



## Corporate Social Responsibility of Family Businesses in Hawai'i

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Research on family businesses in Hawai'i has been limited (Masuo & Tamayose 2014). With only a handful of published studies (Hsu, Masuo, Fong, & Yanagida 2008; Masuo, Fong, & Yanagida 2003; Yano 2006) and our study on goals of family businesses (Masuo & Tamayose 2014), we feel research on family business in Hawai'i has not been fully explored. While researchers may adopt different approaches and explore a range of topics pertaining to family businesses (Bird, Welsch, Astrachan, & Pistrui 2002; Poutziouris, Smyrniotis, & Klein 2006; Sharma 2004), our present study examined corporate social responsibility (CSR) for family businesses in Hawai'i. By exploring CSR, we contribute to the limited body of literature and raise awareness of the importance of CSR.

### What Is Corporate Social Responsibility?

Corporate social responsibility (CSR) describes businesses' and their stakeholders' mutual concern for each others' well-being and for their shared environment (Dahlsrud 2008; Niehm, Swinney, & Miller 2008). Businesses implementing CSR express their concern for stakeholders and their shared environment through formal and informal discussions regarding common goals (Lindgreen & Swaen 2010) and by establishing commitments which go beyond economic and legal minima (Davis 1973, Ness 1992). Although CSR can be interpreted and measured (Carroll 1999, Dahlsrud 2008), and approached (Taneja, Taneja & Gupta 2011) in a variety of ways, researchers appear to be in agreement that CSR refers to responsibilities that extend beyond a business's day-to-day operations (Carroll 1999).

### Why Hawai'i?

To date, we have not been able to locate studies where researchers explicitly investigated CSR for businesses in Hawai'i. With regard to research on Hawai'i's family businesses in general, we are aware of three studies. Two were co-authored by Masuo (Hsu, Masuo, Fong & Yanagida 2008; Masuo, Fong & Yanagida 2003), and the third was a study on family-owned restaurants by Yano (2006). Despite the body of literature for this particular state being limited to three studies, researchers have acknowledged the importance of family businesses in the United States (Astrachan & Skanker 2003) and around the world (Poza 2010). One way family businesses become a vital part of society is through CSR (Niehm et al. 2008).

Given the importance of family businesses and CSR as well as the limited body of literature for Hawai'i, we investigated CSR for family businesses in Hawai'i through the following research questions:

- 1) Do family businesses in Hawai'i value corporate social responsibility?
- 2) How have family businesses engaged in corporate social responsibility behaviors directed toward the community?
- 3) Have the CSR behaviors improved the business environment in the community?

In answering our research questions, we contribute to the bodies of research on CSR and family businesses. Our contribution to research on Hawai'i's family businesses is twofold. First, we add to the body of literature, which as we have stated, is limited to three studies. Second,

we raise family businesses' awareness of CSR and its importance. In raising family businesses' awareness, we make a step towards bringing research to practice.

## Method

### Data

To answer our research questions, we analyzed data collected as part of the National Family Business Survey (NFBS). The NFBS was a longitudinal survey in which data were collected in 1997, 2000, and 2007. Data collected for the NFBS came from household and business managers through telephone interviews. In these interviews, household and business managers were asked several series of questions, one of which, for the 2000 data collection point, pertained to CSR. For a more complete description of the NFBS, we direct interested readers to Winter, Fitzgerald, Heck, Haynes, and Danes (1998).

### Sample

In our data section, we mentioned that CSR data were collected for the 2000 collection point for the NFBS. For the present study, we analyzed responses from a subsample of five family businesses that reported being in operation in 2000. Specifically, we covered the range of the five businesses' age, distance between residence and business, company's size as measured by the number of employees, amount of profits and liabilities (See Table 1).

### Measures of Corporate Social Responsibility

To determine whether family businesses valued CSR, we analyzed the five-point Likert-scale item "As a business owner or manager, you are willing to expend resources

to help this town." Participants were offered five choices ranging from "strongly disagree" to "strongly agree."

To examine how businesses engaged in CSR, we analyzed four items. Two of these four items pertained to whether the manager of the family business had held community office and whether the manager led a civic organization. Participants were given "yes" and "no" as response choices. The other two items asked participants to provide their businesses' perceived frequency in providing assistance to the community's development and donating money to local schools over the last three years. Participants were offered five choices, "never," "seldom," "sometimes," "often," and "very often."

Finally, to evaluate whether businesses' CSR had helped to improve their business environment, we analyzed the five-point Likert-scale item "The business environment in this community has improved over the past three years." Participants were asked to rate their business environment's improvement with choices ranging from "strongly disagree" to "strongly agree."

## Results and Discussion

Our results and discussion section consists of four parts. We begin by presenting our results. We continue with our interpretation of the findings. We cover the key strengths, weaknesses, and limitations of our study. Lastly, we close with a suggestion for bridging research to practice.

All five family businesses in Hawai'i reported that they valued CSR. Despite this, their involvement in leadership roles and providing expertise varied. However, businesses were committed to charitable giving to programs targeted at youths. Interestingly, perceptions about

**Table 1. Business Characteristics**

Characteristic	Range
Age of business (in years)	5 to 21
Shared environment, measured by distance in miles between residence and business	0 to 15
Number of employees	0 to 20
Business profits	No profit to \$45,000
Business liabilities	No liabilities to \$50,000

improvements in the business environment were mixed.

Although businesses valued CSR, their actions were focused more on providing monetary support rather than professional expertise and leadership. We believe that when businesses engage in CSR, giving money is preferred over giving time. Even though businesses engaged in CSR, they did not necessarily feel that their business environment had improved. Collectively, our findings are in line with arguments made by Davis (1973). As a whole, CSR in Hawai'i appears to be a complex phenomenon that encompasses responsibilities that go beyond a business's day-to-day operations (Carroll 1999).

Despite CSR being a complex phenomenon, we believe that our study is characterized by the follow-

ing strengths, weaknesses, and limitations. The main strength is that this is the first study of CSR among family businesses in Hawai'i. Since this is so, we used concepts that have not yet been empirically researched. This weakness contributed to a key limitation, which is that our findings should not be generalized beyond family businesses in Hawai'i.

While we acknowledge that CSR has not been extensively studied in Hawai'i, our study has established that CSR is valued by family businesses. Since family businesses value CSR, exploring the relationship between the business and its involvement with the community is important. When this relationship is not understood, family businesses' level of CSR may be reduced. Con-

**Table 2. Measures of Corporate Social Responsibility**

<b>Attitude Toward Corporate Social Responsibility (N=5)</b>					
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Willing to expend resources to help community development	0	0	0	4	1

  

<b>Personal involvement in corporate social responsibility (N=5)</b>		
	No	Yes
Held elected or appointed community office	3	2
Leader in civic organizations	4	1

  

	Never	Seldom	Sometimes	Often	Very Often
In past 3 years provided financial or technical assistance in community development and planning	3	0	1	1	0
In past 3 years donated to local schools or youth programs	0	0	5	0	0

  

<b>Perception of improvement in business environment (N=5)</b>					
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
The business environment in this community has improved over the past 3 years.	0	2	0	3	0

sequences of reduced levels of CSR include a lower level of involvement by businesses in leadership roles and in offering expertise to the community. Given the findings from our study, we suggest that future studies on CSR should focus on identifying types of CSR which yield optimal outcomes for Hawai'i's family businesses.

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