Center for Entrepreneurship and New Business from the Fundação Getúlio Vargas joined the project as an academic partner, available on [http://www.ibqp.org.br/upload/tiny\\_mce/Download/GEM\\_2014\\_Relatorio\\_Executivo\\_Brasil.pdf](http://www.ibqp.org.br/upload/tiny_mce/Download/GEM_2014_Relatorio_Executivo_Brasil.pdf). Accessed on 15/05/2015.

3 IBGE, the Brazilian Geographical and Statistical Institute estimated the Brazilian population to be 204,26 million people. Data available on <http://www.ibge.gov.br/apps/populacao/projecao/>, accessed on 17/05/2015.

4 The Corporate Sustainability Guide, published by IBGC, the Brazilian Institute for Corporate Governance, includes the five stages suggested by Willard (2005).

5 Data extracted from the Procead/FIA, the Training program for developing enterprises from the Center of Sustainability studies from the Fundação Getúlio Vargas, based on information from CEMPRE, the National Enterprise Register from IBGE

6 SEBRAE, the single most important player in the field of training and promotion of development of the small businesses in Brazil through fostering entrepreneurship and competitiveness.

7 The 2012 Entrepreneurship Statistical study adopts the information provided by Cempre, IBGE's Central entrepreneurial register as well as IBGE structural surveys between 2009 and 2012. The complete documents are available on <http://www.ibge.gov.br/home/estatistica/economia/empreendedorismo/2012/>, accessed on 13/01/2015.

8 Non-profit organization supporting entrepreneurs in 20 countries ([www.endeavor.org.br](http://www.endeavor.org.br)), accessed on 17/05/2015.

9 High growth enterprises are those that have registered a yearly increase of 20% in their average payroll for three years in a row and which, at the end of the control period, have 10 or more salaried personnel. Gazelle companies are a subset of the high growth companies that are up to three years of age at the start of the control period. The definitions adopted by IBGE follow the recommendations of the OECD, Organization for Economic Cooperation and Development.

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11 Armen Ovanessof is the senior manager of Accenture's High performance institute. Interview available on <http://www1.folha.uol.com.br/mercado/2015/04/1618210-economia-digital-da-vantagem-competitiva-as-pequenas-empresas.shtml>, accessed on 19/04/2015.

12 The complete survey available on <http://www.sebrae.com.br/estudos-e-pesquisas>, accessed on 20/06/2014

13 The databases used to identify the MSMEs for the survey were: Finep - National Innovation Award - Micro and Small Business category - 2006-2013, available on <http://www.premiodeinovacao.com.br>, accessed on 10/09/2014, Sebrae Sustainability Center, available on <http://sustentabilidade.sebrae.com.br/Sustentabilidade>, accessed on 11/09/2014; Exame PME- "250 empresas que mais crescem no Brasil", 2014, available on <http://exame.abril.com.br/pme/noticias/exame-pme-lista-as-250-pequenas-empresas-que-mais-crescem>, accessed on 15/09/2014; Instituto Empreender Endeavor, available on <https://endeavor.org.br/empreendedores-endeavor/>, accessed on 10/10/2014; Prêmio Isto É Empresas Mais Conscientes. Small and medium enterprise category, available on [http://www.istoe.com.br/reportagens/389075\\_ISTOE+PREMIA+AS+EMPRESAS+MAIS+CONSCIENTES+DO+BRASIL](http://www.istoe.com.br/reportagens/389075_ISTOE+PREMIA+AS+EMPRESAS+MAIS+CONSCIENTES+DO+BRASIL), accessed on 23/10/2014 "Análise dos Modelos de Negócios Sustentáveis" Ethos, available on <http://www3.ethos.org.br/ce2013/modulos/analise-de-modelo-de-negocios-sustentaveis/>, accessed on 10/10/2014; Prêmio Competitividade Brasil para Micro e Pequenas Empresas, available on <http://www.mbc.org.br/mpe/>, accessed on 23/10/2014; Fimai 2014, available on <http://www.fimai.com.br/pages/galeria.aspx?ativo=true&modo=vertical&mn=12>, accessed on 30/11/2014. Prêmio Professor Samuel Bechimol e Banco da Amazônia de Empreendedorismo Consciente, available on <http://www.amazonia.desenvolvimento.gov.br/>, accessed on 30/11/2014.

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