

There is so little research done on small business corporate social responsibility. Why?

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ABSTRACT

There seems to be a great gap in business literature on corporate social responsibility as applied to small business. Authors' research points to an array of reasons for this apparent lack of interest among academic scholars and non-academic reporters in this subject. In this paper an attempt is made to enumerate and discuss the most significant factors contributing to this observation.

Keywords: Corporate Social Responsibility; Small Business; Philanthropy



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INTRODUCTION

It is not an exaggeration to state that the majority of business activities in the world are performed by small business entities. It is also an obvious truism that the concept of Corporate Social Responsibility has acquired the center stage on the important topics of scholarship in business and management. Yet, in their search for scholarly works on the concept of Corporate Social Responsibility as it applies to small business, authors of this paper found themselves glaring over a vast desert of parsley positioned sporadic research papers and other writings. This observation provoked their interest and persuaded them to follow this obviously intriguing phenomenon further in order to find the reasons for the patent lack of interest in the topics among the academic scholars and non-academic writers. Further research presented the authors with a variety of reasons and the present paper is an attempt to summarize the most important ones.

MISUNDERSTANDING CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate social responsibility has risen as an important concept and research topic in the study of organizations in the past several decades (Lindkvist & Llewellyn, 2003; Margolis & Walsh, 2003; Moir, 2001; Valor, 2005). When corporate social responsibility is discussed, it is assumed the standard is that of large business while excluding small businesses.

The result is a widespread misunderstanding of CSR as an aspect of business strategy, holding back many potentially important initiative (Fleming, 2011). As a consequence debate on CSR seems to have focused on multinational corporations and driven primarily by a Northern agenda (Jamali et al., 2009). It is only in recent years that CSR has become more relevant to small businesses, such as suppliers, recipients of philanthropic efforts, and the developing countries (Raynard & Forstater, 2002)

This general misunderstanding of the small business and application of the CSR concept to it has created a prevailing lack of resources devoted to gathering data for small-business CSR. Very little resources are assigned to this task, either in the academic or the non-academic journalism.

Another problem in searching and collecting data on this subject is that the literature is published under many topics, such as business ethics, small business, entrepreneurship, regional development, and management studies (Moore & Spence, 2006). Moore and Spence further state that of the many issues that do get published, the social and ethical issues do not get addressed as often as needed.

Ironically, the very wide variety of publications on small business further dissipates studies and papers related to CSR, hiding them in a great mass of works, making them virtually invisible. Thus, lack of visibility is indeed a major problem in this field. As Udayasankar, (2008) states, "It has been argued that given their smaller scale of operations, resource access constraints and lower visibility, smaller firms are less likely to participate in corporate social responsibility (CSR) initiatives" (p. 169). This is based on the assumption that there are influences that affect more-visible firms than less-visible firms. He further argues that "firms that are more visible are likely to gain more as a result of enhanced legitimacy and reputation effects, or may also suffer damages to their reputation, for inadequate participation in CSR" (p .169).

PERCEPTION OF SMALL BUSINESS IN ACADEMIA

The academic world follows the same pattern of overlooking small business in their professional publications. This seems to be the consensus among scholars: for example; Castka et al. (2004), Lepoutre and Heene (2006), and Worthington et al. (2006) all agree that the public media debate on corporate social responsibility is mirrored in the academic context. Almost all discourses are based on large firm research. As demonstrated by Blomback and Wigren in 2009 large, well-known companies are referred to in a manner suggesting best-practice examples of responsible behavior. There seems to be almost no mention of the responsible behavior of any small business.

Use of language seems to further contribute to the exclusion of small businesses in corporate social responsibility research and writing. For example, language as a means to define, expose, and evaluate corporate social responsibility can exclude or even make invisible activities that do exist in the world of firms other than the very large one. (Blomback & Wigren, 2009).

CONTRASTING SMALL FIRM CSR VS. LARGE FIRM CSR

To date, many researchers have addressed social responsibility in corporate business settings (Niehm, Swinney, & Miller, 2008) implying that social responsibility is a concept specifically for large business. There are many examples of this bias. As early as 1987 scholars such as Frederick “posited that social responsibility embodies the notion of large organizations being obligated to work social betterment and the common good in all phases” (Niehm et al., 2008, p. 333). In addition to the thoughts and points of view of the research gathered from the work of several researchers, Wilson (1980) and Brown and King (1982) provide evidence that supports the works of previous researchers.

Wilson showed evidence that although business responsibility has been widely discussed; research to that date had focused mostly of corporate social responsibility. Wilson’s point of view originated from the article’s proposed stances of the small businessperson, which is the following: Do we fail to hear about it only because there has been no research? Or is it because we are not sure if managers and owners of small-business are less socially concerned than executives of very large corporations? Following this line of thought in her study, Wilson examined the perspectives of owners or managers of small businesses concerning social responsibilities, recognizing that their perspective may differ from those of executives of large business. (1980)

In 1980, an article presented by Wilson showed evidence that a small percentage of small-business owners interviewed believed they had no social responsibilities to the local community, while the majority believed they did. The research by Brown and King, (1982, as cited in Niehm et al., 2008) discussed the attitudes of small business respondents and other respondents concerning levels of ethical standards and causes of ethical and unethical behavior in small businesses.

More recent literature point to the need for research on business in general and CSR in particular, to focus more on small businesses than previous studies have attempted to do. Fitzgerald, Haynes, Schrank, and Danes (2010) state, “The vast majority of companies written about in business biographies and research studies with respect to social responsibility are corporations” (p. 526). Chrisman (1983) reportedly found over 700 published articles on business and social responsibility, but only six articles pertained to small businesses. Moreover,

Fitzgerald et al. (2010) contend that minimal attention is given to rural communities where small businesses are most active, (Besser, 1998; Smith & Thompson, 1991) or to the practices of small family businesses (Niehm et al., 2008).

Philanthropy is an interesting area where small business contributions are usually ignored. Generally, charity is seen primarily as giving through monetary means; thus, small and family businesses that give through time, space, and so forth are open to being accused of not giving back to their communities. Curran, Rutherford, and Blackburn (2000), and Thompson and Smith (1991) agree that community-level social responsibility and its relationships to small family firms is invisible to reporters and scholars, and/or almost completely ignored.

CONCLUDING REMARKS

It is ironic that in spite of the consensus among the academics scholars that the majority of businesses around the world consists mainly of small businesses very little is done to study them in general and their role in corporate social responsibility in particular. It is argued that small-business owners do not have the necessary resources; the required know-how, or desire to do good. (Udayasankar, 2008, P.167). Others bring up the size of small businesses as a limiting factor. (See for example, Udayasankar, 2008 Brammer and Millington, 2006; Johnson and Greening, 1999 among many others). It seems that this basic shared view of small business, together with a more or less implied definition of corporate social responsibility, has greatly limited research work in this field.

A not uncommon sentiment is that for any business action to qualify as a CSR-related activity it must involve large actions on national or global scale. Thus any work on smaller scale does not seem to qualify as CSR, and therefore is not tagged in the literature as such. There is a great need to alter the framework of CSR when applied to small business in order to focus on the potential and possibilities created by putting these activities and resources together, in, say, national policies, especially in the developing countries.

Authors of this article hope that the present paper, and similar other writings would help point out the need to approach small business policies and activities in a more appropriate framework, as to size, scope, and reach. Such shift in methodology and attitude should open the door to unimaginably large and varied possibilities for academic scholarship and non-academic reporting. The sheer size of the activities performed by small businesses demands a more thorough understanding of the extent and scope of socially conscious and responsible activities that are carried out by these businessmen and women all over the world. Putting such information together should open new venues for understanding and even steering the enormous amount of both economic and human capital involved in this area.

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