

DOES SIZE MATTER IN DOING GOOD: AN EXPLORATORY STUDY OF SMALL
BUSINESSES AND CORPORATE SOCIAL RESPONSIBILITY (CSR)

By

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To my parents who never fail to show me their perfect love

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Abstract of Thesis Presented to the Graduate School
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Corporate social responsibility (CSR) has earned popularity among global businesses in the past two decades. However, there is a lack of research on CSR at smaller sized businesses. Furthermore, the recent economic decline has affected corporations around the country to take measures to stay alive and governments have stepped in to bring back stability. Observing the impact of the recent economic downturn on smaller businesses and their CSR activities are worthwhile and timely subjects.

This study sheds some light onto the missing pieces. In-depth interviews were conducted with 20 small business owners and CEOs around north central Florida area. The study results showed no single definition of CSR among small businesses, but small businesses tend to invest a lot of their CSR into the immediately surrounding community and the employees. The results also showed that the current economic situation had very little or no impact on the business operations and CSR activities. Concluding from this study, a suitable definition of small business CSR is suggested: Voluntary philanthropic and ethical actions taken by people of the company to create positive impact around internal and external communities in which the company operates.

CHAPTER 1 INTRODUCTION

A new era for businesses of all sizes and industries has arrived. There has been a substantial increase in the past decade in the number of discussions and research on corporate social responsibility (CSR), a growing trend that pushes all corporations and organizations to put forth their effort to make this world a better, cleaner and happier place. Many have argued that governments have “failed in their attempts to rid the planet of under-development and poverty” (Hopkins, 2006). What used to be a voluntary action is now a must have in all business plans and strategies in order to be accepted, survive and seen as ethical.

...In the past, there was an expectation that it was governments that were going to answer to these problems and these crises, and that it was governments who were wholly responsible for these solutions. Today, however, the paradigm is different. Consumers have much higher expectations of us, of business. They expect us to be part of the solution on everything from climate change to health and wellness. Increasingly, consumers are basing their purchasing decisions on how they feel about a company, so the reputation of the company is part of the reputation of the brand... (Address by NEVILLE ISDELL, chairman and CEO, The Coca-Cola Company)

The sudden boom of CSR came along with the growth in economy, technology and the omnipotent Internet. In the beginning of the 20th century, the tremendous size, power, and overly competitive nature of corporations resulted in their being asked to consider using their power voluntarily for bigger social purposes rather than for financial profits alone (Smurthwaite, 2008). Corporations, however, are not the only ones who gained extreme power. Embarrassing stories about an organization disseminate within seconds around the globe through the Internet and a number of non-governmental organizations (NGOs) are ready to combat with large corporations if the smallest part of their business does not seem to fit their standards (Franklin, 2008). Publics who have closer relationships with corporations such as consumers and employees are paying attention to corporate business practices and their community issues. Thanks to the Internet and media, consumers are becoming CSR-savvy and seeking for more transparent, in-depth

information from businesses. While much of CSR agenda has been discussed among multinational and large corporations, small and medium-sized enterprises (SMEs) have been entering the scene of CSR and implementing socially responsible business practices in their daily operations. Though some studies have been done to investigate SME's involvement in CSR, there are inconsistencies in CSR definitions and implementation strategies for SMEs. SME-oriented CSR should not be neglected because as larger corporations attempt to reach out to improve their community relations, SMEs have somewhat of an advantage in having much more direct relationships with communities and people that surround them. Bigger-sized organizations may be capable of contributing to AIDS in Africa or lending financial and physical support during natural disasters, but SMEs have the ability and personal access to truly touch the lives of smaller areas.

Academia and research thus far have attempted to define CSR as a universal concept but have failed due to many evident reasons such as cultural gaps as well as differences in contexts and industries. No common definition exists for CSR since its underlying meaning differs from country to country and remains a dynamic concept (Danko, Goldberg, Goldberg, & Grant, 2008). For example, Japan and France have developed national standards and regulations regarding CSR (Danko, et al., 2008). Also, Europe "outpaces the United States in CSR reporting" (Danko, et al., 2008, p. 44). In the U.S., large corporation leaders note that "operating with ethical business practices" was far and away the action deemed most critical (Verschoor, 2006). The European and the U.S. perceptions differ in many different levels due to the variance in government control and cultural difference.

Furthermore, the relationship between corporate financial performance and CSR is yet to be understood. The purpose of this study is to investigate and comprehend how smaller

business owners and entrepreneurs in the U.S. view and define CSR, what CSR means to their business compared to how large corporation CEOs define CSR, and what drives CSR in large corporations. Also, this study aims to find out the impact created by the recent slow economy on SMEs and their CSR programs. With the majority of corporations and businesses (more than 90 percent) comprised of 800 or less members and employing at least 55 percent of employees in the U.S., it is relevant and important to understand and investigate how the growing trend of CSR applies to them specifically (U.S. Census Bureau). These statistics clearly show that a large portion of businesses in the country is represented by smaller-scaled firms and their employees. Lack of theories and guidelines for small business owners may in fact discourage them from engaging in more effective CSR activities.

Furthermore, due to the current economic troubles in the U.S. and worldwide, it is highly relevant, timely and useful to study how SMEs view CSR and how their perceptions may change due to current economic status. Instead of applying large corporation theories and concepts directly to smaller firms, it is necessary to study and evaluate the differences and build a specified guideline for smaller-sized organizations in the U.S. By examining the specific applications of CSR in SMEs, the differences will be clearly distinguished and practitioners and academics can come to realize that a single generic guideline of CSR needs improvements and addendums. Also, through this research, smaller business owners can 1) understand the importance of CSR relevant to their environment, 2) implement a more successful and effective programs designed specifically for their firms and their stakeholders and 3) realize the reasons to implement certain types of CSR programs during economically stable times and also unstable times as well.

...the 21st century brings for all of us a whole new set of expectations. It is no longer sufficient to be profitable, though it is essential. It is also no longer sufficient to

just provide a high-quality product or service. We need a revised business model that puts business in that broader context. Now, the model still includes the basics—serving a market need, obviously being entirely legally compliant and rewarding shareowners. But the new realities of the 21st century say that clearly, we must go well beyond those basics. In fact, to service our shareholders well, this is what we must do... [Address by NEVILLE ISDELL, chairman and CEO, The Coca-Cola Company *Delivered to The Executives' Club of Chicago, Chicago, Illinois, May 8, 2008*]

CHAPTER 2 LITERATURE REVIEW

History and Definitions of Corporate Social Responsibility

One of the fundamental tasks introduced to corporations in the 21st century around world is a concept called corporate social responsibility (CSR). It is said that the concept of CSR can be traced back to centuries ago (Carroll, 1999). The earliest acknowledged scholarly literature on CSR started predominantly in the U.S. in the 1950s. Howard R. Bowen's landmark book *Social Responsibilities of the Businessman* published in 1953 is argued to mark the beginnings of the modern period of literature on this subject (Carroll, 1999). Bowen's initial definition was derived from the belief the lives of many citizens were influenced by several powerful businesses and their decisions (Carroll, 1999). He defined it as:

The obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society. (Bowen, 1953, p. 6)

Following the 1950s, the decade of 1960s marked a significant expansion in attempts to formalize and accurately state the definition of CSR. Many well-known scholars like Davis, McGuire and Frederick contributed in introducing the social responsibilities of powerful businesses and the obligations they had to the society (Carroll, 1999). Some of the social obligations according to Cutlip et al. (2006) include the following:

Provide a stable source of employment, with a visible commitment to diversity in hiring, promoting, and compensating workers at all levels; operate profitably and provide a reasonable return on investment to its shareholders; establish and meet strategic objectives that provide for long-term growth and competitiveness; voluntarily comply with—or exceed—government regulations regarding health, safety, and the environment; set aside a reasonable amount of yearly revenue for philanthropic purposes; maintain comparable operating standards in ever country where the company does business; participate actively in public policy processes affecting the company, its industry, and other stakeholders who are part of the “public interest.” (p. 390-391)

Buchholz and Rosenthal stated that the issue of social responsibility grew particularly between 1960 and mid-1970s as a consequence of and in response to great social change and changing social values. This “ethical” concept of social responsibility points to business corporations being both economic institutions and institutions that must play a role in assisting society to solve its many problems, some of which have been caused by businesses themselves (Smurthwaite, 2008) .

In the 1970s and the 1980s, scholars began to develop a number of different definitions for social responsibility. The term CSR often means something different to different people. To some, it may mean a legal responsibility or liability; it can also mean socially ethical behaviors or charitable contributions (Zenisek, 1979). The focus on developing new or refined definitions of CSR gave way to research on CSR and a beginning of writings into alternative concepts and themes such as corporate social responsiveness, corporate social performance (CSP), public policy, business ethics, and stakeholder theory/management in the 1980s (Carroll, 1999). More research and focus on CSR brought a conclusion that CSR is not merely a term but that it was a process that could fit well with the business strategies (Carroll, 1999).

Throughout the 1990s and to the present day, CSR has found itself a new – and perhaps permanent – home at the core of all corporate business plans and web sites as well as in academia around the world. Though some businesses and business leaders still find CSR useless and reject the extraneous responsibilities – other than financial profit, – the majority of businesses have adopted CSR programs into their everyday operations and communicated their efforts and results to external publics like consumers and investors. CSR was no longer accepted in forms of simple donations for specific causes but expanded to a wider range of commitments to the societies in which they operate (Barber, 2001). Carroll (1991) developed a model of CSR

pyramid with economic responsibility at the bottom and moving upward through legal, ethical, and philanthropic responsibility categories. Economic efficiency and profit maximization is the fundamental purpose of businesses and without it, the other responsibilities become “moot considerations” (Carroll, 1991, p. 41). Economic responsibilities are thus at the bottom of the pyramid. Above the economic responsibilities are the legal responsibilities which include being compliant with regulations and fulfilling legal obligations (Carroll, 1991).

Historically, businesses were economic entities created to provide goods and services to the society (Carroll, 1991). However, the top two tiers of the pyramid gained significance during the recent years and they are ethical and philanthropic responsibilities of businesses (Carroll, 1991). Although ethical responsibilities are embedded in economic and legal components, ethical responsibilities “embrace those activities and practices that are expected or prohibited by societal members even though they are not codified into law” (Carroll, 1991, p. 41). Principles such as justice, fairness, rights and utilitarianism are what describe ethical responsibilities. At the highest level of the CSR pyramid is the philanthropic responsibilities. These responsibilities include business contributions to community and engaging in programs that promote societal improvements, human welfare and goodwill. Ethical and philanthropic responsibilities sound similar but they are distinguishable in that philanthropic responsibilities are “not expected in an ethical or moral sense” (Carroll, 1991, p. 42) but are rather voluntary. Communities desire businesses to contribute their resources for humanitarian or communal purposes, but they do not regard businesses unethical if they do not contribute as they wished (Carroll, 1991). Carroll’s pyramid of CSR model is depicted in the Figure 1 below.

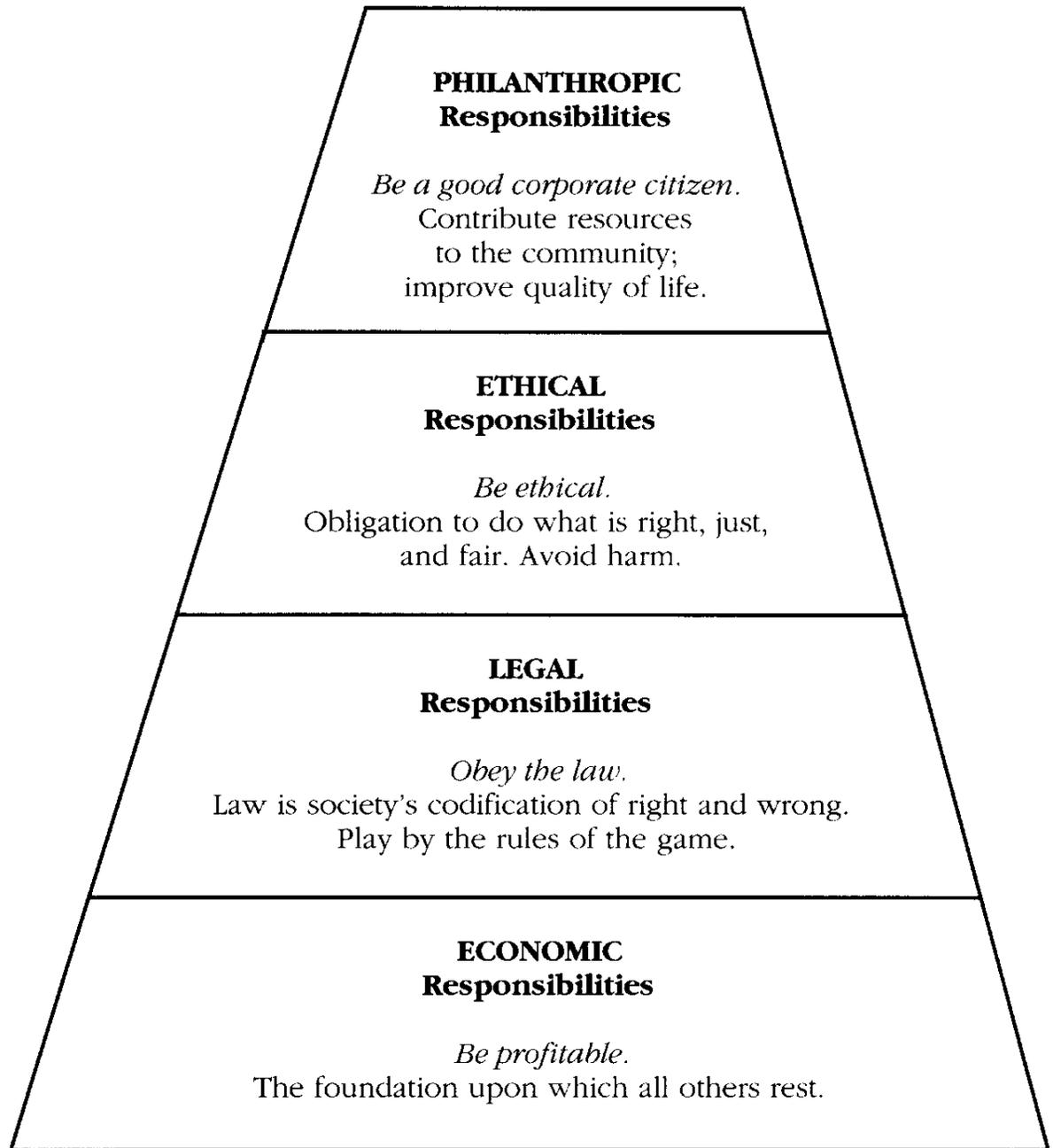


Figure 2-1. Carroll's CSR Pyramid (Source: Carroll, A. (1999). Corporate Social Responsibility: evolution of a definitional construct. *Business and Society*, 38 (3), 268-295.)

In addition to scholarly development of definitions, the United Nations' Commission on Sustainable Development (CSD) devised general principles of CSR such as contributing to development, enhancing social protection and strengthening employment opportunities for

groups with specific needs, sharing skills and knowledge with local businesses and employees, and taking into consideration groups other than shareholders, such as employees, managers, suppliers, customers, competitors and local communities and governments (United Nations, 1998). The United Nations also launched the UN Global Compact in the summer of 2000 to provide a policy and a framework for companies around the world that are committed to sustainability and responsible business practices. The UN Global Compact has over 4,700 corporations from more than 130 countries participating in corporate citizenship and sustainability initiatives in the areas of human rights, environment, anti-corruption and labor. (UN Global Compact, 2008).

Perception of CSR Today

A majority of businesses are actively involved in initiatives and behaviors related to corporate citizenship (UN Global Compact, 2008). Increasingly, the question is not *whether* companies have roles and obligations to the society as citizens, but *how* companies should engage to better society. The Global Leaders of Tomorrow project in support of the UN Global Compact conducted a global survey of CEOs and senior managers of companies participating in the UN Global Compact at the height of the 2008 global financial crisis. The results of this study showed the reality of corporate opinions and interpretation of where the business world is going today. More than 50 percent of the respondents considered the “changing consumer preferences in relation to social and environmental performance of product and services” are going to impact – both positively and negatively – their organization considerably over the next five years (Global Leaders of Tomorrow, 2008). Also, almost half of the respondents named “mitigating and adapting to climate change” as another important influence on their organization in the next five years. When asked what knowledge and skills were important for senior leaders in their organization, more than 70 percent responded that understanding the business risks and

opportunities for environmental and social trends for their organization and industry (Global Leaders of Tomorrow, 2008). As indicated in these findings, more and more management is becoming aware of the importance of the environmental and social trends that are emerging and the impact these trends are going to have on them.

Financial Impacts of CSR

The positive impact that CSR will have on the bottom line is often the main reason that companies participate in these initiatives. According to the State of the Corporate Citizenship in the U.S. (2005), about 81 percent of executives indicate that corporate citizenship needs to be a priority for companies. 69 percent of them agree that the public has a right to expect good corporate citizenship. And 64 percent say that corporate citizenship makes a tangible contribution to the company bottom line. Among large company executives, 84 percent see tangible bottom-line benefits (The Center for Corporate Citizenship at Boston College, 2005).

Only a few executives reported active skepticism or resistance to corporate citizenship. Approximately 1 in 10 cites a lack of support for corporate citizenship from either top management (10%), middle management (8%), or employees (16%). About 13% indicate that corporate citizenship is of no significant benefit to the business (The Center for Corporate Citizenship at Boston College, 2005). Indeed, 54% of executives said that a lack of resources limits their company's efforts to become more involved in corporate citizenship.

A majority of U.S. executives believe that they have multiple stakeholder commitments and have to balance the interests of investors, employees, consumers, communities, and the environment (The Center for Corporate Citizenship at Boston College, 2005). In addition, approximately one-third of executives report that their companies experience positive benefits from corporate citizenship activities. These benefits range from awards and recognition to positive media coverage to increased employee retention and customer satisfaction. However,

even before the impact of the financial crisis hit, earlier this year, the World Economic Forum reported that 70 percent of fund managers do not regard it as standard practice to factor environmental, social, and corporate governance initiatives into their investment decisions.

CEOs and executives are not the only ones who are concerned about and CSR activities and the impact on their organizations. Employees also have a positive attitude toward CSR. Sirota Survey Intelligence found that 70 percent of employees surveyed from 70 different companies felt positive about their employers' commitment to corporate social responsibility and believed that their senior management was performing with integrity (Leader to Leader, 2007).

SMEs and CSR

Corporate social responsibility (CSR) has become a topic that is investigated by academics in business ethics and in public relations over the past decade. The majority of the studies on CSR have been focused on large organizations and corporations. In these studies, small to medium-sized organizations have not been given much attention.

It is the belief of this author that examining the nature of CSR with smaller sized businesses is important. According to the U.S. Census Bureau, there are over six million firms that have 500 or less employees in 2005. These firms employed over 60 million people in the year 2005. In 2004, the most recent year for which firm size data are available, small firms with fewer than 500 employees accounted for all of the net new jobs. According to the U.S. Department of Commerce's Bureau of the Census, firms with fewer than 500 employees had a net gain of 1.86 million new jobs, while large firms with 500 or more employees had a net loss of 181,000 jobs (U.S. Small Business Administration's Office, 2008). From these statistics, it is confirmed that a high percentage – more than 60 percent – of firms in the U.S. are considered small or less than large (U.S. Census Bureau, 2008).

CSR in smaller enterprises is likely to be different from how it operates in larger corporations. Small firms are not “little” big firms (Dandridge, 1979; Welsh and White, 1981); they have a number of specific characteristics that apply only to them. Because so much of the research on CSR is focused on big businesses, this research may be limitless in its usefulness and applicability to the majority of businesses in the U.S. which are not large corporations (Thompson, & Smith, 1991). In a comparison of business owners in metropolitan and nonmetropolitan areas, results showed that the ethical behavior of owners who manage their own business is significantly influenced by the community where their firms are located (Besser, & Miller, 2001).

The small business community is very heterogeneous and its behavior is affected by a number of factors which influences in shaping small business social responsibility (SBSR):

- For example, small business communities are generally heterogeneous.
- Many SMEs experience inconsistency between the idealistic CSR communication of some large companies and their actions, especially in the supply chain (Fassin, 2008).
- Small businesses have been distinguished from larger companies by such criteria as financial turnover, assets, market share, numbers employed and ownership (Curran and Blackburn, 2001).
- Small firms are much more informal in conducting their business. The power structures and specialized employment are generally looser than multinationals (Spence, 1999).
- Unlike multinational corporations who have resources and manpower, small business leaders are particularly sensitive to activities related more to their

immediate stakeholders: employees, customers and suppliers (Spence, 2000; Lepoutre & Heene, 2006).

- Small business leaders have also a ‘sense of partnership in that there is a commitment to the personal support of fellow partners’ livelihoods which requires openness and honesty and trust’ (Spence 2000).
- Most small firms do not report on CSR as larger corporations now annually do. There have been assumptions that the lack of reporting means lack of CSR among smaller businesses and their leaders (Fassin, 2008).
- Research on SMEs and social and ethical issues has pointed out that, while many SMEs are engaged in social activities, they may not be measurable in the same way as their large firm counterparts (Spence et al., 2003).

The escalating understanding of the importance of external communications and public relations has increased the understanding that CSR is worthless without reporting and formalization (Fassin, 2008). One of these types of communication is annual CSR reports which appear to have originated in the multinationals’ needs for information and publicity on their CSR activities. There is an increasing demand from the public and the media to hold companies accountable for working conditions further down the supply chain (Jamison & Murdoch 2005). The original purpose was thought by many to results from a need to stimulate those large international corporations moving into Asia and other developing countries to create and maintain appropriate labor conditions for the employees in the manufacturing plants of their overseas subsidiaries and to avoid child labor in sweatshops (Klein, 2000; Roberts, 2003). Lepoutre & Heene (2006) argue that the socioeconomic context and external stakeholder pressures have an impact on CSR behaviors and firm size plays a role in these context and

pressures. In fact, ‘CSR initiatives for SMEs need to take into account the variability of SME managerial characteristics’ (Jenkins, 2004).

Leadership in SMEs

Successful small businesses do not usually spring from the ground attended and leadership is one of the most important deciding factors of small business success (Kinni, 1994). Small business leadership is “much more on the hot seat in terms of visibility” and the CEO’s character and vision has much more direct impact on the business (Kinni, 1994). Because of this high visibility, honesty and integrity becomes much more important to CEOs of small businesses compared to large corporate leaders (Kinni, 1994). The Center for Creative Leadership conducted a nationwide study using surveys, underwritten by the Ewing Marion Kauffman Foundation Center for Entrepreneurial Leadership, in the early 1990’s to define entrepreneurial leadership in small businesses (Eggers, & Leahy, 1995). The study defined small businesses as companies that had fewer than 500 full-time employees, was independently owned and operated and was not dominant in its field (Eggers, & Leahy, 1995). The surveys were sent to 2,608 owner managers of small firms and 338 usable survey results revealed that the top five most important leadership skills for small businesses were financial management, internal and external communication, motivating others, vision, and motivating self (Egger, & Leahy, 1995).

Differences between large and small corporations

Many studies have argued that the size of the firm and the amount of resources available determine its organizational capacity to engage in socially responsible behavior (Elsayed, 2006) thus making size of company an important variable in understanding the nature of CSR activities for smaller companies. Size in turn impacts slack – resources available for non-business use – as well as business age, consumer base sizes, employee numbers and historical establishment of itself in its community (Besser, & Miller, 2001).

Financing

Like shareholders, financiers, such as banks, consider a company's CSR when determining whether and how to financially support a company. With lending and venture financing, financiers potentially can affect CSR more directly than shareholders via the stock market as financiers' activities are much closer to the company's investments and project design (Scholtens, 2006). The most recent data available from the National Survey of Business Finances indicate that most small businesses use traditional credit, such as credit lines, loans, or capital leases for their business financing needs; most of the increases in small business financing are in credit lines and credit cards.

Public Opinion

Public opinion on CEO versus small business owners also differ. Many CEOs have been scrutinized due to the infamous golden parachutes and extremely high salaries and bonuses received. Public opinion questions how excessive executive compensation and golden parachutes can be reconciled with the social responsibility of the corporation, publicly promoted by the same CEOs (Fassin, 2008). Small company owners normally do not have the same kind of compensation and are often part of the community, thus there is less doubt among residents in the surrounding communities compared to large corporation CEOs who appear in national news (Spence, et al., 2003).

Other Differences

Small business owners are a diverse group of individuals of all ages, races, and genders, and who are empowered by running their own businesses (Bureau of the Census's Economic Census Survey of Business Owners). Self-employment was highest among disabled, veterans, and individuals with higher educational background. Diversity among the demographics of

small business entrepreneurs have been increasing each year according to the Economic Census Survey of Business Owners.

Without a doubt, differences between smaller businesses and large corporations include company sizes, and different economic sectors. In fact, many authors have pointed to the need to discover the characteristics of the organizational subcultures of each type of business as the determining agent when it comes to deciding how to promote CSR in SMEs (Spence, 1999; Vyakarnam et al., 1997).

Owner manager values and impact on SME CSR practices

When trying to understand the reasons behind a given CSR practice in SMEs, the values represented by the owner/manager of the company constitute another key factor (Spence and Rutherford, 2003 and Spence et al., 2003). Personal ethics of the entrepreneur often reflect what types of CSR activities his or her business implements. On the other hand, most large corporations have a very elaborate code of ethics and commitment to be ethical within their business plans and physical plants. Interestingly, however, according to the State of Corporate Citizenship in the U.S. in 2005, many corporate executives named “internal principles” as the main driver of their CSR programs more than regulations or economic reasons. Smaller businesses similarly derive their programs from personal ethics of the owner. Smaller businesses, however, may not have a printed and publicized code of ethics in every case. Spence et al. (2003) indicate that SMEs – due to their particular dependency on the network of interpersonal relationships that determine how they function – should be especially interested in investing in social capital.

The Bottom Line and CSR

Although corporate support for social initiatives is widespread, there remains debate over whether or not corporate engagement in CSR returns a sufficient financial benefit to the firm.

Many have questioned the relationship between CSR and corporate financial performance (CFP). A new study suggests a strong link between superior corporate citizenship and better financial performance (Murphy, 2002). The author claimed that this may be the most convincing proof available that good citizenship really does positively affect the bottom line (Murphy, 2002). The study compared the financial performance of 100 companies, selected in 2001 by Business Ethics magazine as "Best Corporate Citizens," with the performance of the rest of the S&P 500. The ranked firms are viewed as those whose boards of directors and senior management used strategies that considered and balanced the interests of all of their stakeholders. The study showed that overall financial performance of the 2001 Business Ethics Best Citizen companies was significantly better than that of the remaining companies in the S&P 500 index, based on the 2001 Business Week ranking of total financial performance (Murphy, 2002). Interestingly, the 100 best corporate citizens also had a significantly better reputation.

The current economic situation in the U.S. – which is also affecting the rest of the world – is different from when CSR was born in the business world. Lower prices are probably at the bottom of the list of most Americans' current economic worries. In 2007, corporations gave an estimated \$15.7 billion to nonprofit organizations in the United States (Giving USA, cited in Hall, 2008). Using past behavior as a guide, the future of corporate giving is threatened by the economic downturn that has occurred during the past year. In 2006, 156 Fortune 500 corporations reported lower profits than the previous year, and 42 companies posted losses of \$48.4 billion (Colvin, 2008). Those numbers rose in 2007, with 183 Fortune 500 companies posting lower profits and 57 companies reporting losses that totaled \$116.7 billion. These earnings reports are indicative of weaknesses in the economy as a whole, indicating the onset of

a recession. During past recessions, corporate giving has decreased by almost 2 percent (Rooney, cited in Boney, 2008).

A prevalent decrease in prices is known as deflation. And typically, it's not just the price of consumer goods that fall. Home prices, stock prices and even people's salaries often head lower as well (Isidore, 2008). There is still a debate among economists about the future outlook of the American economy, which in turn will affect the rest of the world. Wyss, chief economist for Standard & Poor's, believes that if the "current recession holds until 2010," the risk is going to be much more significant on the economy (Isidore, 2008). The alarming pace of job losses has put pressure on lawmakers to quickly pass a stimulus bill that includes billions of dollars in infrastructure spending (Shin, & Mui, 2009).

Research Questions

Based on the literature, there are a few questions that need to be asked in examining the nature of CSR in SMEs and the impact that economy has on CSR in SMEs. This research will observe the similarities and differences between CSR in SMEs compared to larger multinational corporations, as well as how SMEs regarding CSR, react to a slower economy compared to large corporations. Thus, the research questions are as follows:

RQ1: How do smaller businesses and SME entrepreneurs define CSR?

Examining this question will provide a great understanding of how SME entrepreneurs define and perceive CSR in their own terms. Comparing the responses from this question with larger corporations' perceptions of CSR will give insights to the different CSR definitions among different-sized firms in the U.S.

RQ2: What expectations do SME owners have for engaging in CSR?

Investigating this question can inform the interviewer of the reasons behind SMEs' participation in CSR programs. Comparing results with larger corporations who have more

resources and media coverage than SMEs will provide interesting information as to why SMEs find CSR necessary even when it may not be as impactful as it is for large corporations.

RQ3: How much does budget affect CSR decisions in SMEs? Are these decisions strategic? Which publics are the most important when making these decisions?

Learning the role of finances in SMEs' CSR is important because small companies naturally have less budget and less resources than large companies. Multinationals have funds allocated just for CSR but small companies may not be able to do the same. Furthermore, examining which publics SMEs consider when making decisions about funding will provide even more insight into the decision-making process. Determining which external publics are considered will also reflect the company's perspective about their value.

RQ4: During slow economic times, what kinds of CSR do SMEs find necessary? What kinds of changes are made during economically difficult times?

Finally, examining these questions will reveal how the economy affects SMEs. The recent trend in the economy can be a significant factor in how SMEs react to CSR. By using the responses to this question, the researcher can conclude how economy impacts SMEs and their engagement in CSR programs compared to how it is during more stable economy.

There are many consequences of CSR that can benefit small and large firms. CSR is an asset when managing corporate or business reputations as well as relationship management with key publics. According to Vyakarnam et al. (1997), the SME's social involvement will result in an enhanced reputation, a professional image and an increase in confidence and loyalty.

CHAPTER 3 METHODOLOGY

This study aimed to find out how SMEs practice CSR and economic effects on CSR. The scope and definition of “small business” used in this study is firms with 800 or less employees. To collect and analyze appropriate data for proposed research questions, companies from different industries of smaller-scale businesses were be examined. The intended population was 23 small businesses from north central Florida area – specifically in Gainesville, Tampa, Orlando and Jacksonville. The population included utility companies, health and fitness companies, real estate companies, food and beverage companies, pet service company, accounting firms, automobile shops, music stores, apparel retailers and more. These companies were purposively chosen in order to represent the widest variety of industries as possible. Some of the participants were referred by the initial population chosen by the researcher thus using the “snowball sampling” method, which is a technique for developing a research sample where existing subjects assist with recruiting future subjects from among their acquaintances and business alliances (Salganik, & Heckathorn, 2004). The snowball sampling method was helpful in this study because owners of small firms were knowledgeable and connected to other small firm owners in the community.

There were a number of reasons for members of the sample to participate in the study. The interviewer encouraged them to participate because there is so little information about the CSR programs in SMEs available that they would have a substantial impact on the knowledge about the subject. The interviewer also stated that she would benefit professionally from the aggregate data that will be collected. Participation in the interview was voluntary and no compensations or monetary incentives were offered to participants.

Florida vs. the U.S.

This study chose to interview small businesses around cities of north central Florida area for a few reasons. First, the ease of access to conduct in-person interviews was most favorable reason for choosing this area as a sample. Furthermore, the latest available U.S. Census Bureau statistics showed that in comparison to other states such as Georgia, California, Texas and New York, Florida had generally similar percentage of small businesses in 2006. For example, in the U.S., there are a little over six million firms according to the U.S. Census Bureau statistics in the year 2006. About 65 percent of them are small businesses consisting of zero to 10 employees. Only 12,000 of them are consisted of firms with more than 750 employees, according to the U.S. Census Bureau statistics in 2006.

Comparing this number to Florida statistics, only 10 percent of businesses in Florida are firms with more than 500 employees. Comparing that number to other states like Georgia, New York, Texas and California, percentages of firms with more than 500 employees were very similar. Georgia, Texas and California all had a little less than 10 percent of firms with over 500 employees (U.S. Census Bureau). New York had 10 percent of firms that were larger than 500 employees (U.S. Census Bureau). Though population differs from each state to state, percentage that is made up of small businesses that fall under the category of “500 or less employees” are similar and consistent among these five states. The comparison of statistics allows more logical generalization of this study using samples from Florida.

Research Method

Main CSR foci observed from the literature review were definitions of CSR, characteristic differences of owners in different-sized firms, and economic impact. To apply these foci to SMEs, research method used in this study were in-depth interviews with the business owners/managers who are knowledgeable and/or in charge of SMEs’ CSR programs.

An in-depth interview is “an open-ended, discovery-oriented method that is well suited for describing both program processes and outcomes from the perspective of the target audience or key stakeholder” (Guion, 2001). The goal of the interview is to explore in depth the respondent's point of view, feelings and perspectives (Guion, 2001). In this sense, in-depth interviews yield large amount of information.

This method offers a number of advantages, which include a large amount of control over what questions are asked, the ability on the part of the researcher and the respondent to clarify questions and answers, and the high degree of detail and depth that can be found in respondents' answers (Oishi, 2003). According to Stacks (2002), in-depth interviews are most adept at answering questions about “definition, value, and policy” (p. 85). This makes this method especially appropriate for this study, which seeks to define how SMEs view the definitions of CSR, determine the criteria used when making CSR decisions, and discover whether corporations have a policy or process to determine CSR funding during difficult financial times. The researcher not only attempts to interview members of the selected population, but also to achieve a level of rapport conducive to collecting the data needed. Janesick (1994) explained:

Access and entry are sensitive components in qualitative research, and the researcher must establish trust, rapport and authentic communication patterns with participants. By establishing trust and rapport at the beginning of the study, the researcher is better able to capture the nuance and meaning of each participant's life from the participant's point of view. This also ensures that participants will be more willing to share everything, warts and all, with the researcher. (p. 211)

Although rapport is important, the interviewer is responsible for remaining neutral while being empathetic to the participants' responses. Maintaining neutrality is particularly important when the interviewee expresses a view with which the researcher strongly agrees or disagrees (Legard, Keegan, & Ward, 2003).

Another advantage of in-depth interviews is that the interviewer can record responses as well as observations and reflections (Guion, 2001). Non-verbal behaviors and cues from interviewees can often provide a deeper understanding of the answers compared to written answers or survey answers (Guion, 2001).

The disadvantages of in-depth interviews include usage of nonrandom sample, problematic generalizability, and interviewee bias toward the interviewer (Wimmer, & Dominick, 2006). In-depth interviews are usually “nonstandardized” and can lead “each respondent to answer a slightly different version of a question and answer questions not asked of any other respondent” (Wimmer, & Dominick, 2006, p. 136). Finally, in-depth interview presents problems in data analysis (Wimmer, & Dominick, 2006). A researcher given the same set of data taken from an interview may have significantly different interpretations from those of the original investigator (Wimmer, & Dominick, 2006).

Population and Interview Procedure

Twenty SME owners and managers were interviewed from a population of 24 potential interviewees, which represents approximately 83 percent response rate. Four declined to participate due to time constraint and lack of interest in the research topic. The population of interest was all small to medium-sized company owners and/or managers in the north central Florida area, including Gainesville, Tampa, Jacksonville and Orlando. A list of the business owners and managers who constituted the population is presented in Appendix A. Participants who requested confidentiality or his or her identity and the company identity are listed as “Name omitted” and “Company Confidential.” Five out of 20 participants were women. Two of respondents were high-level managers and the rest were CEOs or owners of the SMEs. There were 13 companies from Gainesville, three from Tampa, two from Jacksonville and two from Orlando.

The in-depth interviews were conducted for two months from February to March of 2009. Invitation to participate in this study was done through e-mail, phone and personal invitations. Once a participant agreed to be interviewed, the interviews were conducted in person at the time and location of the participant's choice. According to Stacks (2002), in-depth interviews are comprised of three steps: choosing a location, producing an interview schedule, and analyzing the results. To enhance the likelihood of participation in the study, the interviewer will request that interviews be conducted at respondents' choice of location or by phone depending on the interviewees' availability. Using this method of choosing location prevents participants from accruing any cost by participating in the study and provides a location in which the respondent is available and comfortable. Additionally, the respondent's surroundings often provide important information about that person that they do not offer in interviews (Stacks, 2002).

Confidentiality promise was given in the informed consent each participant signed at beginning of the interview. The informed consent included the purpose of the study, expected duration and explanation of voluntary participation. With the promise of confidentiality, the interviewer hoped it would lead to more candid answers from participants. A copy of the informed consent is included in the Appendix B.

All interviews were tape-recorded with the exception of three interviews due to technical error and confidentiality agreement. For the unrecorded interviews, the researcher took notes manually and wrote down important quotes during the interview. All the tape-recorded interviews were transcribed verbatim afterwards for analysis. Edited versions of transcript samples are shown in the Appendix C. These transcripts were edited and summarized into note

forms due to confidentiality requests from the respondents. None of the respondents wished to reveal the full verbatim transcripts in the study.

Interview Schedule

During the interview, the interviewer followed a pre-tested interview schedule, at times interjecting probing questions to learn more about the respondent's answer. The interview schedule was pre-tested with three potential interviewees for necessary changes and addendums.

The interview schedule was developed from literature review and past research on small businesses and CSR. The following interview schedule, featuring open-ended questions, is an example of some of the questions that were asked during the interview. Though each question that was asked is not listed here, each question here was asked to every participant. Additional probing questions were asked to clarify or provide greater understanding of respondents' answers. Once the questionnaire was developed, samples questions were pre-tested with four local company owners and managers to ensure comprehensiveness and accuracy in diction. The following is a sample of the pre-tested interview introduction and schedule:

First of all, I thank you for your willingness to participate and share these ideas and answers with me. I would like to ask a few questions about CSR at (Company name). Your responses will be confidential and I will not attach your name or your company's name to any written materials used in this study and results if you wish. If you would allow, I would like to record your responses using a tape recorder. The recording will not be shared with anyone else, but I may use quotes from the recording in the final report. If you do not wish to be tape recorded, I will manually write your responses down. If there are any questions, do not hesitate to ask. If there are no more questions, may I start?

1. When companies talk about corporate social responsibility, some use the term to mean environmental sustainability, some use the term corporate citizenship, some talk about being an ethical business, some talk about relationships with employees and consumers, some talk about relationships in the community, while others talk about solving social problems. I am going to use the abbreviation CSR to cover this broader idea, but what I'd like to understand is the definition of CSR used by our organization in its social programs. Do you have a written definition that you could share with me?

2. Some of the popular expected outcomes of CSR are increase in sales, gaining customer loyalty, media coverage and improved community relations. What expectations does your company have by engaging in CSR?
3. If you have a budget for CSR, how do you allocate funding for CSR? If not, how do you fund your CSR programs?
4. What specific strategies and plans does your organization have for CSR? If you do not have strategic plans for CSR, why not?
5. Why do you have such plans and strategies? How useful do you think the plans are?
6. Who are some of the most important publics/stakeholders when you conduct your CSR programs? How important are they when you decide on what programs to do?
7. During slow economic times like these, what kinds of CSR do you find necessary, if any?
8. What kinds of changes do you make in your company during economically difficult times regarding CSR?
9. Any final comments regarding CSR?

This completes the interview. I greatly appreciate your participation and your time. Your answers will contribute greatly to my research and CSR knowledge. I will send you a copy of abstract when the study is complete. If you wish to see the entire study, please let me know and I will send you a copy of that as well. Thank you again and I am pleased to have met you and spoken to you through this research.

Data Collection

The interview began with the interviewer asking the respondent's permission to tape-record the interview. If the respondent did not agree to be recorded, the interviewer manually wrote down quotes and notes. He or she was asked to sign a letter of informed consent indicating the explanation of the study and their agreement to participate in the study. If a respondent did not agree to be recorded, he or she was asked to sign a letter of consent acknowledging this agreement and his or her participation in the study. Although the interview was being recorded, all respondents were promised confidentiality for themselves and their company identities if they requested so on the informed consent form. The respondents were

also free to change their mind on the matter of confidentiality and recording during or after the interviews.

Because of the exploratory nature of this study, qualitative analysis was used to examine the data. The researcher identified significant topics and foci as well as similarities and differences that emerged from the answers and made conclusions.

CHAPTER 4 RESULTS

The results of this study’s research questions are answered by participants’ views that are paraphrased and directly quoted. Using the transcriptions of all the interviews conducted, patterns and differences were examined and noted to draw conclusions. Additionally, a breakdown of responses regarding the various topics related to the research questions is provided. The following table illustrates the different sizes and industries represented by all participants of this study.

Table 4-1. Size of Companies by Employee Numbers

SIZE OF THE COMPANY (NUMBER OF EMPLOYEES)	NUMBER OF RESPONDENTS
1 – 25	8
26 – 50	3
51 – 100	2
101 – 300	4
301 – 650	2
651 – 800+*	1

*One respondent in this study said her company has “a little over 800 employees.”

The next table illustrates how many company owners were interviewed from each city.

Table 4-2. Number of Companies from Each City

CITY	GAINESVILLE	TAMPA	ORLANDO	JACKSONVILLE
NUMBERS	13	3	2	2

RQ1: How do smaller businesses and SME entrepreneurs define CSR?

Defining CSR universally has been impossible. Similar to the different definition of CSR in the countries around the world, small and large corporations also have different perceptions of CSR. A reoccurring theme seemed to be that small businesses focus on industry-oriented CSR programs in their near-by communities. For example, a local health and fitness center owner in Gainesville believes that CSR is “contributing to the community’s well-being and promoting healthy lifestyle to the residents in the city.”

When asked what definition of CSR he or she uses, all the respondents used different words to describe the term corporate social responsibility. The researcher noted that two of the respondents needed further explanation of what CSR was in the beginning of the interview. The researcher also noted that these two respondents were owners of the youngest businesses in the population. With the additional probes provided by the researcher, the respondents quickly caught onto the term and were able to speak thoroughly of their involvement and definitions.

First of all, 13 respondents used the term “community” in their definitions and referred to CSR as “doing something good.” Interestingly, only two corporations had written definition of CSR and value statements. These two companies were among the largest in size and also the oldest in the population. This goes along with many small businesses practicing CSR “as they come up” rather than having “set plans or strategies” for these initiatives, which will be discussed further in the result for research question 3.

The word “relationship” also came up numerous times in the interviews. Similar to many others, a Gainesville dessert shop owner agreed that businesses, especially small ones, have a relationship with the community and that supporting them is something that he should do as a part of the society. A very young owner of a very young apparel customization business in Gainesville also referred it as a “relationship” between small businesses and the community:

It’s a give and take relationship between us and the community. They help us by doing business with us and we give back within our means to help them when there are causes that bring more positive light onto our community. We are still very young and hungry but we also know that the better we do, the more we can help and continue to strengthen our relationship with those who surround us and support us.

When the researcher asked respondents to provide the definition of CSR in his or her company specifically, 18 of them answered by listing activities, programs and sponsorships they implement rather than providing a narrative definition of CSR. The two companies who had

written value statements were the only ones who gave a straight narrative definition of CSR in his or her company. The rest of respondents used examples of CSR programs they did to explain what CSR meant to their businesses. Examples of most commonly-mentioned CSR activities by the small business CEOs and managers were:

- Monetary donations to local charity and nonprofit organizations
- Product donations to local shelters and disaster relief efforts
- Venue donations to local organizations
- Donating staff hours and services for a cause
- Local or national event sponsorships – i.e. March of Dimes
- Education-related activities for children, students and families
- Environmentally beneficial operations – i.e. recycling, using “green” equipments
- Employee activities during non-working hours

Most CSR initiatives taken by small businesses are CEO or manager-driven. Due to the small size, employees are “welcomed to brainstorming and suggesting programs to sponsor” but most of the values and philosophies are instilled by the owner and the managers. The owner of health and fitness center said that CEOs “have to start something and believe in something” for the company to put its beliefs into action. A male CEO of a real estate company – who also had experiences in inspirational speaking – in Gainesville described his beliefs in CSR sincerely:

Companies are built around people. We only exist because of the people we have and the people who surround us. I often use the “finger print analogy” when I speak of being a responsible company. We as individuals leave certain finger prints in the world by the way we live. So, as a company, what kind of finger prints do we want to leave behind? And as a community, what kind of finger prints can we leave? This is the type of value system that I follow when leading the business.

Extra probes were given to respondents by the researcher to provide popular examples of CSR such as environmental sustainability and community relations. Many respondents used all

of the probes and agreed that each one was relevant to today's CSR and their businesses. Also, many respondents mentioned being "ethical in all operations" was a big part of their social responsibilities. Many small business owners mentioned that being ethical and conducting business with honesty and integrity is a responsibility they hold dear to their hearts. One of the two companies that used written definition of CSR and value statements included the word "highest possible standard of ethical behavior." Enforcing ethical behavior to their employees and staffs become almost a personal responsibility for owners and CEOs of small businesses according to about half of the respondents.

Corporate citizenship was also a popular term among respondents. "Being a business meant being good citizens" to many CEOs and managers of small businesses. As a business in the community meant "being responsible and supportive to those who surround them," according to the manager of a local beverage company in Tampa, FL. He also said that engaging in CSR activities "provided opportunities to create positive impact on various parts of the society – the needy parts as well as the well-established parts." As citizens have duties and responsibilities to the country, businesses also have these duties and responsibilities. 11 of the respondents referred themselves as "citizens" and defined that being a "good citizen" is one of their CSR, one of their main duties and responsibilities.

Another similarities observed among most of the respondents was the focus on employees and internal CSR activities. The communications manager at a utility company in Gainesville mentioned talked about "diverse employment" as one of her company's CSR initiatives. The CEO of a construction management company also said employees are one of the most important publics for his company. If a company wants to thrive, he said, the people in it

must “possess the skills and knowledge as well as heart” to make it a reality. When the researcher asked him how he handles economically difficult times, he answered:

We keep our talents here even if it’s hard. These days, a lot of people are getting laid off and losing jobs. However, I believe that losing a skilled talent for the sake of temporary financial instability would be the biggest waste. Once the skilled talent is lost, it is going to be extremely hard to find them again when things get better. My company is our employees. My company is the people and their professional service. We nurture a family culture within the company to continue moving forward during good and bad times.

A financial management company in Tampa also put employees on the top. The executive consultant who serves right under the CEO and acts as the HR manager of this company described a number of very competitive programs her company does to maintain employee satisfaction level as high as possible and create retention. Her company is also one of the two companies that had written definition of CSR and value statements. She gladly shared the statement with the researcher. A part of the value statement said “The work place will be a positive, impeccably honest environment exemplifying a search of excellence. The firm will strive to improve the quality of life for its associates...”

As seen in large corporate world and across international boundaries, each respondent gave a unique definition of CSR. However, they all embraced the “positive” aspects and “necessity” of CSR.

RQ2: What expectations do SME owners have for engaging in CSR?

To find out what kinds of expectations small business owners have, the researcher asked what kinds of outcomes or results business owners have in mind when engaging in CSR activities. When provided with probes such as increase in sales and customer loyalty or media coverage and community relations as some of the most popular expectation or outcomes of CSR, respondents had variety of answers. The CEO of the health and fitness company responded humbly and immediately that there are no expectations because then it “wouldn’t be considered a

good thing.” He also added that his company does not advertise or promote all the programs and initiatives that it does to the public. Almost no one in the city knows of all activities his company was engaged in. The beverage company owner from Tampa also said that he “does not really care about the outcomes that come from the CSR activities because it should not be about monetary benefits.” The beverage company from Tampa also received an award from a city business association group for being “environmentally friendly and ethical in business.” The owner said the awards and recognitions his company receives are “often unexpected” and some of the awards have not been applied to by the company itself. These two respondents were the only ones who gave such answers. The health and fitness company was the second largest company in size and the beverage company in Tampa was one of the most involved companies with large number of various CSR projects.

The most popular expectation probes used by the respondents were reputation and image management by engaging in CSR. The top manager of a small real estate company in Tampa said that she expects her company’s CSR efforts to help enhance its reputation, though it is not the utmost priority. But getting the company’s name and face out at events and sponsorships would increase client loyalty and eventually help bring more business to the company, she said. She also added:

It is our big hope to create retention by doing good things because my agents will see that their company is not just a money-driven place. Doing anything positive for the community and gaining positive image at the same time is great. The employees have a good time doing it, too, which helps with our biggest goal of retention. When we participate in charity and community events, it creates competitive advantage and it will help increase business as well.

A pet service company in Jacksonville, FL also believes in reputational gain when engaging in CSR. The owner answered that the expectations of engaging in CSR is a combination of all the probes. But she answered that CSR “would help create a positive image

for her company and provide a simultaneous opportunity to do something good for her customers and her community.” Meanwhile, she admits that CSR “can be counted as a part of marketing strategy” for her company. But she added, “CSR doesn’t start as a marketing strategy but it becomes one as it is being executed. I’m a business woman. I won’t stop it from helping the marketing of my company but I won’t do it solely for the marketing purpose. It’s supposed to be a good thing. I don’t want to do it with malicious intentions.”

A dessert shop owner in Gainesville also said that advertising and marketing is one of the biggest expectations for his involvement in the community. He added that small businesses “can’t do it all” but CSR is “doing what benefits his business while doing good things for the community or else it wouldn’t be called responsibility.” So having reputational gain, customer loyalty and increase in sales is a rightful expectation of a small business owner, he said. A local restaurant management company owner also agreed that “as long as the initial reason for doing CSR remains sincere and far away from solely money-seeking marketing scheme, expecting CSR to bring benefits to the business is not necessarily a selfish expectation of a small business owner.” He also expects that his targeted CSR for his employees will spread positive words among peers and friends in the community. He believes that “if employees are happy, the numbers are going to naturally follow.”

The owner of a construction management company concurred that businesses have to have expectations to increase businesses, maintain existing clients and gain new projects in order to move forward. His company “strives to be a top qualified business that clients can choose and being socially responsible and caring is definitely necessary and helpful to get to that goal.” The real estate owner in Gainesville said that he expected his CSR activities such as donating trees on

Earth Day and sponsoring the local Girls' Scout to "create a positive association in customers' and potentially new customers' minds." He said:

A lot of marketing strategies involve this type of "cues." When you hear a company's name, a subconscious reminder of their deeds or history pops up in consumer's minds. See, I want to create that and I expect them to quickly remember "Oh, Right! That company is the company that helped out when things were rough. That company is the company that believed and sponsored a great cause for those around us." I want it to create a mental trigger. You know, a positive image within the consumers' and community's minds. We strive to be someone they can trust in real estate aspect. We want public exposure to things we do but that's not mandatory.

None of the respondents used "media coverage" as an expectation. Most of the respondents were generally more concerned about the public at large and the consumers remembering what they did rather than getting a media spot light. Similarly, none of them mentioned "government or laws" when speaking of CSR. They did not expect to improve relations with the legal aspects of the community by doing good things. The only mention of "improved relationship with local legal officials" was when an accounting firm in Orlando sponsored a program helping the local policemen raise awareness of domestic violence and offered free space for workshops. Eighteen respondents unanimously expected "a good feeling of doing something good" as their "last but not least" expectation. The other two did not say it verbatim but the two who "did not expect anything in return" implied that they were "doing it because it feels good to give help to those who need it and improve the quality of our community as a whole." A local music store owner gave a unique and fresh answer with a smile:

It's just an uplifting to see the smiles on people's faces when you do something good for them. I believe that music is something that can help lighten up the loads in people's soul these days. Music and art can do so much for the community. So for us to help sponsor a free music festival in town or lending a helping hand to artists who need help in spreading more music, not only is it great for the community but it is providing an opportunity for them *and us* to relax together, find some peace in such a hectic place we live in. It's a great pleasure for us personally, too, to be a part of it all and expect to have a good time by helping these musicians and the residents of my community.

RQ3: How much does budget affect CSR decisions in SMEs? Are these decisions strategic? Which publics are the most important when making these decisions?

In order to participate and sponsor programs and initiatives of different sizes, companies need strategies and plans as well as resources, time and money. Six respondents replied that they have specific budget and plans for doing CSR. An environmentally-active utility company in Gainesville “usually works with a team to come up with a strategic plan for specific program they are doing and allocate appropriate budget toward it in the beginning of the year.” The communications manager also added:

We have tons of plans and strategies here. We have to budget because it’s company resource we’re using. If we just give out carelessly, it could hurt the company and essentially, it wouldn’t be a good thing for us. We use budget, definitely, especially for the annual projects we do repeatedly. And we know how much resource it takes to sponsor it so it becomes a part of the company’s budget once it’s established as an annual program. The random projects that come up from time to time, however, do not have a specified budget or plan, which means we sort of take it as it goes and see if we can help in any shape or form. Otherwise, we will reject it and see if we can help next year.

The Gainesville health and fitness company owner also uses a strategic plan when doing CSR. He said he “usually talks about programs with his staffs and management before implementing it because without structure and a good outlook, the program wouldn’t be as successful.” He also welcomes his staffs and employees to “pitch in ideas and share other things they can get involved in.” This allows him to reach into different corners of the community that he was not able to consider on his own before and create a bigger impact. A Gainesville restaurant management group owner also gave much credit to the teamwork aspect of CSR in his company. “We talk about it among the managers,” he said, “and we either go from top to bottom or vice versa in order to create a balanced perspective of what we are getting into. And we allocate our budget accordingly to what we have at the time.” Most of the respondents who claimed to have “strategic plans” stuck to the idea of “teamwork” more than “written communication or business

plans” and believed that “having structure” is necessary and beneficial to his or her team of managers and staffs.

“Budget is a tough concept, you see, when we talk about voluntary actions of goodness,” said the manager of the Orlando accounting firm, thoughtfully. “We do have a budget set aside to sponsor programs but it changes yearly depending on our business of that year or the quarter.” Others agreed that CSR budget is versatile and ever-changing. The Gainesville dessert shop owner replied that he does have a budget every year “set aside for community projects to come” but usually “goes over his budget almost every year.” He, however, does not mind about going beyond budget because he will be financially responsible regardless of the budget for his own survival. He said:

Our budget for these programs is much simpler than large companies, of course. We don’t do a lot of subtracting and adding as much as large corporations do with their balance sheets. But we need a budget for helping out student organizations in town and my loyal customers in need. I don’t touch that money for anything else but for community involvement. When we go over budget, though, I keep going back to the original budget and make sure that I can afford going beyond what was set in the beginning. If I didn’t have some sort of set budget plan, it would fail all together in the end. I need my business to make money, stay alive and afloat so that my business can *continue* onto the next year and keep these community activities.

When asked who is the most important public or stakeholder group when deciding CSR program, about 75 percent of the respondents answered “employees.” As mentioned above, many small business owners consider employees very important and essential part of being a successful business. “They are the ones who carry out these programs along with me,” said the construction management owner. “And essentially, they decide what kind of face we get to have.” The restaurant management company owner immediately responded that employees are the first group he thinks of when making decisions. It is his belief that if “his employees are passionate about the cause themselves, the words will spread and extra hours will be donated

without having to ask for them.” He has additionally provided individual opportunities and granted hours for staffs to do their own community service activity. For example, one of his restaurant managers loves to devote personal hours toward children-oriented charities and organizations. The owner provides support and flexibility in schedule so that his manager can personally make a difference in the community even if the company name is not promoted through the action every time.

A computer solution company in Gainesville also agreed that employees are the first people they consider before taking on a project. The owner said, “I can’t force them to do anything especially if we’re trying to do good things. I would like them to enjoy what they’re doing and actually believe in the causes before doing it.” He also consults with his team before giving monetary donations mainly because if the monetary compensation is coming out of employees’ paychecks, then “the employees have a right to know where their money is going and can voice their opinion for or against it.”

The next most important public was consumers, clients and buyers. The owners consider what the customers believe in and want before their own in order to make an impact and maintain their loyalty. The construction management owner said it is important to understand what is valuable to the clients his company serves. “We want to have the best quality and in order to do that, we must use our clients’ opinions in decisions,” he said.

The two companies that answered that they do not “expect anything” by doing CSR in the previous section counted community as an important group to consider. The beverage company owner mentioned giving the “store space” as something the community can use at no cost. “Sometimes, if we can’t help by monetary means, we create value in something else that we can give such as products or space. A community outlet, you could call it, and we can

definitely see the community appreciates that,” he said. The health and fitness company also extends their care toward those who are not their current customers. The owner said, “We let high school students who cannot afford a gym membership fees come and work out for free during the summer time. By doing that, we create a healthier community in general and I can help those of whom I don’t see every day at my company, too.”

RQ4: During slow economic times, what kinds of CSR do SMEs find necessary? What kinds of changes are made during economically difficult times?

Using the current economic downturn in the U.S. as a topic was appropriate and timely. Small business owners, like every business owner, felt the impact of what has been going on for quite some time economically. Thirteen of the respondents responded that things have been “tighter” in their business operation. An automobile shop in Orlando has been “feeling the impact of the economic downturn more than ever these days,” said the owner. Regarding the necessity of CSR during economically challenging times, he said:

As a business, we have to first take care of ourselves and the employees so that we don’t go down with the economy. To me, if being a good boss counts as CSR, that would be the most important thing during this challenging times. The people who need my help the most are my staffs and employees. Once we’re all stable, then we can move on to continue helping others. But to be truthful, it’s hard these days when the business is slow and the rest of the country is stagnant. I do think helping others is necessary especially when everyone’s suffering. But I have to be responsible toward myself, my business and my employees first.

A computer solution company agreed that “taking care of employees become very important in times like these.” He went onto mention the concept of “servant leadership” in which leaders become servant-like and serve the needs of those who work for his or her company rather than always being served. He believes that a “servant leader is especially needed in this economically difficult time in every company” and that he plans to fully execute it as long as he leads this company. The owner of local apparel business in Gainesville said, “I continue to keep my orders in same amounts or at least similar amounts from the people that I buy from. I have to continue

doing business in order to stimulate the economy and as a business woman, that is my responsibility. Everyone's doing business with someone. I can't just be selfish and watch out for myself." She added that being "smart and efficient in her orders" help her cut excess waste while ensuring that when she needs the materials, she has them readily available.

The real estate company, the dessert shop, the pet service company and four other companies have consciously made efforts to save energy and cut costs in their business operations. The dessert shop and the pet service owners have switched out equipments and materials he uses for his business to less wasteful and more efficient ones. "Even the light bulbs make a difference," the pet service owner said. "If I can be more efficient by having environmentally friendly light bulbs and recyclable containers, I will choose to use those. It does cost a little more but it saves money in the long-run while I'm being an environmentally conscious business woman." The restaurant management group CEO is "willing to take losses" when times are hard. "Customers don't expect mediocrity in tough times," he said. "I believe that we'll stay strong through the hard times if we continue to believe in our philosophy. And as a leader, I have to find ways for my consumers to spend their dollars efficiently. In a way, because it's so tough, we have raised our bar of expectations and try to perform at our highest efficiency and best of abilities."

None of the businesses interviewed have downsized during this economic downturn. Some used the words "yet" or "so far" due to the "uncertainties that the future holds" but none of them have had the "unfortunate necessity to downsize and let the employees go solely based on monetary reasons." The CEO of the construction management company in Gainesville said:

During this time, I need retention of good employees. We just don't lay them off because we're below on sales or numbers. We hold on to them and hold onto hope of things coming back up soon. Once we let go of a talented, qualified employee, the gap created by his or her absence is going to extremely hard to fill when things come back to normal.

Letting go of people are easy when we're struggling but I do my best to keep the family culture alive within and believe in the goods that is to come. There are other ways to save and cut costs other than cutting my employees.

Another pattern observed across the interviews was that most of the companies were able to continue and maintain all the sponsorships and CSR activities they have previously done. Not only have they continued to employ all of their qualified employees and maintain their size, none of the companies have purposely put an end to their CSR activities. Monetarily, some companies had to reduce the donation size by some amount but no one stopped supporting a charity organization or community activities completely. The computer solution owner said, "We may have to donate 50 dollars less this year, but we are still going to donate as much as we can. Any amount of money is still going to make a difference, whether we are well off or struggling." The beverage company in Tampa continues to open up their store space as a donation to community activities when times are tough. The owner added:

To be honest, we haven't been suffering as much. Our retention is at its highest and we've actually been doing much better, almost ironically. I believe it has to do with the effort we put into showing the community how much we care in good and bad times. I already said there are no expectations of us doing good things for them besides simply to do good things. But the outcomes always surpass our expectations and it ends up benefiting us, too. We do try our best to still be the most efficient in conducting our business. We still try to encourage our customers to recycle or bring re-usable cups for discounts. We're doing as much as we can to save our money and the consumers' money. And we'll give what we can – if not money, definitely our products, our store or even our staff time. We can still help and we are going to.

The small business owners also believe that keeping high hopes is going to encourage employees to stay positive and remain productive as well as to help the business stay afloat during this hard time. "As owners, I have to display positive attitude even when our numbers are falling," said the owner of pet service company. "If I don't, how could I expect my employees to stay positive?" The health and fitness company CEO also believes that "creating a culture for

employees to love giving back to the community” during economically bad times will help them forget the problems and spend their time well. “We’ll do the things we need to do for the community. If we can find more economic ways to do this, then we’ll do that. If not, we’ll still do it the way we used to and find ways to compensate in other areas of our operation. We can’t stop helping those we used to help just because we might have lost a few memberships. No way.” The beverage company owner also believes that things “are eventually going to get back to normal and the business world will survive.” Because of this belief, he strongly claimed, “The help cannot stop because then the act of help loses its real meaning and becomes almost insincere. That’s not the point of doing CSR , anyway. So, yes. I do find CSR necessary in economically difficult times, perhaps more than ever. Businesses can be smart during these times and really reach out to the parts of the community where they need the most impact.”

CHAPTER 5 DISCUSSION

This chapter discusses and interprets the results presented in chapter four and draws conclusions. The rich results of in-depth interviews provided insights to this study's purpose and research questions. Limitations of the study as well as suggestions for future study are also presented in this chapter.

Implications

As reported in chapter four, all the small business owners and CEOs experienced little or no economic impact in the recent economic decline. The researcher noted this as one of the most unexpected findings from this study – the lack of economic impact on these particular small businesses. News and literature revealed that corporations were struggling and losing their money to an extent where billions of government dollars were needed to bail them out from this turmoil. However, this study results showed that the majority of smaller businesses are not downsizing and are continuing their involvement in CSR programs in ways they can afford. The initial expectation according to past literature and news information was that small businesses would be worse off than larger corporation due to size and limited resources. However, aligned with the literature of SME entrepreneur's characteristics found in literature, owners and CEOs maintain very close and personal relationships with their employees and their directly surrounding community, thus motivating them to continue CSR in ways they can rather than cutting them off.

Small and medium-sized companies have successful CSR programs that target their own community members and their industries. Customer loyalty and employee retention, the two most important things named by the CEOs and owners who participated in this study, are both gained through the community effort in which they invested. Employee-related CSR gained the

utmost importance in SMEs and many CEOs focus on the employees more than the community as a whole with the belief that if employees are taken care of, the effects will trickle down to the community members the employees interact with. Though many Fortune 500 companies have competitive employee benefit programs, small businesses possess the ability to truly address the needs and desires of each employee. CEOs and the top management also gets involved in maintaining internal relationships so a large portion of SME's CSR initiatives touch the lives of the people inside the company rather than strangers outside of the company – or even outside of the community and the nation as large corporations aim to do with their CSR.

Having a unified definition of CSR among SMEs seemed to be impossible and impractical based on all the different programs each businesses sponsor according to its business philosophy and owner's leadership. If small businesses had a single definition of CSR, then the impact of small business efforts would turn out to be minimal. Each business has its own mission and target groups they want to help and reach out to personally. Different from large corporations reaching beyond regional and national boundaries, smaller businesses impact the people they interact with daily.

Small businesses are still entities that need to survive and make profit. Going back to Carroll's CSR pyramid, the economic responsibility on the bottom tier still applies to SMEs. However, CSR is not used as a marketing tool to solely create profit in most cases. Majority of the CEOs and business owners said that they expect CSR to benefit the business eventually but all of them repeatedly emphasized how monetary gain was never the original or the top reason for being involved. Employees were once again the most important group of people regarding CSR. The CEOs and owners wanted the employees to understand why CSR was important, first, rather than the external publics. Happy employees meant happy numbers to many of the SME

owners. The legal responsibility tier in Carroll's pyramid was not used as a reason or definition of CSR among SME owners and CEOs. None of the respondents mentioned legal aspects of CSR which implies that these firms voluntarily participate in CSR activities. The most persistent responsibilities mentioned in this study were ethical and philanthropic perspectives in Carroll's model. If Carroll's model would be revised for SMEs, it would give very little, if any, weight to legal responsibilities and bring down the philanthropic and ethical tiers to the bottom. To smaller businesses, being ethical and genuinely caring is the basis of their CSR, according to this study's results. The following figure illustrates CSR pyramid model that is revised from Carroll's original model specifically designed for small businesses according to the findings of this study.



Figure 5-1. Revised CSR Pyramid for SMEs based on This Study Results

Another important aspect of SME's CSR is the role of CEOs and owners as leaders. Referring back to chapter two, small business owners have intimate relationships with his or her employees more so than large corporation owners. A lot of personal ethics and visions of the CEOs are used in the way businesses operate when the size is small. This study proved that CEOs and owners utilize their personal moral standards and beliefs to set a certain corporate culture within. If a leader does not perform that way in a small firm, most of the CEOs believe that the company would not be able to function properly.

Finally, many respondents claimed that small businesses that tend to pay attention to the community around them and the internal publics perform better than those that does not show care for those around them. Luckily and interestingly, all the participants showed at least some level of relationship – if not more – and connection to their surrounding publics and thus showed little or no struggle in financial and motivation levels. This implies that CSR-active businesses perform better regardless of the economic trend across the country. Many of the CEOs and owners of these smaller businesses believe that their well-being during economically difficult time is partially caused by the CSR activities they support and continue. The triple-bottom-line concept is confirmed in this case, making it a true statement that CSR brings positive outcomes to companies not only financially but environmentally and socially as well, perhaps more visibly during economically difficult times than stable times.

Limitation of this study

While the qualitative methodology of this study allows for rapport and a wealth of information to be collected, it also leaves room for researcher bias and interpretation. In this case, the bias comes from the familiarity of regions the researcher chose to interview. The researcher resides in Gainesville, thus leading her to have more knowledge of local businesses in the community than Orlando, Tampa and Jacksonville. Gainesville is also a very unique city

consisted of diversified college students who make up the majority of the population. Political views and diversity in ethnicity, education level, background and lifestyle differ greatly from other cities in the state of Florida. It would be interesting to see this study conducted on a national level across more diverse industries and a larger population.

A small amount of CEOs and owners were interviewed. Due to the time constraint and limited resources to travel and contact other leaders, this study is limited to the 20 interviewees' standpoint. As mentioned before, all 20 companies interviewed were relatively financially stable in the midst of the worldwide economic downturn. The researcher believes that with more time and broadening of the criteria of population by including economic performance, the results would be more comprehensive. For example, this study did not include tangible financial performance data to compare financially-stable and unstable companies at the same time and see the differences in the responses. Also, this study only studied the views of U.S. small business owners. Adding foreign countries' perspectives and their smaller business practices would add dimensions to the answers to proposed research questions.

Suggestions for Future Study

Finding out the differences and similarities across firms of different sizes is a worthwhile subject in public relations especially regarding CSR. CSR is a concept of positive impact in many different levels and each participant in this effort should be counted for his or her roles. The researcher would recommend conducting a similar study to this one except with a larger population sample across different countries or states in a future study. The researcher would also recommend using in-depth interview as well as small survey to produce a statistical and quantitative analysis of the responses on top of the qualitative results.

A future study could also investigate the differences between more economically diverse populations. This study had a population that happened to perform better during the troubling

economic times. As mentioned above, Gainesville is a very unique city in the State of Florida regarding demographics, political perspectives, economic activities and resident age range compared to other cities in Florida. The majority of respondents in this study were from Gainesville. It would be worthwhile to observe cities within the State of Florida that have a different dynamics and demographics to produce more comprehensive set of data.

Another way to improve the study results and broaden its scope is to conduct focus group studies with the same research questions and have the respondents interact with one another. This way, they may be able to bring up new subjects that they did not use individually. This study also opened up an idea of studying younger businesses versus older businesses on local levels to see the differences. Observing the age or background of respondents and comparing them would be an interesting research as well, as this study realized that some of the younger respondents – though age was not asked by the researcher – had different perspectives for his or her business compared to older respondents. Their personal characteristics also reflected upon and used in the general opinion of CSR and the current economic situations.

Lastly, using the concept of “fit” and the small businesses’ CSR efforts would be an interesting way to study how each industry or business sectors respond to certain sponsorships or corporate social responsibilities. An example of this would be matching the types of programs a company sponsors depending on its industry. A health-related company could only sponsor pro-healthy life types of programs and a utility firm could promote clean water and saving energy. These types of investigation would provide more in-depth picture of small business CSR.

Conclusion

One aspect of CSR remains the same as this study investigated the small businesses’ role: everyone believes that CSR is a necessary, positive and the right thing to do regardless of economic circumstances and industries. Each industry and company does small and big things

within its means to create an impact and help others who are in need. Though resources are limited and the number of employees is comparatively small, all CEOs and leaders of small businesses work hard to cultivate an atmosphere of positive and caring hearts within their companies. The definition of SME CSR, based on this study's results, could perhaps be summarized as follows:

Voluntary philanthropic and ethical actions taken by people of the company to create positive impact around internal and external communities in which the company operates. Though companies aim to bring profit through these actions, the utmost priority is to do good things within their means for those with whom they interact daily in the society.

Though many smaller companies' efforts are not reported on web sites and national news, this study has revealed the caring hearts that exist in smaller scales and the big differences they are experiencing in their own ways. Because of obstacles created by the small size and less number of employees in these businesses, the researcher recommends partnerships in SME CSR efforts. When two or more small companies combine resources and efforts together, it would create a more lasting impact while enabling all participating parties to be more efficient financially. Small company owners also should take advantage of proximity in his or her community and share ideas with other leaders in order to maximize the outcomes of CSR. Big or small, size does not matter in doing good – it is not a determinant of what they can or cannot do. Rather, it is humbly accepted by the doers and the receivers and is making the community one step closer to becoming a better, cleaner and happier place.

APPENDIX A
STUDY PARTICIPANTS

Small business Owners and Managers that Agreed to Participate
Listed by Each City used in the Study

Gainesville, FL.

J. Cirulli – CEO/owner
Gainesville Health and Fitness Center

T. Llinas – CEO/owner
Great Southern Music

K. Weitekamp – Manager
Gainesville Regional Utilities

Name omitted – CEO/owner
Company Confidential

H. Leung – CEO/owner
Imagin Asia Restaurant Management Group, Inc.

J. Carlson – CEO/owner
PPI Construction Management, Inc.

M. Lasa – CEO/owner
Greek Divine

M. Glaeser – CEO/owner
Glaeser Realty

Name omitted – CEO/owner
Company Confidential

T. Tran – CEO/owner
One Greek Store

Name omitted – CEO/owner
Company Confidential

J. Deringer – CEO/owner
Gainesville Computer Solutions, Inc.

Name omitted – CEO/owner
Company Confidential

Tampa, FL.

D. Lee – CEO/owner
Kaleisia Tea Lounge

Name omitted – Manager
Company Confidential

S. Theam – CEO/owner
Company Confidential

Orlando, FL.

R. Warden – CEO/owner
Company Confidential

M. Carbajal – CEO/owner
Company Confidential

Jacksonville, FL.

J. Schwartz – CEO/owner
Ace Pet Services

Name omitted – CEO/owner
Company Confidential

APPENDIX B
INFORMED CONSENT

Informed Consent & Confidentiality Agreement

Protocol Title: Small businesses and Corporate Social Responsibility

This is the informed consent and confidentiality agreement for this study. Please read this consent document carefully before you decide to participate. You must be at least 18 years old to participate in this research.

Purpose of the research study:

The purpose of this study is to investigate the nature of corporate social responsibility in small-medium sized enterprises during economically challenging times.

What you will be asked to do in the study:

You will be asked to answer a series of interview questions. The interviewer will begin with the first question and you may answer as you would like to. If you wish to skip the question, you are welcome to do so. After the interviewer is finished with the prepared questions, she will thank you for your participation.

Time required:

30 – 90 minutes

Risk and Benefits:

There are no risks associated with this study. There is no compensation to you for participating in the study. The benefits are that respondents may come to learn the results of this study and by doing so, participants can gain knowledge and insights from the study results and use them to strategically plan and revise their corporate social responsibility activities for their businesses.

Confidentiality:

Your identity and your company identity will be kept confidential unless you do not object to include your identity in the study. Please check the box below to indicate your preference:

- Confidentiality promise is not necessary for my participation in this study
- I want my identity and my company identity to be kept confidential. I want all the materials which contain information of my identity and my company identity to be discarded as soon as transcription of the interview is over.

Voluntary participation:

Your participation in this study is completely voluntary. There is no penalty for not participating.

Right to withdraw from the study:

You have the right to withdraw from the study at anytime without consequence.

If you want a copy of the study results:

Please provide an address or contact information below.

Whom to contact if you have questions about the study:

Jessica J. Song, Graduate student, Department of Public Relations, 2044 Weimer Hall; Phone: 352-871-2408; e-mail: jsong720@gmail.com

Dr. Mary Ann Ferguson, Ph.D., College of Journalism and Communications, 2044 Weimer Hall; Phone: 352-392-6660; e-mail: maferguson@jou.ufl.edu

Whom to contact about your rights as a research participant in the study:

IRB02 Office, Box 112250, University of Florida, Gainesville, FL 32611-2250; Phone: 352-392-0433

Agreement:

I have read the procedure described above. I understand and voluntarily agree to participate in the procedure and I have received a copy of the description.

Participant: _____ Date: _____

Principal Investigator: _____ Date: _____

APPENDIX C
TRANSCRIPT SAMPLES

Edited and Summarized into Note Forms for Confidentiality Reasons

D. LEE

Age: N/A

Business opened: 2005 April

Employee numbers: 8 people – 3 owners

1. All. Community. Annual event: gifts of love – local charity and raise money for. This year, we chose an international charity organization called Earth Birth. (refer to web site) We try to pick and choose programs that's been overlooked... and that create impact... Univeristy of South FL student organization.
2. Don't really care about the impact. It shouldn't be about monetary benefits. Temporary escape from people... enjoyment of the community and try to share that enjoyment to others. Word of mouth is what gets our "advertisement". Awards are sometimes not even what they expected or applied to. Raise awareness. Escape from reality. KIVA – painting sales... ONE.org it was kinda set from the beginning.... All of them came from nothing.. wanna give it back.
3. Don't create the value but we create the monetary value for what is needed... don't even budget it at all. We use a lot of product donation or space donation. etc.
4. No strategies... We do it as it come. Consumers, employees, and owners "hear" about it and believe in the value and the cause...
5. Customers are the important. Whatever they want... suggestions can be made... their voice matters. Positive influence for our customers. Open space/free media/community outlet for them to use the space.
6. Around the store instead of off site... we try to keep it inside, near by to keep the monetary loss.... Consumers support us a lot... on site makes it easier for other customers to come to the location.
7. No price changes... no down sizing.
8. Earth charter award. Ethical community social responsibility as a business. Started in tampa. First biz to be recognized by the award. Earthcharter.org
9. Compost, cut down on the plastic use... in-store customers try to encourage mugs or cups... % discount for people who bring their own cup.
10. Payment: managers get paid same. We don't take money away from the company. We do it so that we can use that \$ we could take for CSR programs.

H. L.

Age: N/A

Opened: 2000

1. The things you listed, it encompasses all of them. But #1 is taking good care of your employees. Environmental issues are really important especially in (omitted for company name) initiatives – we joined the GRA green restaurant association. We also started a recycling program. Reducing disposable wears. Also, minimizing usage of natural resources.. they are really important. Charitable and local community events- purposely choosing small ones to fund the local.
2. Examples: children's home society, boys and girls club in Gainesville, childrens miracle network, personal involvement, Gainesville harvest – we help homeless people and have donated profits, and sponsored opening of charity event. (Feeding people, we're restaurants)
3. Staff – word of mouth, believe in the philosophy and trickle down to the guest. If guests are happy, numbers are going to be happy. As a business, carbon footprints you are putting in the world and the society. Mother nature as natural as possible. Doing the right things, it feels right. Financial gains, secondary and if you do a good job at it, they'll come back to it. If you do good, we do good. Leveraging method. way to do something for the others.
4. Combination of monetary, time of service. (150 employees – 9 years)
5. As it comes for budget. As a team, we say yes or no. top down and bottom up when ideas get started. Employees could even suggest. Open door policy. Present it and we vote on it together.
6. Most important public: final decisions are given to the general managers of each restaurants.
7. Slow econ: we're still willing to take a loss. And we haven't yet. We keep on doing what we need to do. We'll be strong as long as we keep believing in our philosophy. We're figuring out ways to make sure that consumers are spending their dollars well. Can't ignore it.
8. We haven't downsized. In this tough times, customers don't expect mediocrity and as leaders, we have to find ways to be more efficient, raised our bar of expectation.
9. CSR: true belief. It's not a passing trend. Pick those top 3 and really focus on them. You won't get the results you need. Your own belief. Do it because your heart tells you to do it.

M.G.

Age: N/A

Opened: 1963 but renovated and back in force for 2 years.

1. Piece of each one of those. Companies are built around people. Only exists because of the employees they have. “finger prints” as an analogy. We as individuals, what kind of imprint do we wanna have? As a company, what kind of print do we wanna have? And as a community, what kind of imprint? It’s the people that make the company. Value system.
2. Expectations: reputation management. Positive impact on people’s mind. Atoma mind awareness. Marketing use this. We strive to be someone who they can trust in (omitted) aspect. Mental trigger. Public exposure for things you do but not mandatory – you wanna feel good, automatic subconscious to kick in. striving for that.
3. Since 1963 but in 2 years ago, rekindled. 7 employees.
4. 1,000 girls’ scout cookies purchase and gave away to the community. Earth day – 3,000 trees donation, junior achievement fundraising by bowling.
5. CEO 80% of the decision making powers. Buy-in is very critical. – make the employees feel that they have the entire power to make the decision.
6. We do have a budget. It might fluctuate, marketing plan.
7. Most of the programs are reoccurring. Golf tournaments. Danny Wuffle.
8. Most important stakeholders: connection between employees and community. High level employee involvement.
9. Slow econ: haven’t looked at it that way. It’s good in good time and it’s good things in the bad times. More difficult in the tough times but it hasn’t changed focus and our model of what’s important.
10. Look at what we do much closer now. Readjust our priorities. No employees downsizing. Electricity and phone bills, small things, we cut back to save in order to keep employees.
11. CSR: motivational speaking around the world for 3 years. Building business relationships. What kind of contributions can we make to the society. Someone who’s going to be remembered as a good person? Honesty and integrity, ethics is always an important. American society, you want all these needs, only you can fund it by money. But people don’t realize how good people have at the jobs. Unique background.
12. Publishing companies St. Louis and hotel in Nebraska. (same philosophy)

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BIOGRAPHICAL SKETCH

Jessica Jinah Song was born in Seattle, Washington. She lived there until her father got his Ph.D. degree at the University of Washington and moved to South Korea with her family. She returned to the U.S. in 1996 and has lived in Florida ever since. For undergraduate studies, she attended University of Florida and earned a B.A. degree in public relations and a minor in business administration in 2006.

She continued her education at the University of Florida to pursue a Master of Arts in Mass Communication with a specialization in public relations. After her graduation in 2009, she plans to work in corporate communications field.