

MAPPING THE SOCIAL RESPONSIBILITY OF SMALL  
BUSINESS AS DISCOURSE AND PRACTICE: AN  
INVESTIGATION OF AFRICAN AND CARIBBEAN MICRO  
BUSINESSES IN LONDON AND NOTTINGHAM, UK.

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## Abstract

Increasing globalisation, neoliberal policies and migration inflows have in the last few decades transformed the United Kingdom into a largely cosmopolitan nation with a varied and growing population of ethnic minority owned and/or managed businesses. There is however very little knowledge of how the imperatives of social responsibility resonate within this ever expanding cluster of ethnic minority businesses.

This study investigates how the concept of social responsibility (SR) is understood and practiced by African and Caribbean small business owner/managers in the UK cities of London and Nottingham. The social, business and institutional networks of owner/managers are examined in order to understand the embeddedness of their understanding and practice of social responsibility in particular places and spaces. The research also investigates the motivations underlining owner/managers' interpretations, attitudes and involvement in socially responsible practices and activities and identifies different styles of behaviour common within the African and Caribbean small business community. The research adopted an interpretive qualitative methodology to the empirical investigation. It combined semi-structured interview data from African and Caribbean small business owner/managers and key informants in the local small business community, together with participant observation data from case studies of a sample of small businesses, to examine the issue of social responsibility in the two study areas. The key findings of the study include: that African and Caribbean owner/managers of small businesses were oblivious of the terminology of corporate social responsibility and that their interpretation and practice of social responsibility was in many ways incongruent with normative notions of "Corporate Social Responsibility"; that the concept of social responsibility is generally interpreted as a moral imperative to contribute to the welfare of stakeholders and others in society, but in some cases, also understood as a responsibility exclusively owed to co-ethnics; that social responsibility as practiced by African and Caribbean owner/managers was generally inconspicuous, informal and motivated by their idiosyncratic predispositions towards cultural, moral and/or religious traditions; that while the embeddedness of SR practice in co-ethnic business and social networks predominates, nonetheless, second generation African and Caribbean small business owner/managers were more likely to locate their SR activities and

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practices within mainstream networks and communities; and that the different styles of BSR behaviour of African and Caribbean small business owner/managers can be understood as “insular”, “clannish” and “eclectic”. On the basis of these findings it was concluded that the SR attitude and behaviour of African and Caribbean small business owner/managers were influenced and shaped by their ethno-cultural and religious beliefs, as well as their embeddedness in social and institutional networks across space and time.

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## LIST OF ABBREVIATIONS

|           |   |
|-----------|---|
| CIDA..... | Canadian International Development Agency             |
| CSP.....  | Corporate Social Performance                          |
| CSR.....  | Corporate Social Responsibility                       |
| DFID..... | Department for International Development (UK)         |
| EITI..... | Extractive Industries Transparency Initiative         |
| EMAS..... | Eco-Management and Audit Scheme                       |
| EMB.....  | Ethnic Minority Business                              |
| ETI.....  | Ethical Trade Initiative                              |
| FTSE..... | Financial Times Security Exchange                     |
| GRI.....  | Global Reporting Initiative                           |
| GVA.....  | Gross Value Added                                     |
| ICT.....  | Information and Communication Technology              |
| ILO.....  | International Labour Organisation                     |
| ISO.....  | International Standards Organisation                  |
| LGA.....  | Local Government Authority                            |
| MNC.....  | Multinational Corporation                             |
| NGO.....  | Non-governmental Organisation                         |
| OECD..... | Organisation for Economic Corporation and Development |
| ONS.....  | Office of National Statistics                         |
| SD.....   | Sustainable Development                               |
| SME.....  | Small and Medium Sized Enterprises                    |
| SR.....   | Social Responsibility                                 |
| UN.....   | United Nations  |
| WW2.....  | World War 2   |

# CHAPTER ONE

## INTRODUCTION

### 1.1 Introduction

On the 3<sup>rd</sup> of December 1984, what has been frequently described as the world's worst industrial disaster occurred in India, as safety and maintenance failures resulted in the release of pollutants from the pesticide factory of the Union Carbide Corporation killing several thousands of people, and causing ill health and premature death for many hundreds of thousands more in Bhopal, India (Fortun, 2001; Broughton, 2005). In an unrelated incident, 20 people were killed and over 450 others became ill in the UK town of Wishaw in the autumn of 1996, after a local butcher breached food safety regulations and standards, and subsequently supplied contaminated raw and cooked meat to the general public, resulting in one of the world's worst recorded outbreak of E. coli food poisoning (Pennington, 1998). These incidents although different in scale, geographical location and timing are nonetheless similar in the seriousness of their impact (i.e. resulted in death and serious illness) and dramatically illustrate the capacity of all businesses irrespective of their size, location or commercial activity to adversely impact society and the natural environment. The rise of the phenomena of globalisation and neoliberalism in the second half of the 20<sup>th</sup> century has not only predicated flows of trade, capital and people across nations with different cultural, socio-economic and regulatory frameworks but has also served to highlight and intensify the adverse impact of business in spatial and temporal terms (Sadler, 2004; Jenkins, 2005). Growing levels of public awareness and concern over the potential for businesses to cause adverse social and environmental impact, as well as actual incidents of corporate impropriety, environmental disasters and health scares, have underscore contemporary debates on the role of business in society (Levi and Kaplan, 2008; Sadler, 2004). As observed by Warhurst (2005:152);

"The roles and responsibilities of business in society, in particular global business, are being defined more broadly. Stakeholder demands are increasingly going beyond the obligation to 'do no harm' to the responsibility of being 'a positive force' in contributing to worldwide social development goals."

There has therefore been mounting pressure on businesses to act in a socially responsible manner that goes beyond its traditional economic and fiduciary interests by developing strategies, standards and practices that demonstrate their sensitivity to a range of social, political and environmental issues in society (Garriga and Mele, 2004; Brammer *et al.* 2007; Asongu, 2007).

The concept of corporate social responsibility (CSR) is an important discourse on the role of business in society that emerged in the late 1950s to address questions of the social responsibility of business, which has in the past three decades moved from the margins to the mainstream of business experience (Grayson and Hodges, 2004; Sadler and Lloyd, 2009). CSR is described by van Marrewijk (2003) as referring to a framework of business decisions and actions (albeit voluntary) that demonstrate the inclusion of social and environmental concerns in its operations and relations with stakeholders. As a theoretical and business management concept, CSR has been largely embraced by academics and practitioners alike to the extent that it has evolved into a credible field of scholarship (Crane *et al.*, 2008). However there are concerns and criticisms of contemporary conceptualisations and approaches to CSR and its dominance as a framework for understanding and recognising social responsible behaviour within the business community. Not least of such concerns is the distinct lack of knowledge of how the underlining principle of social responsibility in business- that is, businesses seeking to minimise social and environmental harm and promoting social good- resonates within and from the heterogeneous small business context (Spence *et al.*, 2003; Jenkins, 2006). This concern is even more pertinent when considered with respect to the contextual complexities of the ethnic minority small business phenomenon that has emerged within the small business sector of most developed economies in Western Europe and North America (Ede *et al.*, 2000; Worthington *et al.*, 2006). This research addresses this gap in knowledge by examining how the principles of social responsibility of business are analysed, interpreted and expressed from the perspective of the ethnic minority small business context.

## **1.2 Research Background**

Understanding the nature and character of the social responsibilities of businesses, and the contradictions and tensions therein, has become an increasingly important field of enquiry both for academic researchers and

business practitioners who have devoted considerable time and effort to questions concerning how and why firms conduct their business activities and what kinds of social contributions they make to society in general (Moon *et al.*, 2005; Carroll and Buchholtz, 2008). The traditional neoclassical economic model of business largely defines its social responsibility around the economic contributions of business (e.g. job creation and payment of taxes), with little salience attached to the social and environmental aspects of business operations (Moir, 2001; Valor, 2005). This approach has nonetheless been challenged by heterodox theories of the social embeddedness of business (Granovetter, 1985; Uzzi, 1997, 1999), which propose a broader social role for businesses in society that exceeds its traditional economic and fiduciary responsibilities (Moir, 2001; O’Laughlin, 2008). This approach, according to Moir (2001) underpins the concept of CSR, which is commonly described as both a normative and conceptual framework that describes and seeks to explain how the business community responds to a wide range of economic, legal, ethical and discretionary expectations that society has of business at any given point in time (Carroll, 1979, 1991). It has however been argued that CSR is a fuzzy concept, a contradiction in terms, that is vaguely defined and open to multiple interpretations, as well as being difficult to codify and highly contextual in terms of temporal and societal settings (Moon, 2007). Despite such criticisms, the CSR paradigm has emerged as the most widely adopted framework for studying the social responsibilities of the business at the level of the firm, and more importantly the dominant way in which the social responsibility of business is interpreted and acknowledged. Its status as a mainstream business issue is evident by both its prominence in the agendas of most boardrooms and the emergence of a budding CSR consultancy and lobbying sector (Sadler, 2004). Likewise, the growing significance of CSR within political circles is also underscored by the growing number of high profile governmental and intergovernmental initiatives that are geared towards advancing the CSR agenda at the national and international level (Crane *et al.*, 2008). More importantly, interest in CSR has generated a large body of practitioner and academic literature, for example, on the meaning of the concept (e.g. Carroll, 1979; Wood, 1991; van Marrewijk, 2003), encouraging business to engage with the concept (e.g. Vogel 2005), its implementation in practice (e.g. Nattrass and Altomare, 1999; Maon *et al.*, 2008; Jamali, 2008), identifying appropriate levels of involvement by businesses (McWilliams and Siegel 2001; Aguilera *et al.*, 2007), managing CSR strategies (e.g. Husted,

2003; Castka *et al.*, 2004), and reporting CSR performance (e.g. Friedman and Miles, 2001; Morsing 2003; Perrini, 2005).

In the United Kingdom, as with most other countries in Europe, political and academic debate, theory building and research on the social responsibility of business have traditionally been set in the context of large corporations, focusing on their attitude and behaviour towards the notion of social responsibility of business, vis-a-vis CSR (Spence *et al.*, 2003). This is despite the fact that approximately 99% of businesses in the UK are categorised as small and medium sized enterprises (SMEs), which not only make a considerable input to the local and the national economy, but are also involved on a daily basis in activities and decisions that have a social and environmental impact on their local communities and society in general (Spence, 2006). Only recently and partially has the concept of social responsibility of business been explored from a small business perspective (Quinn, 1997; Spence and Rutherford, 2001; Jenkins, 2006). According to a number of commentators, there is lack a lack of understanding of existing levels and types of small business involvement with the concept, mainly due to the relative scarcity of academic research in this area (Thompson and Smith, 1991, Quinn, 1997, Vyakarnam *et al.*, 1997, Spence, 1999). In this respect, some of the studies on small business social responsibility in the UK (Castka *et al.*, 2004; Hillary, 2004) have simply tried to transpose conventional CSR approaches that have been formulated within and for large corporations into the small business context (Jenkins, 2004). Other studies have highlighted the need to take into consideration the heterogeneous and idiosyncratic nature of the small business community and learn more about particular organisational cultures and the network of relationships that influence the social and economic performance of small businesses (Spence and Rutherford, 2003; Spence *et al.*, 2003; Vyakarnam *et al.*, 1997). The complexity and heterogeneity of the small business sector is particularly evident in the context of "ethnic minority businesses". These are regarded as a distinct subset of the small business community with particular social, cultural and structural characteristics differentiating such businesses from the general small business population (Ram and Smallbone, 2001). It has been suggested that these qualities subsequently influence the way they do business and potentially the way they understand and practice social responsibility (Worthington *et al.*, 2006a). Thus, while anecdotal and extant survey evidence indicates that many small businesses in the UK exhibit some

kind of socially responsible business behaviour, there is little understanding of the context in which it is understood and practiced (Lepoutre and Heene, 2006; Worthington *et al.*, 2006b). This is especially the case within the ethnic minority business community where research into owner/managers socially responsible behaviour is almost non-existent (Ede *et al.*, 2000; Worthington *et al.*, 2006a).

It is against this background that this study aims to contribute to existing, but limited research on small business social responsibility within the UK small business community in general and the ethnic minority business sub-set in particular, by examining the attitude and behaviour of African and Caribbean small business owner/managers towards the notion that businesses have social responsibilities.

### **1.3 Research Aims**

The problem that concerns this thesis is the lack of understanding of how ethnic minority owner/managers of small businesses in the UK engage with the concept of social responsibility. This gap in knowledge is particularly worrying as small businesses account for the majority of business enterprises in the UK and as discussed earlier they do not only make significant social and economic contributions but also have a great capacity to negatively impact the environment and society. However, the small business community is largely a complex and eclectic mix of economic agents (Curran, 2000; Jenkins, 2006) who are often socially embedded in different local networks and markets that necessitate close, informal and personal relationships (Worthington *et al.*, 2006, p. 202). The small business community is therefore unlikely to wholly reflect the "corporate" model of social responsibility (Spence and Rutherford, 2001) and it is problematic to approach the issue of their social responsibility from one single perspective.

The ethnic minority component of the small business community embodies this heterogeneity and is often regarded (although contentiously) as different from the general small business population in terms of the unique ways in which owner/managers leverage on their familial and co-ethnic networks to start, fund and sustain their business operations, as well as on the basis of the 'disadvantaged' socio-economic context in which they are embedded (Waldinger, 1993; Smallbone, *et al.*, 2003; Ram *et al.*, 2000). The population

of ethnic minority owned/managed small businesses in the UK has grown significantly in recent times, and so has their significance within the nation's small business community. Furthermore, their projected growth and diversification into more mainstream and high value economic activities is likely to translate to a much broader impact on the social and economic framework of local communities, particularly in urban localities. Consequently, the present shallow understanding of small business engagement in social responsibility that still does not fully appreciate the variability and idiosyncrasies of the ethnic minority business subsector, coupled with the near absence of knowledge about how ethnic minority owner/managers 'do business' in a socially responsible way and the contributions they make to people and places, limits understanding of how the concept of social responsibility is constructed in different business contexts. Furthermore, given the growing interest of UK policy makers in promoting and engaging with the ethnic minority business community both at a national and regional level, a lack of understanding of how these businesses and their owner/managers address the issues and challenges of social responsibility within their particular business context is likely to hamper policy interventions in this area. This study was therefore undertaken to contribute to existing knowledge of small business social responsibility in the UK, provide useful insights into the various discourses and practices of social responsibility within the somewhat unfamiliar context of the ethnic minority business and to provide an important foundation for subsequent research into the subject within the UK ethnic minority business sector and beyond.

#### **1.4 Research Objectives**

In order to address the main aims of this thesis, an empirical investigation was carried out with the intention of providing answers to the research question "how is the social responsibility of business understood and practiced by African and Caribbean small business owner/managers in the UK cities of London and Nottingham?" With this in mind, the specific objectives that guided the study were:

- To understand and describe owner/managers' interpretation of and attitudes towards the social responsibility of business.
- To understand and describe the scope and character of owner/managers' socially responsible actions, practices and initiatives.

- To understand and describe how the networks of formal and informal relationships of African and Caribbean owner/managers influences their engagement in social responsibility.
- To identify and describe the different styles of socially responsible behaviour within the African and Caribbean small business community in the UK

## **1.5 Structure of Thesis**

This thesis is structured into eight chapters and will proceed as follows:

### **Chapter Two: The Social Responsibility of Business: Theory and Practice**

This chapter presents a critical review of the literature on the theories and practice of the social responsibility of business. It is broken down into three parts, the first of which introduces the debate on the role of business in society and provides a brief outline of key paradigms associated with the discourse on business-society relations as well as providing a background to popular conceptions of the social responsibility of business. Given that CSR is the most dominant approach to the social responsibility of business, the second section provides a review of the conceptual history, theories and approaches to corporate social responsibility (CSR) as a field of academic inquiry and practice. The third part of this chapter involves a consideration of common concerns and criticisms of CSR, with respect to the lack of research into a specific small business theory and engagement with social responsibility

### **Chapter Three: Small Business and Social Responsibility**

This chapter is the second of the two-part literature review, which focuses on arguments for studying social responsibility of business from a distinct small business approach and highlights the possible contributions of research into the social responsibility of ethnic minority businesses in the UK. The chapter is divided into three parts. The first part examines the literature on small business characteristics and the rationale for a separate social responsibility research agenda and theory that appreciates the complex and heterogeneous nature of small businesses. This is followed by a review of some of the key literature on ethnic minority businesses with particular reference to the socio-economic and cultural context in which they are embedded and their

relevance to the UK economy. Finally, descriptions of the case subjects and study areas that will be the focus of this study are discussed.

#### **Chapter Four: Research Methodology and Methods**

This chapter sets out the methodological approach to conducting the empirical investigations and the methods used and how they were deployed. The chapter has three sections, the first of which describes the principles of the interpretative methodological tradition and the rationale behind its selection as the most appropriate basis for achieving the aims of the research. The second part presents a justification for adopting the qualitative research methodology and the use of semi-structured interviews and participant observation methods to collect data. Finally, the chapter explains the process of data collection through to analysis, as well as related issues of data and result reliability and validity.

#### **Chapter Five: Owner/managers' Understanding and Practice of Social Responsibility**

This chapter is the first of three discussing the findings from the study, which presents an account of how the social responsibility of business is interpreted and practiced by the sample of African and Caribbean owner/managers. It covers the analysis of respondents' perceptions and interpretations, attitudinal orientation as well as the scope and character of activities and practices that embody socially responsible behaviour of these groups.

#### **Chapter Six: Formal and Informal Networks and the Embedding of SR Practices**

This chapter presents an analysis of the social, business and institutional context and its influences on the different dimension of socially responsible attitude and behaviour amongst African and Caribbean owner/managers. It is divided into three broad sections beginning with a description of the nature and extent of their family and interpersonal social associations, with particular reference to the availability and use of ties to family, friends and other acquaintances and their influence on owner/managers socially responsible behaviour. The second section describes research results as they relate to the nature of stakeholder relationships and how these influence owner/managers perceptions and practices of social responsibility. The final section presents research findings on owner/managers' formal and informal linkages with regulatory, business support and civic institutions and the influence these

relationships have on their attitude and behaviour towards social responsibility.

### **Chapter Seven: A Heuristic Characterisation of Owner/managers' SR Behaviour**

In this chapter, a stylised model of the socially responsible behaviour of African and Caribbean owner/managers is proposed, based on a thematic analysis of the nature of their involvement in socially responsible actions within and beyond their business environment and their attitudes and actions towards formal and informal expectations arising from their network of social and business relationships.

### **Chapter Eight: Discussions and Conclusion**

This is the final chapter of the thesis which summarises and discusses the implications of the findings of the research. The limitations of the study and areas for further research are also outlined. The key findings of the thesis provide evidence to suggest that the terminology and normative approaches of "corporate social responsibility" have little salience within the ethnic minority small business community in the UK. The notion of social responsibility is generally perceived as a moral imperative to contribute to the welfare of stakeholders and others in society, but in certain quarters of the community it is understood as a responsibility exclusively owed to co-ethnics. Subsequent results also suggest that social responsibility as practiced by ethnic minority owner/managers was generally embedded within their ethno-religious networks, but the extent to which this occurs will most likely differ across social and temporal settings. Research findings on the scope and nature of participants' involvement in social activities, practices and initiatives, suggest that it is possible to describe a heuristic map of different styles of socially responsible behaviour as "insular", "clannish" and "eclectic".

# CHAPTER TWO

## THE SOCIAL RESPONSIBILITY OF BUSINESS: THEORY AND PRACTICE

### 2.1 Introduction

“Few trends would so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their share holders as they possibly can” Friedman (1962, cited in Moir, 2001:16)

The role of business in contemporary society has been a contested and evolving issue over the past half century. Its traditional function as a profit centred endeavour, concerned with the creation of wealth for an individual or group of individuals has been challenged by new notions of social responsibility (Warhurst, 2005). These extend the role of business in society beyond its legal and instrumental obligations to encompass ethical, philanthropic and political responsibilities - albeit voluntary ones -to deliver a wide range of social and environmental gains to society alongside economic contributions (Moir, 2001; Garriga and Mele, 2004). Contemporary debates on the nature and scope of business social responsibilities have been dominated by the discourses of Corporate Social Responsibility (CSR), which has come to be widely used to describe the business approach to delivering these expectations, managing its relationship with society and more recently a framework for achieving sustainable development. However, the ensuing debate in this field of academic enquiry has for the most part failed to engage small businesses, partly because its terminology, theories and practices are unappreciative of the distinctiveness and heterogeneity of the small business sector (Lepoutre and Heene, 2006; Spence, 2004; Jenkins, 2004). The lack of engagement with the small business context is even more evident in relation to the study of ethnic minority-owned small businesses, whose unique social, cultural and economic geography and its influence on their social responsibility has been largely ignored in academic research (Ede *et al.*, 2000; Spence *et al.*, 2003; Worthington *et al.*, 2006a)

This chapter is the first of a two-part review of existing literature on the social responsibility of business as it relates to the central themes of the study and

the research question. The objective of this chapter is to present a critical review of literature on the social responsibility of business with respect to its theory and practice. It will act as a background to the research in terms of the different conceptualisations of the role of business in society. This review is broken down into three sections, the first of which examines key paradigms associated with the discourse on business-society relations that provide the background to popular conceptions of the social responsibility of business. The second section provides a critical analysis of the concept of CSR, because of its dominance in this field of research. The third section briefly examines common concerns over the lack of research into small business theory and engagement with the concept in practice.

## **2.2 The Role of Business in Society**

In recent times, discussion of business-society relations particularly with respect to questions surrounding the nature, scale and consequences of the role of business in society have become increasingly pervasive within the academic, public and business domains. However, this is a highly contested topic, since it can be understood from a variety of perspectives and interpreted in diverse ways (Carroll, 1999; Crane and Matten, 2007). Neither is the debate a new one. Discussions of the role of business in society have a protracted and wide ranging history that dates back to medieval times (Cheney *et al.*, 2005; Sadler, 2004). Nonetheless, the issues at the centre of this debate remain very similar and are dominated by concerns about the nature, type and range of contributions that businesses make to society, their potential to cause social and environmental harm and the most appropriate ethical behaviour firms should adopt with respect to carrying out and managing their business activities, processes and relationships in order to prevent or minimise the occurrence of such harm (May *et al.*, 2007). Common perceptions of what should be the business response to all these issues have however changed over time, as the relationship between business and society is continually being influenced and redefined by changing social values, norms, attitudes and expectations in relation to the ethics and responsibilities of business organisations towards society (Warhurst, 2005; Moon *et al.*, 2005; Carroll, 1999).

It has been argued by some scholars (Moir, 2001; Key, 1999) that the theoretical lens through which the business firm is perceived influences how

its role in society is understood in relation to who and what responsibilities are owed. On the basis of this argument, it can be inferred that the different perspectives on the role of business in society generally swing between two extreme positions on the nature of the firm; that is, on the one hand, a view based on neoclassical economic theory and, on the other hand, the social embeddedness view based on heterodox theories of the firm.

### **2.2.1 The Classical View**

The classical model of the role of business in society relations is based on the neoclassical economic theory of the business firm as a discrete economic actor that is solely engaged in rational economic activities in response to rational expectations from society, for reasons of profit maximisation (Colander, 2000; Martin, 1999; Bathelt and Glucker, 2003). Business firms are regarded as essentially atomistic, closed economic systems solely concerned with commercial objectives and fiduciary responsibilities to shareholders, with any other obligation outside this frame limited to obedience of the laws of society. In this regard the role of business in society is perceived to be wholly economic in nature and as such limited to the maximisation of profit for shareholders, as well as making economic contributions to the wider society in the form of taxes, employment, creation of goods and services whilst conforming to the rules of the market (Moir, 2001; Meehan *et al.*, 2006; Lee, 2007). Underlying this traditional perspective of the role of business is Smith's (1759, cited in Carroll and Buchholtz 2008:36) theory of the 'invisible hand', which posits that "society could best determine its needs and wants through the market place. If business is rewarded on the basis of its ability to respond to the demands of the market, the self-interested pursuit of that reward will result in society getting what it wants... thus the 'invisible hand' of the market transforms self-interest into societal interest". Consequently, the classical economic view of the role of business in society suggests a narrow set of ethics and social responsibilities for businesses.

However, this traditional view of business and its role in society has been criticised for being simplistic, overtly normative and insensitive to the practicalities of the real world in which it is embedded (Martin and Sunley, 2001; Barnes, 2001; Boggs and Rantisi, 2003). It has been accused of failing to take into cognisance the socio-cultural, geographical and institutional structures and relationships in which firms are embedded and which influence

their organization, behaviour and performance (Martin, 1999, 2003; Boschma and Frenken, 2006). Furthermore, some of the key assumptions of neoclassical economics with respect to perfect maximisation of utility, bounded economic spaces and systems, and economic actors as rational, self-centred, profit maximising entities (amongst others) are considered to be unrealistic and empirically deficient (Colander, 2000). According to Söderbaum (1999:167) the classical economic model of the role of business in society has four main disadvantages:

- "All kinds of organisations are reduced to one model;
- Effects that are multidimensional are reduced to one monetary dimension hiding multidimensional realities;
- Individuals are made (more or less) invisible; and
- Issues of ideology, ethics, participation and responsibility are avoided in favour of one specific market ideology."

It therefore follows that the 'invisible hand' theory is not able to properly account for unfair, unethical, but profitable business behaviour that causes harm to others in society and is therefore deficient in explaining and addressing the real and observable friction that exists between the unfettered pursuit of profit by businesses and the interests of consumers, employees, the environment, and society in general (Carroll and Buchholtz, 2008).

Given these criticisms, the classical model of the role of business in society is often considered inadequate particularly with regards to addressing the growing public awareness and concerns over the negative impact of the activity of business on society.

### **2.2.2 Social Embeddedness View**

In direct contrast to the classical model of business-society relations, the social embeddedness theory of the firm presents an alternate approach to the role of business in society. It can be described as progressive because it conceptualises the role of business beyond the exclusively economic and profit-oriented boundaries of the classical model and outlines a broader scope of business responsibilities beyond maximising shareholder value and obedience to the law. Generally speaking social embeddedness theory is founded on the underlying assumption that economic actors and activities are spatially and relationally embedded across, and within different spaces and

places in society (Maskell, 2001; Taylor and Asheim, 2001; Dicken and Thrift, 1992; Foss, 1999; Uzzi, 1997; Granovetter, 1985). Proponents of this theory argue that the firm is as much a social actor as it is an economic entity. It does not operate solely within the vacuum of the market but it is rather socially enmeshed in loosely coupled networks of reciprocity, interdependence, and disproportionate power relations with external others in society and as such its responsibilities extend beyond economic duties owed to its shareholders. These include consideration of the multiple (social, economic, environmental, political) concerns and interests of other groups in society who may benefit or be harmed by its decisions and actions (Freeman, 1998; Valor, 2005). These interest groups are described as 'stakeholders' and they include owners/shareholders, customers, employees, suppliers, creditors, competitors, members of the local community<sup>1</sup> where they operate and society at large. Thus the social embeddedness perspective presents a broader view of the role of business in society in terms of meeting a wider range of expectations that includes, amongst others, community involvement and development, protecting the environment, conserving resources and engaging in philanthropy (Steiner and Steiner, 1997; Jamali and Sidani, 2008). Nonetheless, critics of the social embeddedness view argue that for businesses to engage in a range of non-economic activities is neither an efficient nor appropriate use of their resources as they are not set up to address social issues. Nor, critics argue, does it help society as it makes businesses less profitable and less able to engage in their core functions of wealth creation to meet the needs of people in society (Friedman, 1970; Jensen, 2002; Crook, 2005).

In summary, both the classical economic and social embeddedness models of business-society relations clearly offer different and competing views of the role of business in society but also represent the polar ends of a continuum of perspectives. These opposing views that they articulate extend to other important aspects of the debate on business-society relations, notably the role of philanthropy, the meaning, significance, scope and application of ethics and morality in business, the personal values of managers as well as the relevance of nuance concepts such as sustainability. In order to set-out the context of the discourse on the role of business in society, a critical review of

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<sup>1</sup> It is acknowledged that the term community is a complex one that can be interpreted in different ways. For the purpose of clarity the term as used in this thesis broadly refers to the interacting groups of social actors (e.g. people/group/organisation) who share a common functional bond such as kinship, locality, occupational interest, religion etc

three perspectives namely, business philanthropy, business ethics and sustainability paradigms are summarised below.

### **2.2.3 Business Philanthropy**

Philanthropy can be literally described as “love for humanity” and while there are different definitions of the term, it is generally portrayed as discretionary acts of charity, even-handedness and service to others in society. The business community and business leaders have a long history of responding to the social concerns of society through discretionary philanthropic activities and initiatives (Marineto, 1999; Sadler, 2004; Wren, 2005). Business philanthropy is often expressed through acts of generosity towards employees, local communities and the wider society mainly through some form of sponsorship, largess or endowment (Wren, 2005; Asongu, 2007; May *et al.*, 2007). According to Marineto (1999) business philanthropy has historically been perceived as an expression of magnanimity, largely perpetuated by business organisations whose structure (family or solely owned and managed) made such activities relatively unproblematic. For example, It was common for prominent companies and/or their owners<sup>2</sup> to engage in the voluntary provision of housing, schools, hospitals, recreational facilities and other initiatives that improved the welfare of their employees and people in the local community where they operated, thus taking on a paternalistic role in societal governance (Cannon, 1994; Moon, 2005).

However with the rise of the contemporary Transnational Corporation (TNC) during the post WW2 period, business philanthropy has increasingly been portrayed as both significant and contentious in the social responsibility of business discourse (Hurd *et al.*, 1998; Marineto, 1999; Dennis *et al.*, 2009). There has been a growing debate on whether and why businesses (particularly corporations with stockholders) should engage in philanthropy. On one side of the debate, neoclassical economist contend that philanthropy for philanthropy sake is unacceptable unless it positively impacts the financial bottomline as the sole responsibility of business managers is to maximise profits for the stockholder (see Dennis *et al.*, 2009; Godfrey, 2005; Saia *et*

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<sup>2</sup> Notable examples include Jediah Strutt and his son William, cotton mill industrialists from Derbyshire. UK who in 1776 provided housing, Sunday and day schools, health care, chapels and music tuition for their employees. In 1904 a sweet maker called Joseph Rowntree built the Rowntree village in York. within the next 14 years he also established a pension fund, a profit sharing scheme and instituted holidays for his workers (Cook, 2003).

*al.*, 2003). Other academics take a less dim view of business philanthropy describing it as a discretionary social responsibility that is dependent on the availability of slack resources that arises from being profitable such that it has no adverse impact on the financial bottom line of a business (Seifert *et al.*, 2004; Waddock and Greaves, 1997). On the other extreme of the debate on business philanthropy is the social embeddedness position that 'true' philanthropy is not only voluntary but "undertaken without the expectation of tangible benefits in return" (Hurd *et al.*, 1998:5). The argument in this case is that businesses are not just economic actors but social actors with a 'moral responsibility' to society and as such have a duty to engage in philanthropy to better society, which takes priority over any instrumental financial considerations (Saiia *et al.*, 2003; Shaw and Post, 1993). According to several commentators (Dennis *et al.*, 2009; Saiia *et al.*, 2003, Seifert *et al.*, 2004) the practice of business philanthropy can therefore be delineated into two dominant models, namely strategic and altruistic philanthropy, based on the rationale adopted by business managers. Strategic philanthropy relates to the integration of philanthropic processes and practices into the financial strategy of a business, such that business managers will only engage in philanthropy where such involvements would yield financial dividends or will deliver other qualitative gains such as improved public image and standing. Conversely, critics argue that the notion of strategic philanthropy is an oxymoron and not 'true' philanthropy, rather it simply an attempt by businesses to appropriating the notion for their own self-interest (Saiia *et al.*, 2003). Altruistic philanthropic model is therefore regarded as the true philanthropy, which involves businesses voluntarily and selflessly carrying out, activities, practices and programmes that improve the welfare of others in society, motivated by a sense of social responsibility rather than an expectation of reward in any shape or form.

#### **2.2.4 Business Ethics**

Ethics and morality can be described as the understanding of what is right and fair behaviour or practice (Carroll, 1991). According to Velasquez (1999 cited in Joyner and Payne, 2002) ethics is concerned with moral judgements that imply that a decision, action or practice is right or wrong, or good or bad. Similarly, Raiborn and Payne (1990: 879) describe ethics as "a system of value principles or practices and a definition of right and wrong". Thus ethics is generally considered to be synonymous with the attribution of value to

action, in order to enable an individual, organisation or agent to decide whether or not he or she should engage in the action in question (Joyner and Payne, 2002:298). The consideration of the issues of ethics in business is seen as an important aspect of business-society relations because it concerns the 'good' conduct or otherwise of members of the business community in their dealings with each other, as well as with other actors in society (Velasquez, 1999 cited in Joyner and Payne, 2002). The business ethics discourse is generally centred on unpacking business policies, relationships, practices, and decision-making in relation to society's views, understandings and expectations of 'right' and 'wrong' and to a lesser extent, more complex notions of fairness, justice and equity (Carroll and Buchholtz, 2008; Crane and Matten, 2004). According to Crane and Matten (2004) ethics often relates to the 'grey areas' of business that are not regulated by laws and where values are in conflict. This is not to suggest that law and ethics are mutually exclusive as it is evident that they overlap substantially (and also occasionally conflict, e.g. when laws violate civil rights). Rather laws represent minimum acceptable standards of conduct and behaviour in society and invariably embody notions of ethics but in a codified form (Carroll and Buchholtz, 2008:246). In this regard business ethics is generally considered to be related to, but not comparable with statutory laws as it often represents behaviour above that which is required by codified rules and regulations (Crane and Matten, 2007; Carroll and Buchholtz 2008).

A neo-classical or free market view of business ethics best describes the question of business ethics as an oxymoron for the core objective of business is incompatible with ethical considerations. Proponents of such a view argue that morality has no place in business as the 'economic man' is inherently and un-redeemably selfish, and/or systemic pressure to maximise profit is essentially inexorable and as such only clearly defined statutory laws and regulations should modulate business behaviour (van Liederkerke and Dubbink, 2008). This echoes the assertions of Carr (1968 cited in Branco and Rodrigues, 2007; Liederkerke and Dubbink, 2008) that businesses cannot afford to be strictly guided by universal codes of ethics as conceived by society and a certain level of bluff and deceit is probably a necessary component of a successful business strategy. Albert Carr therefore concluded that business decision making and strategy should preclude consideration of any other factors but the pursuit of profit, so long as business operates within the rule of law. This is symbolic of the classical view of the role of business in

society with regards to business ethics, which perceives the firm as only having a responsibility to obey the law in its self-centred quest for profit. However, as implied earlier, obedience to the law is normally considered to be only a minimum criterion of ethical behaviour and as such proponents of a socially embeddedness business view argue that undue emphasis on the law to the neglect of ethics could potentially be detrimental to business shareholders, stakeholders and society at large (Carroll and Buchholtz, 2008). This view is underlined by the fact that laws have in the past proven to be inadequate in preventing unethical and harmful behaviour by actors in the market place (evident by numerous cases of fraud and ethics scandals) and have in most cases been codified in law with the benefit of hindsight (Crane and Matten, 2004). There has therefore been a broad acceptance of what van Liedekerke and Dubbink, (2008:273) calls "a macro-sociological truth" that the 'system' is not omnipotent and does not and cannot codify all domains where questions of ethics might arise in society". Within this discourse business actors are therefore regarded as social actors, who like any other private individuals in society are entangled in complex webs of trust and reciprocity with other actors, relationships that are guided by socio-cultural norms and expectations not codified in law (Granovetter, 1985; Johannisson *et al.*, 2002; Valor, 2005; Spence *et al.*, 2004). Thus, the social embeddedness model of the role of business in society embraces the notion of business ethics and calls for a higher standard of ethics over and above that which the law requires to include moral judgements in business decision making. In this regard businesses are expected to have a moral responsibility to consider not only a universal code of ethics but also to have regard for more contentious ethical realms such as trust, reciprocity, fairness, and equity (Habisch, 2004, Spence *et al.*, 2004).

### **2.2.5 Business and Sustainability**

The contemporary conceptualisation of sustainability in business can be traced to the environmental movement of the 1960s and 1970s that highlighted escalating environmental problems of pollution and degradation associated with expanding industrialisation and urbanisation (Mebratu, 1998; Robinson, 2004). It represents another important element of the business-society discourse that calls on business to actively pursue environmental and societal objectives alongside financial growth and profitability. According to Langhelle (2000) the main concern of sustainability is the satisfaction of human needs,

which can be brought about by economic growth and development orchestrated in a manner that protects, even if it does not improve, natural systems and attains social justice and equity within and between generations. Dyllick and Hockerts (2002:130) assert that sustainability “embodies the promise of societal evolution towards a more equitable and wealthy world in which the natural environment and our cultural achievements are preserved for generations to come”. The concept of sustainability proposes that societal development should no longer be solely defined in terms of quantitative economic growth but qualitatively as improvements along ecological, social and economic lines (Redclift, 2005; Mebratu, 1998; Daly 1996). Sustainability therefore envisages a new kind of global development that is hinged on strong linkages between the economic, social and environmental spheres of society, on the basis of inclusiveness, connectivity and equity in the holistic pursuit of social and economic objectives that uphold the integrity of ecological systems for present and future generations (Redclift, 2005; Langhelle, 2000; Gladwin *et. al.*, 1995). This perspective implies that social, political and economic agents in society would have to redefine their basic policies and practices to change the way they function in order to achieve sustainability (see Gladwin *et al.*, 1995; Byrne and Glover, 2002; Naess, 2005). The notion of sustainability was most prominently mobilised in global scale discourse on development but despite the emphasis on a range of non-state actors in Rio’s Agenda 21 (1992), attempts to transpose the concept at a more meso and micro scale was initially associated with local government authorities acting as the main agents initiating policies, plans and programmes in line with the discourse of sustainability. However, since the 1990s the spotlight has moved towards business as a key player, based on the view that economic actors and activities are an important part of the problem and solution to unsustainable growth and development in the world (Matten and Crane, 2005; Levi and Kaplan, 2008; Dyllick and Hockerts, 2002). Thus problems of environmental degradation, social and economic inequality and deprivation at a local and global scale are attributed to expanding economic activities driven on the organisational platforms of business (Crane and Matten, 2008). In this respect, businesses are both encouraged and pressured by government regulation, civil society pressure groups and market forces, to integrate and balance the economic, social and environmental concerns of their stakeholders into their operations and decision-making processes (Crane and Matten, 2007). Thus, proponents of this approach argue that any evaluation of business success should be based not only on the growth of the financial

capital base but on a triple bottom line that includes growth in social and environmental value (Crane and Matten, 2007; Elkington, 1998). The sustainability discourse therefore advocates a broadening of the role of business in society to include environmental responsibilities in addition to social and economic obligations.

This proposal for business involvement in sustainability is not without its critics who describe it as an ambiguous and impractical endeavour that can neither be clearly defined nor simply applied (e.g. Martens, 2006; Crane and Matten, 2007). The notion of sustainability is often criticized for being at odds with the 'essential', profit maximising nature of business enterprise, as embodied in the classic conceptualization of the role of the firm, and for setting ill defined long-term goals the actualization of which lies outside the temporal scope of business and make vulnerable traditional financial goals (Crane and Matten, 2007; Moon and Vogel, 2008). Others contend that prevailing business-centric approaches to issues relating to sustainability are an attempt to dilute the goals of sustainability and preserve corporate power and influence. Nevertheless, the concept of sustainability has been widely embraced across the corporate business community as an important aspect of doing business (Giddings et al. 2002; Dyllick and Hockerts, 2002). Proponents contend that there is a business case for adopting sustainability based on the supposition that organisational measures, practices, products and services that minimize the environmental impact of a business (eco-efficiency) as well as those that maximize its positive social impacts whilst minimizing the negatives (socio-efficiency) reduce overall costs, improve company reputation and competitiveness and generally contribute to the economic growth of the business (Dyllick and Hockerts, 2002; Young and Tilley, 2006). Proponents also argue a moral case for business involvement in sustainability, claiming that good business ethics warrant consideration of the environmental and social concerns of stakeholders to reflect transparency, accountability and the public good in business decision making (Bendell and Kearins, 2005; Naess, 2005).

In summary it is obvious that there are no easy answers to the question of the role of business in society as it is a contextual subject that is influenced by an interrelated network of values, social mind-sets and expectation with regards to the obligations that businesses have towards the societies in which they are situated (Dahlsrud, 2008). According to some scholars (Hofstede,

2001; Lam and Hung, 2005; Alas, 2006) social values and expectations are seldom constant and generally differ through time, and across geographical space and cultures. The concept of philanthropy, ethics and sustainability in business are three important aspects of how societal values and expectations attempt to define business-society relations by assigning social and environmental responsibilities to businesses that exceed their traditional economic roles. These issues are at the centre of this research. The principle of Corporate Social Responsibility (CSR) represents one of the principal platforms by which abstract debates about business philanthropy, ethics and sustainability have been translated into forms of practical action at the level of the firm, and as means by which the new and changing socio-political, ethical and environmental concerns of society are integrated into the day-to-day activities of business (Van Marrewijk, 2003; Garriga and Mele, 2004). As the CSR paradigm represents the most widely adopted framework for studying the social responsibilities of business at the level of the firm, the next section of this literature review will explore in detail its institutionalisation in society.

### **2.3. Corporate Social Responsibility: A Field of Research and Practice**

Corporate Social Responsibility (CSR) is widely regarded as a multi-disciplinary subject and possibly the most dominant and well-known contemporary discourse on the social responsibility of business in society (e.g. Crane *et al.*, 2008; Asongu, 2007; Fredereick, 2006; de Bakker *et al.*, 2005; Maignan and Ralston, 2002). Widely purported to have emerged in the 1950s from the much broader long standing debate on the social responsibility of business, and spurred on by concerns over the adverse consequences of globalisation and neoliberalisation (Jenkins, 2005; Sadler, 2004), CSR has since evolved into field of academic scholarship and practice ( Crane *et al.*, 2008; Lockett *et al.*, 2006). Its movement from the fringes to the mainstream of business theory and practice since the 1990s has seen the paradigm gain substantive prominence not only within the academic community but also within business and political circles (Lockett *et al.*, 2007 ;Crane *et al.*, 2008; May *et al.*, 2007). Notwithstanding its status as a major area of academic inquiry and business management practice, there is no singular standard definition of CSR. Rather there is a broad perception that at the core of the various debates on CSR is the notion that businesses have

social<sup>3</sup> commitments beyond their fiduciary responsibilities, particularly with respect to their impact on society (e.g. Matten and Moon, 2008, Crane *et al.*, 2008; Garriga and Mele 2004). On the basis of this rationale CSR within this thesis is defined as;

A framework of business decisions and actions (albeit voluntary) that demonstrate the inclusion of social and environmental concerns in its operations and relations with stakeholders (van Marrewijk, 2003).

However, in the multidisciplinary literature on business and society, CSR still remains a controversial and contested concept that has given rise to a multiplicity of complimentary and competing theories and approaches that attempt to define and describe the concept of CSR along institutional, academic and practitioner prerogatives (van Marrewijk, 2003; Moir, 2001; Carroll, 1999). Some scholars (e.g. Moon *et al.* 2005; Okoye, 2009) have attributed these ambiguities to the essentially contested nature of CSR as a concept. They contend that since CSR is appraisive/evaluative it cannot be simply regarded as an empirical concept but rather it is a valued concept that accredits a vital element to an organisation or activity. Thus being socially responsible is desirable to the contrary (socially irresponsible) and there is a risk that businesses or its activities are described in these terms simply for public relations purposes. CSR is also perceived to be internally complex because of the different values and expectations introduced into the multiple relationships between a given business and its various stakeholders, which presents an intricate problem with respect to balancing different economic, legal, ethical and social responsibilities towards different stakeholders (Okoye, 2009). This is further complicated by the fact that CSR does not easily lend itself to generalization across businesses as they have dissimilar social, environmental and ethical impacts for which they may be held responsible (Moon *et al.*, 2005). Another aspect of CSR as an essentially contested concept is that it is difficult to codify as the system or principles of its implementation are relatively open, meaning that CSR is not simply a matter for individual firms to specify and categorize, as other stakeholders like governments, business associations, business consultants, NGOs, shareholders, employees and consumers are often inclined to define CSR in their own terms as they seek to approve, encourage or condemn its practical

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<sup>3</sup> The CSR paradigm conflates ethical, economic, environmental and societal issues under the caption of “Social”

manifestations (Okoye, 2009). Lastly, CSR is regarded as highly contextual in terms of its temporal and societal setting, as it is subject to issue attention cycles in which events or findings give it urgency, organizations respond and adapt, over time new customs become 'business as usual' and their salience diminishes again until a new set of issues re-energize the cycle (Moon *et al.*, 2005; Okoye, 2009). It has therefore been recognised that there are technical, normative and ideological challenges to arriving at a universally accepted definition of CSR as different perspectives in this regard continue to influence its meaning and interpretation (Crane *et al.*, 2008). Thus Dahlsrud (2008) concludes that the complexity that surrounds the concept has less to do with how CSR is defined and much more to do with how it is *socially constructed* in a specific context. It is against this background that some commentators (Crane *et al.*, 2008; Lockett *et al.*, 2006) have suggested that CSR should not be regarded as a theoretical construct due to the lack of clear paradigm but should be considered as 'a field of scholarship' since it is representative of a variety of concepts, themes and theories (some of which contend with each other) from different perspectives, disciplines and philosophical positions. CSR knowledge is therefore regarded as being in a *continuing state of emergence* and thus the lack of a clear paradigm is not essentially a weakness of a field of scholarship which is still developing (Lockett *et al.*, 2006:133).

However, given that both advocates and critics of the CSR paradigm are convinced that its status is such that much of the contemporary discourse on the relationship between business and society is framed around or linked to the concept and practice of CSR (see Jenkins, 2004; Moir, 2001; Carroll, 2008), this raises a number of questions as to whether and how the terminology, theories, and approaches to CSR can and should be transposed to address small business social responsibility. Consequently, this section of the literature review presents a critical look at CSR as a field of academic research and practice. It begins with a brief history of the concept to highlight some of the factors and characteristics of its institutionalisation in contemporary society, followed by a review of typologies of CSR theories and approaches. It will conclude by critiquing common approach to its implementation and what that means for small business.

### 2.3.1 A Political History of CSR

This review takes a look at how CSR evolved in the 1970s within academic circles and the external social and political contexts that influenced its rise as an important field of research and practice in the 1990s and 2000s. According to van Oosterhout and Heugens, (2008) any systematic inquiry into the field of CSR can benefit substantively from knowledge of the historical origins and the evolution in society as it provides a background to current understanding and developments. There is a broad consensus amongst key contributors in this field (Carroll, 1999; 2008, Van Oosterhout and Heugens, 2008; Lee, 2007; Frederick, 2006) that the history and evolution of academic inquiry into the field of CSR can be traced back to the second half of the 20<sup>th</sup> century<sup>4</sup>. Commentators on the genealogy of CSR clearly locate its roots within the wider and longstanding debate on the social responsibility of business. Carroll (1999, 2008) and others have repeatedly cited the work of Bowen (1953), "The Social responsibilities of the Businessman", as seminal to contemporary discourse on the subject in published literature. Carroll (1999) asserts this could possibly be attributed to the fact that the significance and power of the modern corporation was at that time either not evident or was unappreciated. A review of the literature on the history of CSR also shows that the academic debate and publications that followed Bowen's work in the 1950s and 1960s mostly centred on generic references to 'business organisations', and it was only in the 1970s that the explicit terminology of 'Corporate' social responsibility and attempts at theory building and research emerged. It is the assertion of CSR historians that academic debates on CSR widen in scope during this period, which also marked the beginning of the development of diverse definitions and theoretical frameworks by which CSR could be explained. According to Frederick (1998) and Carroll (2008) the only commonality between the different definitions and models that had emerged was the perception that CSR could be coupled with traditional management functions to deal with issues of social responsibility. It has however been suggested by some commentators (Jenkins, 2005; Sadler, 2004; Sadler and Lloyd, 2009) that the rise of CSR discourse in the 1970s in academic circles can best be understood within the context of growing civil and political concerns over the adverse effects of corporate hegemony during this period, as several high profile incidents of environmental pollution, poor labour and

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<sup>4</sup> A few others like Hoffman, 2007 have traced it further back to the 1920s

human rights standards and political interference in developing countries<sup>5</sup> linked to corporations were brought to the public domain. According to Carroll (1999:6) "The late 60s and early 70s was a period during which social movements with respect to the environment, worker safety, consumers, and employees were poised to transition from special interest status to government regulation". Sadler (2004) suggests that the emerging CSR debate was in part fuelled by environmental, labour, human rights and other civil society groups agitating for national and international regulation to curbed corporate power and increase its accountability.

In academic circles during the 1980s, there were substantive efforts to develop further theoretical frameworks for CSR. An important example of such CSR models was the need-hierarchy framework by Frank Tuzzolino and Barry Armandi, (1981, cited in Carroll, 1999, 2008) which was framed along the lines of Maslow's (1943) needs hierarchy and sets out a hierarchy of organizational needs by which socially responsible practices of a business could be assessed. There was also a growing number of empirical research into the practice of CSR within organisations, most of which concentrated on the relationship between CSR and business profitability (Cochran and Wood, 1984; Aupperle *et al.*, 1985 cited in Carroll 1999). Despite these academic excursions the conceptual fuzziness attached to CSR did not abate (de Bakker *et al.*, 2005; Lockett *et al.*, 2006). According to Van Oosterhout and Heugens (2008:200), conceptual understanding of CSR was not enhanced by research during this period mainly because of methodological problems and a "self-justificatory bias" in research questions. Again the conceptual history of CSR during this period can best be understood in the context of prevailing forces of neoliberalism and globalisation during this period. According to some commentators (Sadler, 2004; O' Laughlin, 2008; Utting, 2007) in the late 1970s and 1980s the CSR debate in business and political circles changed substantially with the resurgence of neoliberalism and deregulation as there was a shift from government regulation towards self regulation by corporations. A number of commentators (Carroll, 2008; Sadler and Lloyd, 2009; Moon and Vogel, 2008) asserts that the CSR debate in the 1980s was beginning to be framed by governments at the vanguard of neoliberalism (e.g. the UK and USA) as a free market solution to social and environmental problems. This shift has been described by other academic (Moon, 2005;

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<sup>5</sup> For example the TNC International Telephone and Telegraph Corporation was implicated in attempts to overthrow a democratically elected government of Chile

Matten and Moon, 2005; Moon and Vogel, 2008) as largely the result of a perceptible deficit in domestic governance in some countries in Europe and North America, which portrayed the state as being incapable of addressing socio-economic issues relating to unemployment, economic growth, urban decay and social unrest, etc and subsequently resulted in the re-evaluation of business-society and business-government relations. During this period, there were signs that the concept of CSR was gaining ground within corporate circles as a self regulated activity<sup>6</sup>, designed some argue (Jenkins, 2005; Sadler, 2004; Sadler and Lloyd, 2009) to restore their societal legitimacy and status lost during the 1970s, but also driven by the business case for CSR (Moon, 2007).

Research in the field of CSR in the 1990s and 2000s burgeoned than ever before as much of the emerging debate, research and learning around the subject found a place in academic conferences and societies as well as in the formal knowledge creation realm, as published literature in journals of several academic disciplines as well as in the electronic media (Matten and Moon, 2004). The review of CSR literature suggests that there have been three key shifts in the field of CSR research during this period. The first of these is a greater slant in the literature towards the theoretical development of complementary themes and concepts (e.g. corporate citizenship, corporate social performance, stakeholder theory) rather than on CSR itself (Carroll, 2008; Lockett *et al.*, 2006; Lee, 2007). Most of these concepts and themes were borne out of and/or linked to CSR thinking and were quite compatible with CSR. Secondly, a far greater increase in the volume of empirical research that attempts to align CSR theories with practice (Van Marrewijk, 2003; Frederick, 2006; Carroll, 2008). There has also been greater emphasis on small business research and the emergence of a discourse that critiques CSR as a useful paradigm for understanding the meaning (Tilley, 2000; Murillo and Lozano, 2006) and practice (Spence and Lozano, 2000; Spence and Rutherford, 2003; Perrini, 2005) of social responsibility within the small business context. Thirdly, there has been a distinct increase (compared to previous years) in the implementation and practice of CSR by corporations as well as a host of other business, civil, public organisations (Sadler, 2004; Jenkins, 2005; Crane *et al.*, 2008; Moon and Vogel, 2008). Furthermore, different CSR geographies have emerged with subtle and significant

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<sup>6</sup> Corporate Management Systems are often based on in-house and/or external standards that may involve external verification and certification, thus assign legitimacy to the systems and practices that they initiate.

differences between national CSR agendas and performances as the dominant Anglo-American version of CSR has been translated and recast in other regions such as Asia and Africa by TNCs, and various international regulatory and standardsetting bodies<sup>7</sup> (Chapple and Moon, 2005; Visser, 2008). It has been suggested by Sadler (2004) and others that this expansive interest in CSR is best understood within the context of anti-globalisation and anti-corporate campaigns that arose in the 1990s, which propelled local and geopolitical issues around the economic, social and environmental impact of neoliberal globalisation and TNCs to the global political and corporate stage. According to Jenkins (2005) these anti-corporate and anti-globalisation sentiments and subsequent highly publicised protests were in many ways linked to high profile often global cases of fraud, violation of human rights, exploitation of child labour etc mainly in developing countries of the world<sup>8</sup>, and have once again led to increased calls for regulation of TNCs. Sadler (2004:851) asserts;

“It is now undeniably the case that anti-globalisation movements in their various forms have become voices that national governments and international organisations are increasingly forced to recognise and face up to.”

Thus it is the opinion of some commentators (Levy and Kaplan, 2008; Scherer and Palazzo; Sadler, 2004; Jenkins, 2005) that from the 1990s and 2000s TNCs have increasingly been exposed to risks of loss of reputation and cost of regulation, and that the rise in CSR adoption by the corporate community is a response to these issues as they attempt to deflect criticism, regain/maintain social legitimacy and address a growing global risk economy.

In summary, a review of the literature on the history of CSR has shown that its rise to prominence as a field of research and practice emerged out of wider debates on the social responsibility of business. It was evident from the literature review that CSR did not evolve as a “neutral” concept but rather its evolution and wide acceptance was influenced by local and global economic and socio-political forces operating at different times in its history. It is also

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<sup>7</sup> In the 1990s and 2000s, CSR was adopted by international organizations such as the World Bank and the United Nations, and leading International development organisations and agencies e.g. DFID, CIDA etc.

<sup>8</sup> Notable rallying points for protest during the 1990s include the role of Royal Dutch Shell in Nigeria – in relation to the killing of Ken Sarowiwa, a human rights/environmental activist by the Nigerian government; The use of child labour in South Asia within the supply chain of Nike Sports ware; The collapse of Enron and Worldcom etc

acknowledge, although not discussed in detail, that there are also other micro and meso factors (e.g. local cultures, institutional and regulatory frameworks, internal drivers within businesses etc) that influence adoption of CSR in corporations. Currently, CSR is a discourse no longer confined to academic theorising but one that is constantly being shaped and reshaped by academics, practitioners, NGOs, national and international politics and economic paradigms.

### **2.3.2 CSR Theories and Typologies**

In spite of the huge academic, practitioner and wider interest in CSR, it still remains conceptually ambiguous. It has however been suggested by Lockett *et al.*, (2006:133) that the field of CSR research is in a "*continuing state of emergence*" and the absence of a single dominant paradigm was not necessarily a disadvantage but could have helped to broaden and enliven the debate within the field of study (Crane *et al.*, 2008) . It is thus accommodative of divergent ideologies and research traditions that concentrate on different, sometimes competing, issues relating to the social responsibility of business, such as business ethics, stakeholder management, economic responsibility, environmental and social obligations, etc. (Garriga and Mele, 2004; Lockett *et al.*, 2006). Some of the key theories associated with the field of CSR include, corporate social performance, corporate citizenship, corporate sustainability, stakeholder theory, share holder value theory, Universal Rights theory, Integrative Social Contract theory, Cause Related Marketing, Common Good theories etc. There is a large body of literature on most of these alternative concepts or themes, the examination of which is beyond the scope of this literature review.

In order to provide some clarity to the seemingly chaotic landscape of theories in the field of CSR, there have been several attempts by scholars to classify the various approaches, theories and themes into coherent framework of distinct or synthesized sets of theories. In this respect several authors (for example, Klonoski, 1991; Moir, 2001; Garriga and Mele, 2004; Windsor, 2006; Dahlsrud, 2008) have developed frameworks that attempt to classify the plethora of theories and approaches based on rationales for business involvement in CSR. These frameworks generally characterise CSR theories on the basis of the normative roles business organisations are obligated or expected to play in society and thus offer different and hybrid accounts of the

significance of CSR and motivations for business engagement in CSR. Examples of such classifications include the work of Moir (2001), who describes three broad categories of CSR theories and approaches based on whether they advocate an “enlightened self-interest” rationale for business involvement in CSR in relation to their long term business sustainability, proffer a moral framework driven by social expectations and obligations or whether they adopt a neo-classical approach of near immediate value maximisation. Similar work by Aguilera *et al.* (2007) also outlines three categories of CSR theories that take into account multiple actors at different levels of analyses. These include theories that are underpinned by instrumental (business case), relational (stakeholder interests) and moral motives. Windsor (2006) similarly articulates a three part model of CSR theories, which comprises of economic and ethical theories and a corporate citizenship conception that represents a synthesis of the first two. The study by Garriga and Mele (2004) represents the most comprehensive classification of the diverse CSR theories and related approaches. They categorize the different conceptions of CSR into four types - instrumental, political, integrative and ethical - on the basis that they represent key aspects of any social system, namely economics, politics, social integration and ethics.

The typologies outlined by Garriga and Mele (2004) and others, generally reflect conceptualisations of CSR as an applied field of research, a hypothetical construct or a synthesis of both. For example instrumental theories make a case for business involvement in CSR on the basis that it provides beneficial outcomes to business organisations and their stakeholders (Blowfield and Frynas, 2005; McWilliams *et al.*, 2006). The emphasis on tangible outcomes (such as improved profits, reputation, brand image, relationship with stakeholders etc) implies that instrumental theories tend to be closely associated with the actual practice of CSR (Lockett *et al.*, 2006). On the contrary, ethical theories of CSR are often normative in character as they normally imply that businesses have a moral obligation to be responsible and that business engagement in CSR is important because it has implications for organisational behaviour and culture. These theories therefore assume that businesses should be imbuing CSR because it is the right, fair or just course of action and not because it is instrumentally beneficial to shareholders or stakeholders. However, ethics-centred theories skew the CSR debate towards an abstract perspective and away from the realm of practical application, as they call for businesses to deliver social benefits whose impact is subjective

and practical implementation within the everyday context of business activity is likely to be problematic (e.g. prioritising and expanding stakeholders' involvement in the business decision making process). There are however other categories of CSR theories that are representative of a synthesis of the practical and theoretical aspect of CSR (e.g. political and integrative theories) and also contextualise the social responsibility of business by taking into account cultural, religious and political influences (Donaldson and Dunfee 1994, 1999). The development of these theories is however supported by very little empirical evidence and like ethical theories they are often slanted towards the normative aspect of the CSR discourse (Windsor, 2006; Mehaan *et al.*, 2006). There is therefore scope within the general CSR literature for further research into how practitioners understand and manage the relationship between business and society whilst taking into account pertinent contextual factors to help explain and predict CSR behaviour.

### **2.3.3 CSR Practice: The Orthodoxy of Formalisation**

The conceptual and definitional confusion that exists in the field of CSR has meant that practitioners have the leeway to describe and define CSR in practice based on their own (often contextual) understandings of basic principles of the concept. However, Blowfield (2005) argues that while the meaning and nature of CSR is contested, there appears to be an implicit orthodoxy on the means and tools for its practice, stating that this orthodoxy involves the use of voluntary codes and standards, the notion of the 'stakeholder' and multi-sector partnerships. A review of the general literature on CSR practice (e.g. Levis, 2006; Cramer, 2005; Nijhof *et al.*, 2005; van Marrewijk *et al.*, 2004; Owen and O'Dwyer, 2008; Vesper, 2004; Maignan and Ralston, 2002) indicates that there are broad similarities in the practice of CSR in terms of the formalised and often strategic approach to implementation and reporting of CSR activities and programmes. According to van Marrewijk (2003) the practice of CSR within organisations is generally influenced by two key principles, namely agency and communion. Agency refers to the need to maximise shareholder value in all its operations and protect its continual existence, while communion is linked to ideas that propose that an organisation is intrinsically linked to society and as such will tend to align itself with a range of stakeholders (employees, customers, suppliers, local communities and the environment). Van Marrewijk (2003) argues that in most cases the practice of CSR in TNCs addresses these two

issues simultaneously. In practice most corporations adopt a stakeholder approach to CSR, whereby their social and environmental initiatives incorporate actions that are in reaction to or pre-emptive of its stakeholders concerns (see Dunfee, 2008; Levis, 2006; Nijhof *et al.*, 2005; Aguilera *et al.* 2007) but also have an implicit justifiable business case (van Marrewijk, 2003). The development and implementation of CSR practices and programmes therefore follow a fairly standard sequence that involves “conducting a CSR assessment, creating a CSR strategy (often in conjunction with key stakeholders) and identifying the specific commitments to be made, creating monitoring and reporting systems (and in some cases identifying key performance indicators), identifying appropriate communication channels for different audiences and reviewing performance on a regular basis” (Bondy, 2008:308).

According to several authors (e.g. Aguilera *et al.*, 2007; Joyner and Payne, 2002; Maon *et al.*, 2008) CSR actions aimed at preventing harm and/or improving the welfare of stakeholder are generally implemented and formalised through management systems and quality standards/codes (as ISO 9000, EMAS/ISO 14001, SA 8000, Ecolabel, Transfair etc) that are designed and certified externally or by in-house professionals. This process of formalisation is intended to ensure that it is possible - at least to an extent- to systematically measure, report, audit and facilitate continual stepwise improvements of CSR practices and processes within an organisation and consequently benefits to stakeholders (Nijhof *et al.*, 2005; van Merrwijk *et al.*, 2004). Advocates of this formalised approach to CSR practice have laid claim to substantial operational, managerial, and competitive benefits for corporations that implement them , as well as highlighting their utility in improving transparency and accountability (Kolk and Tulder, 2002). Furthermore, Bondy (2004) is of the opinion that the use of international codes and standards have also been described as a useful means of regulating corporate behaviour globally, as they are not restricted by the local regulatory framework of any one country where they operate (e.g. TNCs cannot take advantage of the poor institutional and regulatory environment in some developing countries). The orthodoxy of the formal standardised approach to CSR practice according to some commentators (Jenkins, 2005a; Doh and Guay, 2004) has been driven by governmental, non-governmental and global institutions (e.g. ILO, OECD, World Bank, DFID etc) some of whom have not only actively endorsed their adoption by corporations and other organisations,

but apply such codes and standards in their own organisation. Bondy (2008) takes the view that the use of codes and standards is currently the most widespread and recognisable approach to implementing CSR practice. However, there are critics of this formalised approach to CSR practice, some of whom are uncomfortable with the connotations of its orthodoxy. Fassin (2008:368) observes that;

“The escalating importance of communication has increased the impression that CSR is worthless without this reporting and formalisation. Corporations have to show and to report to the public what they do in order to justify their license to operate. Reporting becomes the proof for this accrued need for justification.”

Others commentators have also been critical of the ‘codes and standards’ norm to CSR practice, which according to Blowfield, (2005:175) is underlined by the implicit belief that “acceptable behaviour can be itemised, measured, accounted for and otherwise atomised.” Several authors have pointed out that product standards like ISO 9000 do not necessarily result in quality products and neither do environmental standards (e.g. ISO 14001) guarantee that an organisation is not adversely impacting on the environment, further stressing that these standards do not ensure either legal/ethical compliance or continued performance improvements and are in most cases an image-building or public relations exercise (Fassin, 2008; Bansal and Bagna, 2002; Darnal et al, 2000; Hooghiemstra, 2000). Similarly, Langley, (1999) is of the opinion that while code and standards have their advantages, they are also insufficient for dealing with the socio-cultural complexities and challenges of real life situations.

In summary, CSR practice is often equated with the adoption and implementation of formal codes and standards as Fassin (2008) argues, the formalised approach to CSR is generally taken to be the ‘best practice’ for all businesses, notwithstanding functional, structural and contextual difference within the business community that make this orthodoxy debatable. There is therefore scope to explore how this orthodoxy of CSR practice is recognised and experienced within the small business contexts as authors like Aucquier and Gond (2004, cited in Fassin, 2008) are also concerned that research into the social construction of CSR as discourse and practice have been relegated

to the background and in some cases, have developed as separate and discordant strands of academic inquiry.

## **2.4 The Small Business Question**

An outcome of the dominant nature of CSR scholarship and practice has been that some perspectives and understandings of social responsibility of business are less established (though no less salient) within the wider business and society debate. One such gap is the small firm perspective of social responsibility, which until recently, has been mostly ignored in favour of theory building and research around the large firm and their attitude and behaviour towards CSR (Spence *et al.*, 2003; Werner and Spence, 2004; Hillary, 2000; Observatory of European SMEs, 2002). Given that the status of the CSR paradigm in contemporary discourse on the nature and scope of business and society relationship is such that the social responsibility of business is generally framed around or linked to the concept and practice of CSR (see Jenkins, 2004; Moir, 2001; Carroll, 2008). This has raised a number of questions as to whether and how the various CSR theories, themes and the emergent orthodoxy in practice can and should be transposed to address small business social responsibility. Consequently, interest in small business social responsibility has gradually increased in recent times as academics, practitioners, governments and inter-government agencies have called for recognition of the unique perspective that small firms bring into the business and society debate (Perrini, 2005). Thus the literature on small business social responsibility has grown relatively in response to these interests (see Vyakarnam *et al.*, 1997; Quinn, 1997; Tilley, 2000; Jenkins, 2004; Spence *et al.*, 2004; Spence *et al.*, 2003) supported by special journal issues edited by Spence and Rutherford (2003), and Moore and Spence (2006). Nevertheless, knowledge of small business understandings, attitudes and behaviours towards social responsibility still remains limited and has not yet developed into a workable theory (Lepoutre and Heene, 2006:257), a situation exacerbated by the heterogeneity of the small business community and the complexity of incorporating all small businesses into a common theoretical framework or model of practice (Curran and Blackburn, 2001; Lepoutre and Heene, 2006). There is therefore much scope for contributions to the nascent body of knowledge around the social responsibility of the small firm especially from the cultural perspectives of the ethnic minority small firm (Ede *et al.*, 2000; Spence *et al.*, 2003; Worthington *et al.*, 2006b). A review of the

literature on small business engagement with social responsibility with respect to theory building and empirical research will be discussed in detail in the next chapter. However, this study recognises that the marginalisation of small businesses in the debate on the relationship between business and society is underlined, rightly or wrongly by the terminology of CSR. The “corporate” connotations appears to linguistically exclude unincorporated businesses (i.e. the majority of small businesses) and practically acts as a barrier to engaging small firms in the social responsibility of business discourse (Jenkins, 2004, Castka *et al.*, 2004; Southwell, 2004; Spence, 2000) such that some commentators, for example Spence (2007), have suggested that the term should not be used in relation to small businesses. Furthermore, given that in most small businesses the boundary between the personal and business obligations, commitments, motivations and resources of the owner/manager is often blurred and indistinct, it is likely to be confusing to refer to small businesses’ (or their owner/managers’) involvement in social practices and initiatives as ‘corporate’ social responsibility as the business and personal motivations and outcomes are very likely to be indistinguishable. Hence, there are possible challenges to adopting the CSR terminology, theories and models of implementation to discussions and research relating to small business social responsibility.

## **2.5 Conclusion**

The review of literature on the social responsibility of business has provided a number of insights for this research. Firstly, it has revealed that the debate on the role of business in society is a broad, complex and contested subject, which could be simplified by examining the different schools of thought on the nature of the firm and their different competing views on the responsibility of business to society. The literature review showed that common notions of responsibility (philanthropy, ethics and sustainability) are often value laden and are therefore likely to be influenced by time, space and culture. Secondly, the review revealed that concept of CSR is the most dominant contemporary discourse on the role of business in society despite the lack of clarity surrounding its meaning and practice. A brief review of its history and rise to prominence showed that CSR is not a neutral concept as its development is complex and has been influenced by a several geo-political and social and economic factors over the course of its history. It was revealed that there are therefore many theories of CSR as well as other closely related concepts the bulk of which can be classified into three broad categories based on whether

CSR is conceptualised as a theoretical construct, an applied field of research or a blend of both. The review also indicated that while there is still great deal of confusion surrounding CSR as a theoretical construct, there appears to be an implicit orthodoxy on what constitutes the most appropriate means and tools for CSR practice. Finally, the key insights of the review led to questions being raised about the relevance and applicability of CSR within the small business context, which will be examined further in the next chapter.

# CHAPTER THREE

## SMALL BUSINESS SOCIAL RESPONSIBILITY

### 3.1 Introduction

There is a broad consensus in the business-society literature concerning the existence of conceptual complexities associated with defining and understanding the concept corporate social responsibility (CSR) and that the relatively high level of academic and practitioner interest in theory building and empirical research in the field of study is still emergent and incomplete (Crane *et al.*, 2008). Likewise, it is widely accepted that CSR has over the past two decades emerged as a mainstream public and business issue to which considerable attention has been given by government and non-government organisations all over the world. Whereas, much of the academic inquiry and public interest in the subject has chiefly been concerned with the attitudes and behaviour of large often multinational companies (Jenkins, 2004, Castka *et al.*, 2004; Spence 2007), there is a nascent acknowledgment in academia and different spheres of government of the need to engage smaller sized businesses (that make up 90% of the world's business population) in the theory and practice of social responsibility (see DTI, 2002; Worthington *et al.*, 2006b; Spence, 2007). The recent interest in small business social responsibility is an appropriate reflection of the significant impact small businesses have on national and local economies as well as their capacity to engage in actions and practices that have a social, ethical and environmental impact on society as a whole (Spence, 2004). It is also an acknowledgement of the argument that conventional approaches to the theory and practice of social responsibility in business, which are mobilised around the concept of CSR and are based on the experience of large businesses are not wholly comparable and/or transferable to the small business context (Spence, 1999; Lozano and Murillo, 2006). The examination of questions on the social responsibility of business from a distinct small business perspective is therefore likely to contribute to the debate on how and why businesses engage in social responsibility and create opportunities for developing models and frameworks for engaging small businesses in practice. So far, the literature on the social responsibility of small business has increased in recent years, nonetheless, the knowledge and understanding of

the attitudes and behaviour of small business owner/managers is still fragmented and has not yet developed into a coherent theory (Lepoutre and Heene, 2006:257). According to a number of commentators, the lack of clarity has been largely due to the relatively small number of academic and empirical studies that have been conducted to date into the social responsibility of small businesses (e.g. Quinn, 1997; Vyakarnam *et al.*, 1997; Spence 1999; Spence and Rutherford, 2003). In addition, such problems have been exacerbated by the fact that much of the research that has been conducted in this area has exhibited a relative lack of appreciation of the small firm context, and as a result authors have frequently employed inappropriate theoretical and methodological approaches that fail to address the idiosyncrasies and complexity of the small business sector (Moore and Spence, 2006; Spence, 2007). Consequently, while there is some evidence to suggest that many small businesses are engaged in some form of 'silent' or 'invisible' social responsibility (Luetkenhorst, 2004; Murillo and Lozano, 2006; Perrini, 2005), many of these practices remain unexplored and undocumented (Spence *et al.*, 2003; Worthington *et al.*, 2006b). As such there remains an urgent need for further research to investigate the nature and extent of SR in small businesses (Spence *et al.*, 2003; Lozano and Murillo, 2006), particularly in the context of specific sectors such as ethnic minority small firms (Ede *et al.*, 2000; Worthington *et al.*, 2006a).

Having set out in chapter two the context in which academic inquiry into SR emerged and developed into its present state characterised by the hegemony of CSR, in this chapter I argue for a distinct small business focus in the field of study, and in so doing seek to highlight the important contributions research into the SR of ethnic minority businesses (subsequently referred to as EMB) can make to debates in the UK. The rest of the chapter will proceed as follows. In the first part I will review literature on small business characteristics, justifications for a separate SR research agenda and theory that is sensitive to the complex and heterogeneous nature of small businesses, as well as examine extant research findings on SR in small businesses in the UK. This will be followed in part two by a review of some of the key literature on EMBs with particular reference to the socio-economic and cultural characteristics that set them apart from the other small business sectors. In the final part of the chapter an analysis of the case subjects and study areas that will be the focus of this study will be provided.

### 3.2 Small Business Characteristics

There is little doubt that small businesses are by far the most common form of private enterprise in the world, yet there is no single definition of what constitutes a small business (Curran and Blackburn, 1994). However, the common convention is to define business organisations as 'small' on the basis of criteria such as financial turnover, assets, market share, number of employees, and ownership structure (Curran and Blackburn, 2001). However, different threshold levels are frequently utilised to define exactly what constitutes a small business, and the use of such competing criteria often reflects the different administrative requirements of political, social and business institutions that deal consistently with small businesses<sup>9</sup> (Lapoutre and Heene, 2006). The EU definition of small business organisations that is based on employee numbers, turnover or balance sheet total, and ownership is the one most widely used by researchers, and is useful in that it provides a more detailed description of sub-groups (micro, small and medium)<sup>10</sup> of small firms. While definitions based on size-related variables are important and have advantages, as size-related resource and time constraints can be identified and macro-policies can easily be directed at a particular size group of small businesses, they have also been criticised for failing to take into account the very different types of businesses that are grouped together under the small business umbrella. This therefore presents a narrow and incomplete view of small businesses as homogenous scaled down models of larger organizations (Jenkins, 2006) According to Curran and Blackburn (2001) small businesses are qualitatively different from large businesses in their everyday behaviour including their responses to social and ethical issues (Spence and Rutherford, 2001). Consequently, while size is a factor (and an important one at that) there are a number of qualitative characteristics relating to the ownership, management and stakeholder relations that are generic to small businesses and differentiate their response to issues of social responsibility from that of larger corporations.

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<sup>9</sup> Legal definitions of small business for tax and accounting purposes vary across nation states, financial institutions (based on business banking codes )

<sup>10</sup> The EU defines SMEs based on employee numbers, turnover or balance sheet total and ownership, such that a micro enterprise as having less than 10 employees and a turnover or balance sheet total of not more than €2 million per annum; a small enterprise should have a workforce of between 10-49 employees and a turnover or balance sheet total of not more than €10 million; and a medium-sized enterprise has a headcount of less than 250 and a turnover of not more than €50 million or a balance sheet total of not more than €43 million, with the additional criteria that they are independent enterprise, i.e., 25% or more of the capital or voting rights cannot be owned by an enterprise that employs more than 250 people or balance sheet of more than €43 million (EC 2005).

### **3.2.1 The Agency of Small Business Owner/managers**

The vast majority of small businesses operate under the legal framework of either a sole trader, partnership or a private limited company. They are often owned by a single individual, or by a small number of individuals who are also involved in the management of the business (Spence, 1999). There is therefore little distinction between the ownership and management of small businesses, as is also frequently the case in terms of the assets of the business and that of the owner/manager, a coincidence which according to some commentators (e.g. Spence, 1999; Jenkins, 2004; Fassin, 2008) inevitably introduces personal and subjective concerns and interests into the process of making business decisions. As Spence (2007), Quinn (1997) and other theorists have made clear this is a fundamental difference between small and large businesses, as owner/managers act as both the principal and agent of the business and as a consequence the issue of fiduciary duty to maximise shareholders wealth does not arise as owner/managers have the right to independently appropriate the resources of the business based on personal judgments, which may include taking into consideration their own beliefs, values and social position. It is therefore a commonly held view within the literature on SMEs that whilst it is not certain that owner/managers will always act in an ethical manner, they are not inherently constrained like managers of large corporations to maximise profit for shareholders (e.g. Spence and Rutherford 2001). This is in contrast to large businesses, whose ownership and management are as a rule separate, and owners (shareholders) play no active role in the direct management of the business nor do their personal predilections exert much direct influence on the running of the business.

### **3.2.2 Informal Management Structures**

The management infrastructure of small businesses is inherently different in nature to that of large businesses and has been variously described as limited in depth and scope because more often than not the management team is made up of one or a few individual owners with limited specialty, skill sets and multiple responsibilities that extend beyond management (see Spence, 1999; Ang, 1991; Jenkins, 2006). It follows therefore that unlike corporate managers who occupy wholly managerial roles with access to a relatively larger pool of human and financial resources, small business owner/managers

carry out numerous tasks (including non-managerial duties essential to the functioning of the business) with limited resources, demands which act to further constrain their capacity to proactively engage with issues outside their routine business activities, including those relating to SR (Spence, 1999, Tilley, 2000; Lepoutre and Heene, 2006). Similarly, the management of small businesses is mostly characterized by underdeveloped and largely informal structures, which often translate into low levels of formalization in their organizational and management practices and procedures (Ang, 1991; Moore and Spence, 2006; Fassin, 2008). Small businesses are therefore more likely to adopt a reactive short-term approach towards addressing social issues than a pre-planned codified strategy that requires formal administrative structures common amongst large corporations (Jenkins, 2004; Spence, 1999, 2007). Furthermore, since owner/managers are not restricted by agency problems but are unlikely to have the resources and specialization to engage with social issues from an instrumental (e.g. marketing or public relations) standpoint (Jenkins, 2006; Spence *et al.*, 2000), personal motivations play a more significant role in the decision making process to engage with social issues than any strategic rationale commonly employed in large corporations (Jenkins, 2004; Spence, 2000, 2007; Vallentine and Morsing, 2008). In contrast, large corporations are occupied by issues of agency and fiduciary obligations, and as a result corporate managers are more likely to be motivated by strategic objectives to engage in SR than by their personal beliefs and values (Spence, 1999, 2007).

### **3.2.3 Informal Stakeholder Relations**

A closely related characteristic of small businesses that differentiates them from large firms is the management of their relationship with stakeholders, which for the most part is inherently personal, less formal and based on mutual trust, loyalty and openness (Vyakarnam *et al.*, 1997; Jenkins, 2004, Lepoutre and Heene, 2006). According to Goffee and Scase (1995:15) owner/managers generally manage their businesses "through informal, face to face processes rather than according to formal structures and job description" and as such managing interpersonal relationships is an important component of doing business (see also Spence, 1999; Spence and Lozano, 2000). Consequently, stakeholder relationships as they pertain to small businesses are largely formed and managed on the basis of intuitive and informal interactions as the structure of small business operations and

management necessitates close personal contact between owner/managers and their employees, customers and suppliers (Spence, 1999, Jenkins, 2004). The high level of social proximity that exists between owner/managers and stakeholders of the small business leads to the forming of trust relationships, and is characterised, it is argued, by an openness in the interaction between stakeholders and owner/managers, which in turn places a set of implicit and largely non-contractual expectations on both parties to be socially responsible in their dealings<sup>11</sup> (Lepoutre and Heene, 2006). In contrast, relations between small businesses and institutional stakeholders ( e.g. regulators) is less constructive as small firms are widely considered to be difficult to regulate as they appear unwilling to engage with institutions of governance or embrace voluntary regulation (Spence, 1999; Tilley 2000), and are thus less responsive to bureaucratic pressures to be socially responsible (Dex and Scheibl, 2001)<sup>12</sup>. On the contrary, bureaucratic structures and the enormity of operations common to large businesses often mean that relations between the large corporation and its stakeholders are much more formalised than is the case with small businesses. Stakeholder management is facilitated through a deliberate and controlled process that often creates a formalised bureaucratic space, and at the same time a social distance between large firms and their customers, employees and suppliers (Jenkins, 2006; Jenkins, 2004). Furthermore, since most small businesses are, or operate like family businesses with family and friends playing an active part in the business as either owners, employees, customers, suppliers or competitors, this places an extra moral expectation on owner/managers to be socially responsible in their interactions with stakeholders, a situation which is uncommon in large businesses where stakeholders are relatively anonymous (Janjuha-Jivraj, 2003; Jenkins, 2004).

In summary, it is clear that while small and large business are comparable in terms of size, there are fundamental structural and organisational differences between the two that qualify small firms as distinct business forms and make it impractical to apply a large business model towards the understanding and/or prediction of small business behaviour and hence there is a need for specific consideration of SR from a wholly small business perspective (Spence, 2007; Jenkins, 2004; Lepoutre and Heene, 2006).

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<sup>11</sup> Conversely the social proximity between owner/managers and their stakeholders may lead to unethical behaviour when this trust relationship is compromised by either party.

<sup>12</sup> According to Murphy *et al.* (1992) unethical behaviour relating to tax evasion and non-compliance with regulations are common amongst small businesses.

### 3.3 Making a Case for Small Business Social Responsibility

There is a strong suggestion in the SR literature that up until recently there has been a distinct lack of a small business perspective in the theorisation and research into important aspects of the role of business in society. In this review three important reasons were identified as central to the argument for a distinct small business focus in SR research and practice, which relate to the significance of the collective impact of small businesses on society, the uniqueness of the small business form relative to large corporations and the heterogeneity of the small business sector that suggest that a singular approach to SR is inappropriate. The lack of academic interest in the small business context as it relates to SR may be linked to unsubstantiated assumptions about its relevance in the business-society debate. It is assumed that the large business context represents a more credible research platform for CSR as corporations are relatively more visible, powerful and experience much institutional pressure and scrutiny from civil society, and as such are more likely to play an active independent role in their political and social environment than smaller businesses (Spence *et al.*, 2003; Brammer and Millington, 2006). However, while it is recognised that large corporations have a major impact on society, the aggregate effect of small business populations on the economy and society is as, if not more, significant than that of MNCs (Jenkins, 2006; Spence, 2007) and as such they merit equal treatment in the field of study. A case in point is the United Kingdom (UK), where 4.8 million small businesses make up over 99.9% of the business population, with an annual turnover of approximately 1.5 trillion pounds (BIS, 2008). They also employ around 13.7 million people and account for 59.4% of private sector employment (BIS, 2008). Small businesses therefore contribute substantially to the economy of the UK (and its local communities) in terms of the creation of employment, wealth, investment, innovation and international trade (Worthington *et. al.*, 2006a) but it is also estimated that small businesses are responsible for approximately 60% of commercial waste and 80% of pollution incidents in the country (EA, 2003). This situation is representative of most modern economies, nonetheless, the debate on SRB has so far failed to fully engage the small business community (Spence, 2004) and only recently has consideration of the attitudes and behaviour of small businesses and their owner/managers in relation to SRB been partially explored in the literature.

Another important reason for a small business focus in the field of SR research is the uniqueness of the small business form relative to large corporations. Until recently, the majority of theory building and empirical research on SR appears to be guided by the assumption that small and large businesses are comparable. Consequently, it is assumed that emergent SR theories, models and strategies developed in and for large businesses can be transposed to the small business community without problems, and as such specific emphasis on small businesses is unwarranted (see Jenkins, 2004; Fassin, 2008; Morsing and Perrini, 2009). However, given that the fundamental differences that exist between small and large businesses have considerable influence on their attitudes and behaviour towards issues at the business-society interface, several commentators (e.g. Tilley, 2000; Jenkins, 2004; Lepoutre and Heene, 2006; Spence, 2007; Morsing and Perrini, 2009) are of the opinion that it is unlikely both business forms will experience similar motivations, challenges and modes of engagement with SR. In particular, certain characteristics of a small business in relation to its ownership and management structure as well as the nature of its relationship with stakeholders are indicative of the idiosyncratic character of their engagement with social responsibility which makes this different to the approach adopted by larger businesses. A useful illustration to this effect is the characteristic manner in which small firms are uniquely embedded in social networks and their local settings<sup>13</sup>, and the impact this has on the way they do business (see Spence *et al.*, 2004). According to Tencati *et al.* (2004) small businesses are often more connected to the localities where they operate<sup>14</sup> than large firms, as they are more likely to obtain their employees, customers and suppliers from such local communities. Likewise, owner/managers are enmeshed in networks of informal interpersonal relationships with multiple stakeholder groups central to the survival and success of their businesses (Spence *et al.*, 2003). This state of affairs has significant influence on the socially responsible behaviour of small firms as it is often assumed in the literature that they would ordinarily avoid unethical and undesirable actions and practices that will compromise their reputation and consequently the integrity of trust relationships with local stakeholders, whilst seeking out opportunities to strengthen ties between the social and business aspects of these relationships (Vyakarnam *et al.*, 1997; Spence *et al.*, 2003). It is the

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<sup>13</sup> There is however contrary arguments in the literature about the scope of small firm local embeddedness (see Curran and Blackburn 1994; Curran *et al.* 2000)

<sup>14</sup> There are sector variations in this respect e.g. small businesses operating in the internet marketing subsector of the service industry are likely to be less embedded in their local community than small firms in the food and restaurant sub-sector (Spence, 2007)

opinion of Fuller and Tian (2006:295) that "They [owner/managers] act responsibly because their legitimacy with immediate stakeholders; employees, customers, suppliers and their 'local' community is at stake in a far more direct and personal way than it is with major corporations". This assertion suggests that the meanings, experiences and responses of small firms to issues of SR are distinct from that of larger corporations. It is therefore unlikely that given the socialisation of small business ownership and management, conventional models of understanding and measuring SR engagement (characterised by formalized policies, practices, reporting standards, etc common amongst large corporations), can be fully appreciated and/or scaled down to fit smaller businesses (see Jenkins, 2004; Moore and Spence, 2006; Spence, 2007; Fassin, 2008). According to Jenkins (2004) small businesses do not only lack the human, financial and time resources that formalized models of SR require but they also are not naturally inclined to codified and bureaucratic forms of behaviour and as such are more likely to adopt approaches to SR that are less formal and more ad hoc than strategic or codified. Spence *et al.* (2003:18) state that researchers and theorists in the field are too often influenced by the capitalist free market perception of SR as a luxury good that non-wealthy actors (i.e. small businesses) will not be able to afford. However this view fails to take into consideration and/or appreciate the uniqueness of the small business context and its response to issues of SR. It is therefore unreasonable to expect to understand and/or measure social responsibility in small businesses according to the methods used in large firms (Moore and Spence, 2006). To insist otherwise would likely exclude small businesses from the SR discourse, along with the rich perspectives that they bring to the debate and valuable knowledge of how and why a vast majority of them engage in SR.

Thirdly, a distinct small business focus in SR is justified by the heterogeneous nature of small firms and its implication for owner/managers' attitudes and behaviour towards SR. According to Leportre and Heene (2006) the argument that large and small businesses are comparable is underlined by the notion that all small businesses are structurally, and functionally homogeneous and thus exhibit similar behaviour irrespective of their size and other qualitative characteristics and factors. On the contrary Leportre and Heene (2006) and others (e.g. Lozano and Murillo, 2006; Spence *et al.*, 2003; Curran and Blackburn, 2001) are of the view that small business behaviour will most likely not only differ from the conventional large firm perspective but may also

differ within the small business community itself. Similarly, Jenkins (2004) argues that these differences extend beyond the relative sizes of small businesses to include variations in business behaviour across business sectors, geographic areas, cultures and ownership structures. For example a study of socially responsible behaviour by Spence *et al.* (2003) found sectoral and regional variations within a sample of small businesses in the UK and Germany, likewise findings from a study by the Observatory of European SMEs (2002) indicate that the socially responsible behaviour of small businesses varies across countries and industrial sectors. It is the opinion of Lepoutre and Heene (2006) there are issue, personal, organisational and contextual factors that variously influence the SR behaviour of small businesses. However, of vital consideration in this matter is the personal values, beliefs and attitude of the owner/manager - who is both a principal and an agent of the business - and the contingent factors that shape their variation across the small business community (see Vyakarnam *et al.*, 1997; Spence and Rutherford, 2003 and Spence *et al.*, 2003).

### **3.4 Small Business Attitude and Behaviour to Social Responsibility**

Given the relative increase in attention accorded to the small business context in SR by academics and policymakers alike, there has been a corresponding increase in the number of both quantitative and qualitative empirical studies investigating different aspects of the subject within the small business context, particularly with respect to owner/managers' understanding of, attitudes and behaviour towards social responsibility (e.g. DTI, 2001, 2002; BITC *et al.*, 2002; Observatory of European SMEs, 2002; Vives *et al.*, 2005; Longo *et al.*, 2005; Borga *et al.*, 2009; Spence and Schmidpeter, 2003; Murillo and Lozano, 2006).

A review of the findings of these studies indicate that in general small business owner/managers commonly express a positive attitude towards the notion of social responsibility and only in very few cases have there been some contradictory findings in relation to environmental responsibility (Winter and Ledgerwood, 1994 cited in Schaper, 2000). The findings from these studies also indicate that despite the constraints of time, resources and short-term business priorities, small businesses and their owner/managers engage in activities and initiatives that embody socially responsible behaviour. In several UK based studies (e.g. Spence *et al.*, 2000; Castka *et al.*, 2004 and

Jenkins, 2006) findings showed that on top of the basic social benefits associated with their role as economic actors in local communities (e.g. provision of local jobs, goods and services, etc), small businesses were also engaged in a number of social activities and initiatives that were beneficial to key stakeholders of their businesses and the community at large. Spence (2006) in a qualitative case study of 24 UK based small businesses cites social actions and initiatives that were beneficial to the environment (e.g. waste minimisation, re-use and recycling schemes) to their employees (e.g. flexible work patterns, staff training, etc), to their supply chain/ business to business network (e.g. participation in supplier learning scheme, ISO 90001 quality standard) and the wider community (e.g. sponsorships of and donations towards local charitable causes) as evidence of their socially responsible behaviour.

In terms of drivers of socially responsible behaviour within the small business sector, a number of studies have shown that market drivers in sales and supply chain of small businesses have minimal influence on the environmental and social performance of small firms. In a literature review of 33 empirical studies Hillary (2000), for example, concluded that SMEs experienced little external pressure from stakeholders, such as customers or suppliers, to be socially responsible. This assertion has been corroborated by Revell and Blackburn (2007) whose research findings indicate that small business stakeholders (suppliers, employees and customers) do little to influence the socially responsible behaviour of small firms. Likewise similar studies (Wycherly, 1999; Merritt, 1998) have shown that in addition to the minimal influence of supply chains on small business social responsibility, there is even less partnership on matters of social responsibility between stakeholders within the supply chain. These findings support the assertion by Revell and Blackburn (2007) that many small businesses only demonstrate "vulnerable compliance" to regulatory and supply chain pressures for them to adopt more socially responsible behaviour, are cynical of the business case for social responsibility and would often oppose voluntary adoption of measures and practices that embody social responsibility (see Hillary, 2000; European Observatory, 2002; Tilley, 2000). Rather the characteristics and ethics of small business owner/managers have been identified as a major driver of socially responsible behaviour within the small business sector (see Quinn, 1997; Spence, 1999; European Commission, 2003; Spence and Perrini, 2009). According to Spence (1999) the social and environmental ethics of small business in the UK are for the most part driven by the personal

predilections and commitments of the owner/manager and consequently socially responsible actions are carried out in an informal and incoherent manner such that on the whole they are undocumented, unreported and unappreciative of the business case for social responsibility. These studies suggest that social responsibility as practiced by the majority of small businesses mirrors the particularistic nature of the small firm, as it reflects a largely impromptu and unsystematic process that is regarded as a peripheral add-on to the key objectives of the business. Similarly, other studies (BITC, 2002; European Commission, 2003) stress the embeddedness of small businesses in local communities as another characteristic that defines their socially responsible behaviour, as owner/managers naturally gravitate towards social actions that enhance their reputation in the local community and with their stakeholders.

In summary, empirical research into the social responsibility of small business has provided useful insights into the attitudes and behaviour of owner/managers, as well as the drivers and constraints to social responsibility within the small business sector. Research findings have also underlined the impracticalities of simply assuming that social responsibility as practiced within the corporate business community can be wholly transposed unproblematically to the small business community. However, as a result of the heterogeneity of the small business context, neither can the findings emerging from recent research on the SR of small business be assumed to be universally applicable to the whole of the small business community since the attitude and behaviour of owner/managers can differ across geographical areas, sectors, sizes and cultures (Spence, 1999). Similarly, Lepoutre and Heene (2006: 258) are of the view that conflicting observations and results emanating from empirical research into the social responsibility of small business shows that the question of whether and how the small business context influences their social responsibility remains unanswered. Consequently, some researchers (Spence, 1999; Quinn, 1997; Vyakarnam *et al.*, 1997) have suggested that since the idiosyncrasies and ethics of small business owner/managers have a significant influence on their social responsibility, it is essential that any examination of social responsibility within the small business sector concentrates on the particularities of the small business context under investigation.

### 3.5 Ethnicity, Small Business Ownership and Social Responsibility

The heterogeneity that exists within the small business community is exemplified in the existence of ethnic minority-owned businesses<sup>15</sup> which are an established feature of the small business sector in many developed industrial economies. The 'ethnic' categorisation of these businesses refers to the particularistic influences on business configuration and behaviour by "sets of connections and regular patterns of interaction among people sharing common national background or migratory experience" (Aldridge and Waldinger, 1990:112). The ethnic business phenomenon contrasts with the classic acculturation theory about contemporary immigration and the suggestion that cultural traditions, values and networks of ethnic minorities will be assimilated into the dominant indigent culture (Waldinger, 1993). Instead they embody the retention and use of these cultural resources to initiate and grow their business activities (ibid). In general, ethnic minority-owned businesses are typically small in size, often serving local ethnic markets with mainly cultural goods<sup>16</sup> and are concentrated in highly competitive markets with slim profit margins and therefore experience below average rates of business growth and survival (Barrett *et al.*, 2002). Nonetheless, they are of considerable economic and social importance to minority communities in the host country and are recognised as a unique subset within the mainstream of their small business population (Ram *et al.*, 2006).

There is therefore an obvious connection between the growing presence of ethnic minorities in the small business community of developed economies and the steady rise in immigration since the 1950s mostly from post-colonial countries in Africa and Asia to nations in the western hemisphere in Europe and North America (Barrett *et al.*, 1996, 2001; Ram *et al.*, 2006). Much of this migration was initially driven by demand for low skill and wage labour mainly in the heavy factory-style manufacturing industry of western nations after WWII. However, with the decline of these industries and the rise to prominence of the service sector and more flexible forms of production,

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<sup>15</sup> It is acknowledged that ethnicity is a complex and contested phenomena whose measurement, identification and categorisation is a subject of much debate (Mateos, 2007). However in this study ethnic minority businesses are regarded as those owned by individuals who identify with commonly accepted social or cultural minority categories in the UK, with labels that commonly refer to their ancestral origin (e.g. African) or skin colour (e.g. Black) or both (e.g. Black African).

<sup>16</sup> There is evidence of ethnic minorities participating in more mainstream markets such as the creative industry, professional services (law, accounting etc) and manufacturing, although the level of involvement is still relatively very low.

traditional areas of employment for settled ethnic migrants have since decreased while at the same time opportunities for self employment and start-up of small businesses has increased (Kloosterman and Rath, 2003; Ram *et al.*, 2006). This has led some academics (e.g. Ram *et al.*, 2006; Barrett *et al.*, 2002) to suggest that the geography of ethnic minority-owned businesses in the developed world has to an extent been shaped by historical migration patterns and contemporary national policies as it relates to the regulation of migration and citizenship as well as economic policies and institutions with respect to opportunity structures and constraints to entrepreneurship.<sup>17</sup> However, in spite of variations in the levels of migration and composition of ethnic minority groups in most developed nations, the involvement of ethnic minorities in small business start-ups and ownership is relatively high (Ram *et al.*, 2003; Dhaliwal and Adcroft, 2005). For example Holford *et al.* (2009) state that the rate of self employment amongst foreign-born individuals<sup>18</sup> in the UK, France, Germany and Sweden is often equal to or higher than native-born individuals (see Table 3.1).

**Table 3.1 Share of Self-Employment in total employment by place of birth in 2007**

|         | Native Born | Foreign Born |
|---------|-------------|--------------|
| UK      | 11.9%       | 13.4%        |
| France  | 8.1%        | 10.8%        |
| Germany | 10%         | 9.5%         |
| Sweden  | 8.5%        | 10%          |

**Source: SOPEMI/OECS International Migration Outlook, 2009 (in Holford *et al.*, 2009)**

There has therefore been considerable interest amongst government policymakers in ethnic minority entrepreneurship, much of which is directed at promoting and supporting the growth and diversification of businesses owned by ethnic minorities. For example, in 2009 the UK Government's Ethnic Minority Business Taskforce published a report, which recommended a number of measures to increase the profile of EMBs in the UK economy in recognition of the entrepreneurial propensity of ethnic minority groups, the relative importance of their contributions to the economy and the opportunities that they provide in the forging of links with emerging economies like China and India.

<sup>17</sup> Entrepreneurship in this review is defined as the ownership and management of a business activity

<sup>18</sup> It is important to point out that foreign-born people are not always from an ethnic group but in general ethnic minorities make-up a proportionately larger share of people born abroad.

Likewise, amongst academics there has been a similar recognition of the growing significance of ethnic cultures in business formation, management and success, which is reflected in the ongoing debate on the most credible explanation for the emergence and proliferation of the ethnic enterprise (Ram *et al.*, 2006; Dhaliwal and Adcroft, 2005; Barrett *et al.*, 2002).

### **3.5.1 Contrasting Views on Ethnic Entrepreneurship**

The emergence of the ethnic minority-owned small business as a conspicuous component of the small business community in most developed economies of the world has been accompanied by a burgeoning body of literature on the motivations, behaviour and growth patterns of ethnic minority entrepreneurs (e.g. Alder and Waldinger, 1990; Barrett *et al.*, 1996; Klosterman *et al.*, 1999; Ram *et al.*, 2001; Smallbone *et al.*, 2005; Volery, 2007). It has also led to a debate about whether or not EMBs are indeed a distinctive small business form, differentiated from the mainstream small business stock by their distinctive use of cultural resources and social networks or in terms of their experience of disadvantage and discrimination as minorities and foreigners, or a combination of both. According to Ram *et al.* (2001) there are three competing perspectives in the EMB literature in relation to the 'difference' argument; these include the 'culturalist', 'structuralist' and 'interactionist' views on ethnic entrepreneurship.

Proponents of the *culturalist perspective* (e.g. Basu, 1995; Song, 1997; Werbner, 1990, cited in Ram and Smallbone, 2001) argue that the decision to start a business, as well as the subsequent structure and management of EMBs is motivated and influenced by the cultural predisposition towards entrepreneurship of certain ethnic minority groups. These proponents are of the view that the high incidence of entrepreneurship observed amongst certain ethnic groups (e.g. South Asians and Chinese) is as a result of cultural attributes and values, which are uniquely accommodating of entrepreneurial activity but invariably absent in other ethnic groups with a lower rate of business start-ups and ownership (e.g. African and Caribbean). Thus certain ethnic minority groups are 'pulled' into entrepreneurship as a result of their unique cultural attributes and values that relate to particular configurations, preponderances and uses of social and cultural resources as a means to start, manage and grow their business enterprise (Jones *et al.*, 2002; Ram and Smallbone, 2001; Smallbone *et al.*, 2005). The culturalist theory of the ethnic

minority enterprise has, however, been criticised for being overly simplistic. Commentators contend that it overstates the significance of ethnicity and culturally specific virtues, whilst failing to account for the effect of the socio-economic context in which ethnic minority enterprises are situated (Jones *et al.*, 2002; Rath and Kloosterman, 2002; Jones and Ram, 2007). Critics argue that this is a form of cultural exceptionalism, which wholly ascribes explanatory rights to the ethnicity of minority groups, to account for their involvement and success in business activity and thus represents a narrow reductionist view that conceptualises the ethnic enterprise as operating within a social, economic and political void (Jones *et al.*, 2002; Rath and Kloosterman, 2002; Jones and Ram, 2007).

In direct contrast, the *structuralist perspective* discounts the role of cultural attributes and values in the shaping of the ethnic entrepreneurship landscape. Rather it explains the advent of individuals from ethnic minority groups in self employment and business ownership as arising out of the wider political, social and economic context in which they are embedded (Ram 2001). Proponents of this view contend that individuals from ethnic minority groups experience undue socio-economic disadvantage and discrimination, particularly with respect to racial discrimination in the labour market, which constrain their employment prospects and limit their opportunities for social mobility, a situation often referred to as an 'economic dead-end' (Waldinger, 1993; Phizacklea and Ram, 1995; Jones *et al.*, 2002). In effect, the structuralist perspective posits that ethnic minorities are embedded in social, economic and political contexts of disadvantage and are 'pushed' towards entrepreneurial activity in "response to the adverse and often hostile opportunity structure" in which they are embedded (Worthington *et al.*, 2006b:97). However, this explanation of the emergence of ethnic entrepreneurship in most developed nations does not account for the variations in the level of self employment and small business ownership amongst the different ethnic groups that are a minority in these societies. Consequently, alternative approaches that articulate a dual culture-structure framework for explaining the form and character of EMB have surfaced. They include the *interactionist perspective* which offers an understanding of EMBs by unambiguously focusing on the socioeconomic context in which they situated (Waldinger *et al.*, 1990; Kloosterman *et al.*, 1999;). The interactive hypothesis argues that the development, operation and ultimate success of an ethnic enterprise cannot be exclusively tied to cultural traditions or the use of

ethnic social networks. Rather it depends on a complex interaction between these ethnic resources and the 'opportunity structures', such as market, labour, legal and institutional frameworks, available to the ethnic enterprise in the host society (Waldinger *et al.*, 1990; Razin and Light 1998). These opportunity structures interact with ethnic group characteristics in areas central to the running of a business, such as the provision of information, sourcing of capital, training and skills, human resources and competition, further suggesting that these two elements are central to understanding decision-making and business behaviour of EMBs (Volery, 2007). These contrasting perspectives of ethnic entrepreneurship suggest that it is very likely that there are differences (subtle or otherwise) in the motivations, practices and aspirations of ethnic minority-owned small businesses and their counterparts in the small business community. Furthermore, given the particularities of ethnic minority-owned small businesses - their concentration in ethnic markets and networks, the social and economic geographies of their business locations and shared experiences of migration, for example - it is also likely that the attitude and behaviour of ethnic minority owner/managers towards the running of their businesses and also towards SR may differ from that of the average small business owner/manager.

### **3.5.2 The Distinctiveness of EMBs and Its Implication**

In most countries the population of ethnic minority-owned small businesses can be quite heterogeneous in terms of the ethnic identities and national origins of the owners, the particular goods and services that they provide and the scope of resources available to them. However, there are some features common to most ethnic minority-owned small businesses that are sufficiently distinctive to qualify them as a subset of the general small business stock and to justify a closer investigation of the attitude and behaviour of such owner/managers towards SR. The first of such qualities is the 'other culture' experience of owner/managers, who for the most part have links to cultural values and beliefs different from the norms of the local population. It has been suggested that ethnic minority groups are often selectively (or not wholly) assimilated into the indigenous culture of the nations in which they are settled, particularly large groups of first and possibly second generation migrants of ethnic minority populations (Dustmann and Theodoropoulos, 2010). What this implies is that since culture influences personal behaviour (Hofstede, 2001), SR is likely to be understood and/or expressed differently

by ethnic minority owner/managers as the value system of different ethnic cultures and its influence on their personal ethics are not necessarily comparable with that of the dominant ethnic majority culture (see Scholtens and Dam, 2007). This assertion is in line with the argument by Tayeb (1994), who identifies three reasons why cultural differences are relevant to understanding ethics and social responsibility in business organisations:

- “The fact that cultural values and attitudes are different in degree at least if not in absolute terms, in some cases from one society to another;
- The fact that different cultural groups behave differently under similar circumstances because of their underlying values and attitudes; and
- The important role that culture plays in shaping work organisations and other social institutions” (Tayeb, 1994:429).

This implies that the cultural value system of the majority ethnic group which influences the attitudes and behaviour of owner/managers towards the notion of SR cannot be assumed to apply wholly and un-problematically to owner/managers from ethnic minority groups who in general are affiliated (at least in part) to different cultural systems.

The second important characteristic of ethnic minority-owned small businesses that distinguishes them from others in the mainstream is their distinctive embeddedness in co-ethnic networks of social relationships (Waldinger *et al.*, 1990; Barrett *et al.*, 1996; Ram *et al.*, 2003). According to Aldrich *et al.* (1985) ethnic minority entrepreneurship typically arises out of the context of protected ethnic markets that exist as a result of spatial residential patterns of ethnic minorities that see their populations concentrated in particular geographic locations<sup>19</sup>, and due to substantive demands for ethnic products and services that co-ethnics are best suited to provide, especially when there is a cultural preference for trading with them. Consequently, most ethnic minority-owned businesses operate within their ethnic community in niche markets and are strongly embedded within informal socio-cultural networks of trust and reciprocity in terms of their dependence on their kin and other co-ethnics for business patronage,

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<sup>19</sup> Some commentators argue that there is a connection between ethnic minority residential concentrations and institutional bias that lead to high and long term concentrations of ethnic minority groups in particular residential areas that experience high levels of housing and other socio-economic deprivations (Aldrich *et al.*, 1985).

employees, financial backing, advice and information (Altinay, 2008; Volery, 2007; Barrett *et al.*, 2002). It has therefore been suggested by some commentators (e.g. Flap *et al.*, 2000; Portes, 1998) that although similar relationships exist within the mainstream of society, ethnic minorities have different and more expansive and robust sets of socio-cultural connections than those of the ethnic majority, within which less formal transactional and relational responsibilities are executed and defaults addressed through socio-cultural means such as social ostracisation. It therefore follows that both transactional and relational aspects of the business behaviour of ethnic minority-owned small businesses are likely to be shaped by the ethnic culture of the owner/manager and stakeholders of the business (Basu, 2004; Basu and Altinay, 2002, Tilley, 2000), influencing their attitude and behaviour towards SR differently (at least in scope and operation) from the mainstream majority small business community. Furthermore, ethnic minorities have, and maintain strong ties with people and places in their ancestral nations (sometimes holding dual citizenships) (Hsing, 1996; Mitchell, 2000; Olds, 2001). Accordingly some studies (Sassen, 1998; Faist, 1999, 2000) have shown that exchanges within ethnic minority networks are often not localised to their nations of settlement but extend to their nations of origin, in effect creating trans-national social spaces, which may yet again impose different sets of obligations and expectations on ethnic minority owner/managers that other owner/managers would not experience.

Another important characteristic feature of ethnic minority-owned firms relates to the socio-economic context in which owner/managers and their businesses are situated. Ethnic minorities in most developed nations are known to experience disproportionate levels of social and economic exclusion, particularly in relation to employment, income, housing, education and crime (see Shaw *et al.*, 1999; Ley and Smith, 2000; Phillimore and Goodson, 2006). According to Ley and Smith, (2000) ethnic minorities in Europe and North America are on average more likely to experience higher levels of poverty, unemployment and crime, as well as live, work or operate a business in geographical areas with higher levels of economic and social deprivation than the ethnic majority. It is therefore probable that the relative disparity in social and economic status between ethnic minority and majority groups will variously influence owner/managers' interpretations, attitudes towards and practices of SR. These differences are further underlined by the fact that the socio-economic disadvantage that ethnic minorities experience is often

explained within a context of racial and ethnic discrimination (see Virdee, 1997; Modood *et al.*, 1997; Loury, 1999). Research findings on this subject have suggested that there is a link (albeit contested) between the widespread experiences of interpersonal and/or institutional racial discrimination and a high incidence of social exclusion amongst members of ethnic minority groups in Europe and North America. It therefore follows that owner/managers from ethnic minority groups who on average may have experienced racial discrimination and/or social exclusion as well as being more likely to reside in and/or operate their businesses from socio-economically deprived inner city areas, are likely to interpret and express SR differently, as well as experience pressures, constraints and opportunities to engage in socially responsible behaviour different from the mainstream small business community. This suggestion is in line with the views of several academics (e.g. Lepoutre and Heene, 2006; Vives, 2006; Amaeshi *et al.*, 2006; Dahlsrud, 2008; Azmat, 2010) who argue that the socio-economic context in which businesses are embedded cannot be divorced from the process of understanding how SR is perceived and practiced by individual actors.

In summary, EMBs can arguably be described as a unique small business phenomenon that occupies distinct economic, social and cultural spaces and places, at the very least they are to some degree different from the general small business stock particularly with respect to the cultural and ethnic characteristics of the owner/manager and the attendant effect it has on business behaviour and relations. These differences which relate to their cultural value systems, socio-economic background and embeddedness in co-ethnic networks will not only translate to variations in the way ethnic minority-owned small businesses are organised and managed but is also likely to lead to different interpretations, attitudes and behaviour towards SR (Worthington *et al.*, 2006). There has, however, been very little research that focuses exclusively on the SR of ethnic minority owned/managed businesses nor is there a clear picture of current levels of their engagement with the concept. This thesis therefore addresses this lacuna by examining attitudes and behaviours towards social responsibility in the UK African and Caribbean small business communities with the aim of providing important insights into the complexities of the ethnic minority small business context. In the next section I therefore provide background information on EMBs in the UK and briefly describe the context within which the research is conducted.

### **3.6 Ethnic Minority Business in the UK**

The United Kingdom like most industrialised nations of Western Europe and North America is a multicultural society with a large ethnic white majority and a growing multi-ethnic minority population. The ethnic minority community in the UK is largely made up of people whose ancestry can be traced to countries in the Indian subcontinent, South East Asia, the Caribbean Islands and Sub-Saharan Africa<sup>20</sup> (Owen, 2003). The ethnic minority community is now a visible and important component of UK society represented in all walks of life and whose proportionally high and increasing involvement in self-employment and business ownership is of growing relevance to its economy. This section briefly reviews the growth of the ethnic minority population, its spatial distribution as well as its participation in business activity, whose growth and impact on society is increasingly of interest to policy makers and academics (Ram *et al.*, 2003; Jones and Ram 2007).

#### **3.6.1 Population Growth and Composition**

The history of ethnic minority groups in the UK predates the 20<sup>th</sup> century. However, it was during the later half of this period that the UK witnessed significant rise in ethnic minority population as a result of rapid increases in migration flows and associated high birth rates. The initial substantive growth of the ethnic minority population of the UK began during the post-WWII period of economic recovery in the UK as mass migration from British colonies particularly from the Caribbean and Indian Sub-continent (and much less from Sub-Saharan Africa) was encouraged to help fill labour shortages in the UK economy. It has been estimated that approximately a quarter of a million migrants were recruited from the Caribbean alone to work in the transport, health, domestic/hotel services and manufacturing sectors of the British economy at this time (Atkins *et al.*, 2005). This period of mass immigration lasted from 1948 to the mid 1970s<sup>21</sup> and resulted in the increase of the ethnic minority population in England and Wales from 103,000 in 1951 to 1.2 million in 1971 (Owen, 2003). The bulk of these immigrants, however, did not return to their countries of origin but settled and transformed into more visible ethnic minority communities whose numbers burgeoned in successive years

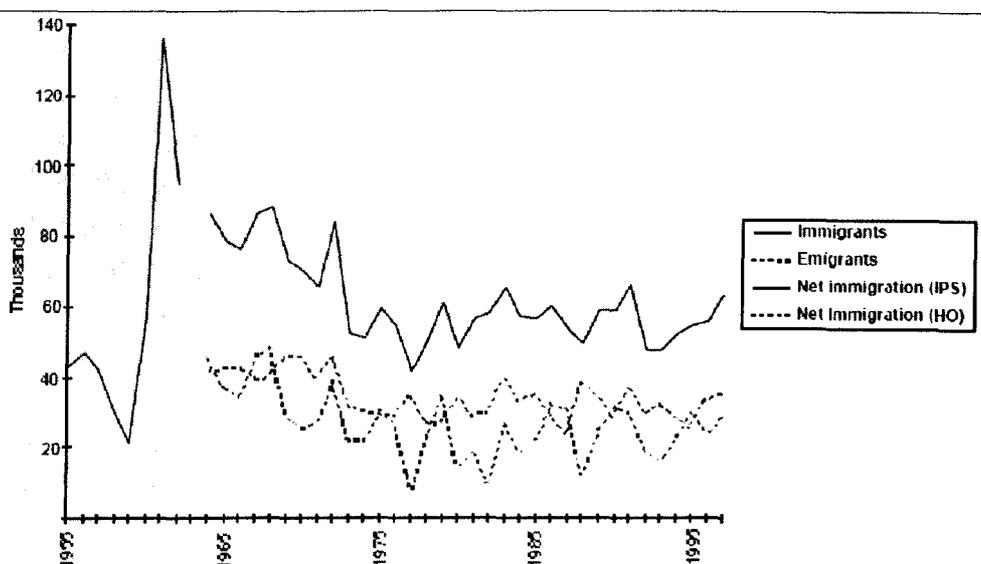
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<sup>20</sup> Although there are other significant ethnic minority groups which might be 'white' but which have their own cultural attribute (eg polish, Irish, Jewish)

<sup>21</sup> Commenced with the passing of the British Nationality Act (1948) which allowed people from the British Commonwealth to come work and live in Britain but slowed intermittently with the passing of the Commonwealth Immigration Act of 1962 and Immigration Act of 1971.

as a result of natural increase and chain migration of family and relatives (Barrett *et al.*, 2001).

**Figure 3.1 Immigration from the New Commonwealth to the UK, 1955-1995**



**Source: Home Office statistics and International Passenger Survey (in Owen, 2003 *et al.*, : 6)<sup>22</sup>**

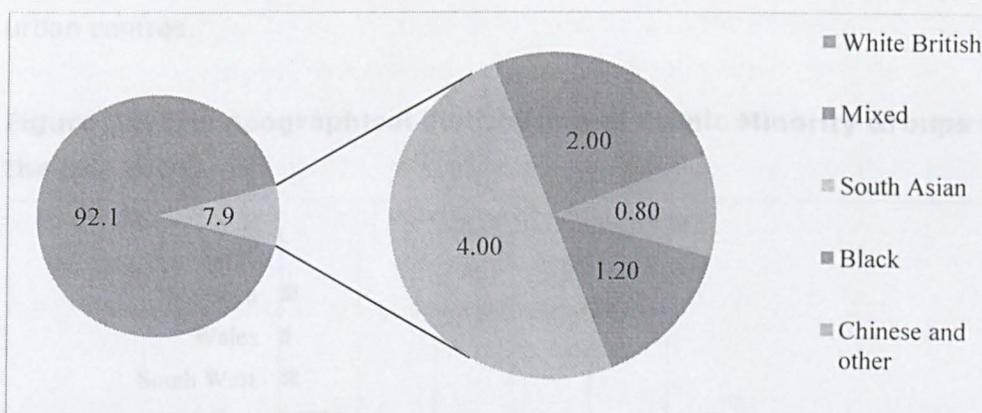
According to Owen (2003), the lull in work-related immigration from the British Commonwealth as a result of economic recession and legislation restricting their entry, was soon followed by new waves of education and asylum related immigration which emerged in the 1980s and 1990s mainly from Sub-Saharan Africa, Hong-Kong, the Middle-East and South-East Asia (see Figure 3.1). Thus growth of the ethnic minority population continued to increase exponentially in the next three decades to 4.6 million in 2001 and now accounts for 7.9% of the total population (ONS Census 2001<sup>23</sup>). The composition of the UK population in 2001 by ethnic group is illustrated in Figure 3.2. It shows that the largest ethnic minority group is South Asian, made up of 2.3 million people or 4 per cent of the population, over a third of whom were of Indian heritage. There were 1.2 million people of African heritage in the UK, made up of just less than half a million Black-African

<sup>22</sup> IPS stands for International Passenger Survey; and HO stands for Home Office statistics

<sup>23</sup> It is acknowledged that these figures would have changed significantly owing to the passage of time, increased levels of migration from within and outside the EU, however the census figures dating up to 2001 represent the most accurate set of statistics available and would be continually referenced in this thesis.

people and a slightly larger sized Black-Caribbean population<sup>24</sup>, while the Chinese and other ethnic groups make up a relatively smaller proportion of the UK ethnic minority population.

**Figure 3.2 Ethnic Composition of the UK (as % of total population).**



**Source: ONS, Census 2001**

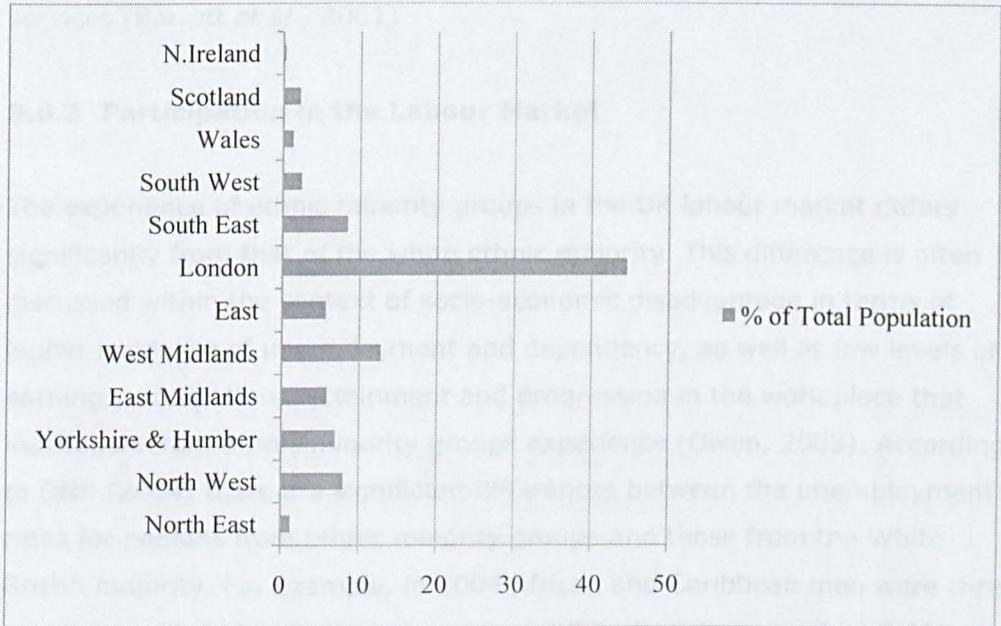
### 3.6.2 Geographical Distribution

Ethnic minority populations in the UK like most other developed countries are not evenly dispersed across the country, rather they are spatially concentrated in large urban centres disproportionately across the several of its regions. The present day geographic concentration of ethnic minorities in the UK mirrors the residential pattern of migrant labour communities in the post WWII era who settled in London and other metropolitan areas in the southeast, midlands and northern parts of the country where industrial and public sector job opportunities existed (Owen, 2003). This settlement pattern has persisted even after industrial decline and massive job losses in these urban areas during the 1970s and 1980s, partly due to disproportionate public housing policies that appear to confine ethnic minorities to deprived inner city areas and the relative social and economic disadvantage of ethnic minority groups that made it difficult for them to settle elsewhere (Peach, 1996; Phillips, 1998; Clark and Drinkwater, 2006). Thus as ethnic minority populations increased, they mainly clustered around specific geographical regions and cities to the extent that their high population density represents the 'majority' in certain local areas (e.g. Newham and Brent LGAs in London).

<sup>24</sup> Represents a rapid increase in the size of the Black-African population given that they are less established and only having about half the population of the Black Caribbean community in 1991. However, the mixed parentage ethnic group accounting for 677 thousand people is representative of a sizeable majority of children of Black-Caribbean parents.

A review of the 2001 census figures on the geographical distribution of ethnic minority groups (see Figure 3.3) shows that ethnic minority populations were much more concentrated in England (9% of the population) than in either Scotland or Wales (2% of the population) or Northern Ireland (<1% of the population), with the majority of ethnic minority individuals residing in large urban centres.

**Figure 3.3 The geographical distribution of Ethnic Minority Groups in the UK, 2001.**



**Source: ONS, Census 2001**

The 2001 census data (ONS, 2001) shows that almost half of the nation's ethnic minorities live in Greater London, which accounts for 45% of the total ethnic minority population in the UK, with the second largest population residing in the metropolitan counties of West Midlands (with 13% of the minority ethnic population), followed by the South East (8%), the North West (8%), and Yorkshire and the Humber (7%). There are also particular residential settlement patterns for different ethnic minority groups. For example, 78% of Black Africans and 61% of Black Caribbean lived in the London region, with the smaller concentrations in Birmingham and other Midland conurbations. On the contrary the south Asian population (with the exception of Bangladeshis) are less concentrated in London, for example only 19% of the Pakistani population reside in London, 21% in the West Midlands, 20% in Yorkshire and the Humber, and 16% in the North West. The Chinese also have a relatively low population density in London and are more evenly

distributed geographically than any other ethnic minority group in the UK (Owen, 2003). The densities of ethnic minority populations equally differ within cities and towns but would generally concentrate in certain areas (e.g. St Pauls in Bristol; Chapel Town in Leeds). The uneven distribution and clustering of most ethnic minority residential settlement in particular regions, cities and localities in the UK invariably translates to these groups being spatially<sup>25</sup> and socially segregated from the majority white ethnic group (Owen, 2003; Peach, 1996), whilst providing 'protected' markets that support the emergence of EMBs to cater for particular ethnic tastes, products and services (Barrett *et al.*, 2001)

### **3.6.3 Participation in the Labour Market**

The experience of ethnic minority groups in the UK labour market differs significantly from that of the white ethnic majority. This difference is often discussed within the context of socio-economic disadvantage in terms of higher incidence of unemployment and dependency, as well as low levels of earnings, occupational attainment and progression in the work place that individuals from ethnic minority groups experience (Owen, 2003). According to ONS (2004) there are significant differences between the unemployment rates for persons from ethnic minority groups and those from the White British majority. For example, in 2004 African and Caribbean men were three times more likely to be unemployed than White British men, while Pakistani women were five times and Black African women three times more likely to be unemployed than their white British counterparts. Similar levels of disparity are also observed with respect to other ethnic groups, with people of Indian origin having the lowest rate of unemployment amongst all non-white ethnic groups (see Table 3.2).

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<sup>25</sup> For example 45% of ethnic minorities live in Greater London compared to only 9% of the total white majority population

**Table 3.2 Unemployment Rates by Ethnic Group/Sex in the UK, 2004.**

|                   | Unemployment % |        |
|-------------------|----------------|--------|
|                   | Male           | Female |
| White British     | 4.5            | 3.7    |
| White Irish       | 4.9            | 3.5    |
| Other White       | 6.1            | 6.1    |
| Mixed             | 12.6           | 11.6   |
| Indian            | 6.5            | 7.7    |
| Pakistani         | 11.0           | 19.7   |
| Bangladeshi       | 12.9           | n/a    |
| Other Asian       | 11.3           | 7.0    |
| Black Caribbean   | 14.5           | 9.1    |
| Black African     | 13.1           | 12.3   |
| Chinese           | 9.7            | 7.1    |
| All ethnic groups | 5.1            | 4.3    |

**Source: ONS Annual Population Survey (2004).**

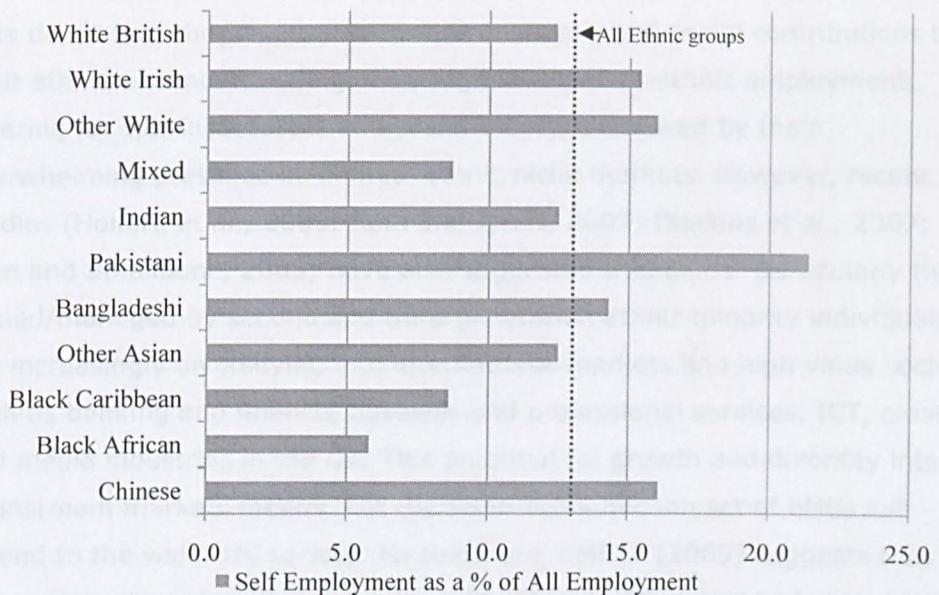
The unequal levels of participation by ethnic minority groups in the UK labour market is again repeated in the low levels of incomes and earnings and high rates of economic inactivity and welfare dependency<sup>26</sup> that can be observed amongst ethnic minorities in the UK (McEvoy and Hafeez, 2009), all of which according to Barrett *et al.* (2001:244) indicate that ethnic minorities in the UK are, to varying extents, at a distinct disadvantage to the majority White British ethnic group.

The apparent anomaly in this panorama of ethnic disadvantage in the labour market is the rate of self-employment amongst ethnic minorities, which has on the whole consistently increased from the 1980s through to 2001 (Clark and Drinkwater, 2006). It is estimated that within a four year period (2005-2009) the rate of self employment amongst ethnic minority populations in the UK rose by 37%, compared to a 3% rise amongst the White British majority (EMBTf, 2009). The ONS Annual Population Survey (2004) shows that on average, the rate of ethnic minority self employment mirrors the performance of the White British ethnic majority at 12.5% in 2004. The incidence of self employment differs considerably across ethnic minority groups (see Figure 3.4), with South Asian and Chinese ethnic groups more likely to be self employed than African, Caribbean or White ethnic groups. The ONS survey data shows that while one in five Pakistanis were self-employed (21%), the

<sup>26</sup> Except for Indians and Chinese who report similar or greater economic performance compared to the majority white British group.

comparable rates for Black Caribbean people are only one in twelve (8.6%) and for Black Africans one in nineteen (5.8%).

**Figure 3.4 Self Employment across Ethnic Minority groups in the UK, 2004.**



**Source: ONS Annual Population Survey (2004)**

The relatively high rate of self employment amongst ethnic minorities is reflected in the growing number of small businesses in the UK that are owned/managed by individuals from an ethnic minority group. Recent surveys have suggested that small businesses owned and/or managed by ethnic minorities in the UK make up approximately 7-10% of the total small business stock (Barclays Bank, 2005; BIS, 2008). The characteristics of the small business community in the UK are quite similar to those of most EMBs in developed countries. There is a tendency for a high proportion of micro businesses (over 90%) whose structures range from single person sole traders to family businesses or companies; a very high concentration of EMBs in major urban areas of the country, mainly in London and the West Midlands; and an over representation of EMBs in the service sector, particularly in low entry-threshold business activities such as retail sale and food services (BIS, 2008; Ram and Smallbone, 2003; Ram and Jones, 2008). There is, however, a growing recognition of the significance of EMBs to the UK economy.

According to a recent report by the Ethnic Minority Business Taskforce (2009),

EMBs in the UK make up 9% of all VAT/PAYE<sup>27</sup> registered businesses in the country, contribute between £30bn and £40bn to the national gross value added (GVA) and have a relatively higher propensity for entrepreneurship compared to the White British majority population.

The review of literature and related surveys on EMBs indicates that there is little doubt that they make substantive economic and social contributions to their ethnic communities (e.g. very high levels of co-ethnic employment, catering for specialist tastes and preferences), evidenced by their overwhelming presence in 'limited' ethnic niche markets. However, recent studies (Holford *et al.*, 2009; Ram and Jones, 2007; Deakins *et al.*, 2007; Ram and Smallbone, 2003) have also suggested that EMBs -particularly those owned/managed by second and third generation ethnic minority individuals - are increasingly diversifying into international markets and high value sectors such as banking and finance, business and professional services, ICT, creative and media industries in the UK. This potential for growth and diversity into mainstream markets means that the socio-economic impact of EMBs will extend to the wider UK society. Furthermore, EMBTF (2009) suggests that due to their demographic momentum, high immigration and high propensity for entrepreneurship the population of EMBs in the UK will double in size in some regions by 2020, which is likely to translate into high levels of social and environmental impact on society. Given these factors, the attitude and behaviour of EMB owner/managers in the UK towards social responsibility is an urgent area of investigation.

### **3.7 African and Caribbean Owner/managers**

Having decided on the EMB community in the UK as an important focus for research on small business SR behaviour, it was considered necessary to define the unit of analysis for the research in relation to the specific ethnic minority groups to be focused on, as well as the particular geographical settings and business sectors in which they operate. African and Caribbean owner/managers were chosen as the primary units of analysis in this study because they are the least researched amongst EMBs in the UK (Curran and Blackburn, 1994; Bank of England, 1999; Nwankwo, 2005; Ekwulugo, 2006) and consequently very little is known about how they initiate, manage and grow their network of business and social relations.

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<sup>27</sup> Businesses with a turnover of more than £67,000

In this study, Caribbean group refers to people of mainly African ancestry who migrated to the UK via the Caribbean islands. The migratory history of Caribbean people in the UK is marked by very high inflows driven by work-related migration during the post WWII period between 1948-1962 and significantly lower inflows ever since (Owen, 2003). As was highlighted previously they currently represent the third largest ethnic minority population in the UK and are geographically concentrated in the urban areas of London and to a lesser extent Birmingham and the Midlands region. In general, people from the Caribbean ethnic group perform below the national average and underperform against other ethnic minority groups in the labour market, for example Caribbean men have the highest rate of unemployment amongst all men in the country (ONS, 2004). Likewise, the rate of self employment amongst Caribbean people is below the average for all ethnic groups and below that of all ethnic minority groups except for Africans. They therefore embody the perception of the disadvantaged ethnic minority but not the characteristically high propensity for entrepreneurship that is often associated with ethnic minority groups in the UK. This mirrors the experiences of Africans (defined in this study as people and their children of African ancestry who migrated to the UK via sub-Saharan Africa) who exhibit similar low levels of participation in the labour market and the lowest level of self-employment amongst all ethnic groups in the UK. The pattern of migration of Africans to the UK is characterised by modest inflows dispersed over time up until the 1980s and 1990s when high inflows were driven by a combination of students, asylum seekers and work migrants that has led to the doubling of their population between 1991 and 2001 (Owen, 2003). African populations exhibit similar spatial residential concentration to Caribbean people, with 78% resident in mostly deprived inner city areas of London and the remainder being mainly concentrated in the west midlands conurbation of Manchester and Birmingham.

Despite similarities in the social and economic profile of African and Caribbean ethnic groups in the UK, they are nonetheless heterogeneous in character. According to Jones *et al.* (1993) ethnic minorities in the UK are a heterogeneous group that are characterized by different social, cultural and economic values, beliefs and behaviour. Similarly, Agymang *et al.*, 2005 state that African and Caribbean people in the UK are characterised by different migratory histories, culture, language, diet, customs and beliefs, which distinguish them from each other. Although the ancestry of both groups can

be traced back to Africa, Caribbean people are several generations removed from the African continent and its present day cultures and traditions, to such an extent that people who migrate from the Caribbean to the UK have distinct cultural features<sup>28</sup> that are identified as "Caribbean" (e.g. food, music, and cultural traditions such as street carnival) (Hall, 2001) and social configuration (e.g. relative preponderance in mixed ethnic households) that set them apart from other ethnic groups including Africans (Peach, 2005; Muttarack and Heath, 2010). This cultural difference is again evident in EMBs owned/managed by African and Caribbean individuals that are in part differentiated by their presence in particular niche markets that cater specifically to the cultural needs and preferences of their individual ethnic group.

It is however important to point out that little is known about the characteristics, structures and evolution of African and Caribbean business owner/managers as they remain relatively under-researched even amongst ethnic minority groups in the UK (Curran and Blackburn, 1994; Bank of England, 1999; Nwankwo, 2005; Ekwulugo, 2006). However, what is known about them is that they are in proportional terms less in number and less prominent than Asian and Chinese owned/managed businesses (Smallbone *et al.*, 2003). In the limited literature on EMBs that refers to African and Caribbean owner/managers (e.g. Barrett *et al.*, 1996; Ram *et al.*, 2003; Smallbone *et al.*, 2003) they are often represented as the under-class of the ethnic minority business community in the UK, with limited structural opportunities and/or socio-cultural resources to promote entrepreneurship within the groups. According to some commentators (Basu, 1998; Ram *et al.*, 2003) it has been repeatedly suggested in the EMB literature that, unlike Asian and Chinese entrepreneurs, African and Caribbean business owner/managers lack the necessary cultural resources, values and traits necessary to be successful entrepreneurs. The premise is that African and Caribbean ethnic groups are not culturally disposed to entrepreneurship and that the familial and kinship networks in which African and Caribbean owner/managers are embedded is inherently deficient in particular kinds of social capital (e.g. low-cost family and co-ethnic labour) that engenders and sustains entrepreneurial activity and this is reflected in their low rates of business ownership. Barrett *et al.*, (1996:788) go as far as suggesting that,

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<sup>28</sup> It is however recognised that cultural similarities still exist between Black Caribbean and Black Africans

“African Caribbeans have in effect suffered cultural genocide through slavery and transportation, an existential vacuum which has profoundly destructive and lasting implications for sense of identity, individual self-esteem and image of the group in the eyes of non-members. From the specific entrepreneurial perspective, this historical legacy would be assumed to express itself in all manner of negative forms - weak family and community structures, lack of individual motivation and self-confidence - all areas in which Asians are assumed to be strong.”

However, these sorts of arguments in the EMB literature are largely based on stereotyping, conjecture and unsubstantiated claims, which explicitly discount the contextual, temporal and heterogeneous nature of African and Caribbean businesses and their owner/managers (Ram, 1997). Thus other commentators like Basu (1998) and Ram and Smallbone (2001) argue that these sorts of cultural explanation are overly simplistic and limited, as in reality individual circumstances are complex and as such other factors relating to the institutional environment in which businesses are embedded should be considered. This view is also held by those (e.g. Ram *et al.*, 2003; Smallbone *et al.*, 2003) who argue that Africans and Caribbeans owner/managers experience undue difficulties in accessing opportunity structures (e.g. start-up capital, overdrafts and other forms of business support) in society as the reason for their limited business ownership. Ram *et al.*, (2003:677) state that,

“African-Caribbean business owners appear to have less success in accessing bank loans than either their white or other ethnic minority counterparts, a higher propensity turn to non-bank formal sources of start-up finance (including various sources of last-resort lending), and a below-average propensity to access informal sources of start-up capital (at least in comparison with other ethnic minority groups). In addition, established African-Caribbean businesses experienced lower success rates in accessing external finance compared with other established firms and a much higher propensity to report future financial needs than other ethnic minority businesses or white control firms.”

Although there is no evidence from these studies -at least not from sources other than ethnic minority owner/managers themselves- to suggest a systematic attempt by financial institutions to discriminate against African and Caribbean or any other ethnic minority groups (Ram and Smallbone, 2001), nonetheless, perception appears to be a more significant factor than reality in this circumstance (Bank of England, 1999:26) as African and Caribbean owner/managers express a greater level of disinterest towards accessing financial and business support than any other ethnic minority groups (Smallbone *et al.*, 2003; Nwankwo *et al.*, 2010).

The preceding arguments, while contentious, serve to underline the perceived context in which African and Caribbean owner/managers in the UK are embedded, which portray them as noticeably different from the rest of the EMB community. It therefore follows that examining their attitudes, perceptions and responses to issues of social responsibility will present useful insights into the social construction of the concept within the rather complex and heterogeneous small business community in the UK.

### **3.7.1 Selecting Case Study Business Sectors**

Small business behaviour and culture is often influenced by the business sector in which they operate (see Curran and Blackburn, 1994) and as such Spence (1999, 2007) argues that the business sector context in which small businesses are embedded plays an important role in shaping their behaviour towards social responsibility. African and Caribbean owned/managed businesses, similar to other EMBs are over represented in low-value economic activities in the service sector. While there is some evidence that they may have begun to diversify into high-value service sector activities (e.g. Banking and Finance, ICT, professional services, etc) they still remain less visible and sparsely concentrated in these areas (Ram, 1997; Ram *et al.*, 2003).

The food retail and hair and beauty business sectors were chosen primarily because both African and Caribbean owner/managers are known to concentrate in these areas of economic activity and are far more dispersed in others (Ram and Jones, 2008; Ram, 2003; Nwankwo, 2005; McEvoy and Hafeez, 2009). Like most low-value economic activities in the service sector, food retail and hairdressing activities are similar in terms of the low entry requirements for business start-up and the tendency to cluster in urban areas (Bryson *et al.*, 1997; Keeble and Nachum, 2002); in addition, both are

particularly amenable to niche markets with culturally specific tastes and preferences. However, since different business sectors embody different types of business activities, practices and culture that are likely to have different impacts on society and the environment, and typically experience dissimilar levels of institutional regulation and control (Curran and Blackburn, 1994; Tilley, 2000). The two sectors selected therefore represent useful contrasting contexts in which to examine whether the experiences, values and practices of social responsibility amongst African and Caribbean owner/managers are shared or different across the business sectors in which operate.

### **3.7.2 The Study Areas**

The urban areas of London and Nottingham were chosen as the geographical locations for conducting this research. These particular study areas were chosen to provide a contrast in terms of the key characteristics of the groups and issues under study, particularly in relation to the extent, history and nature of African and Caribbean business development in the two areas. It was adjudged that the breadth and depth of the socio-economic, institutional and transnational networks of African and Caribbean small business owner/managers in the cosmopolitan city of London would be significantly different from those of the provincial city of Nottingham and that institutional arrangements would also differ. Furthermore it was proposed that these contrasts would help investigate the role of geography in shaping how owner/managers perceived and practiced social responsibility. This section presents a profile of these two cities, highlighting the social and economic characteristics that underscore their suitability as areas to carry out the study.

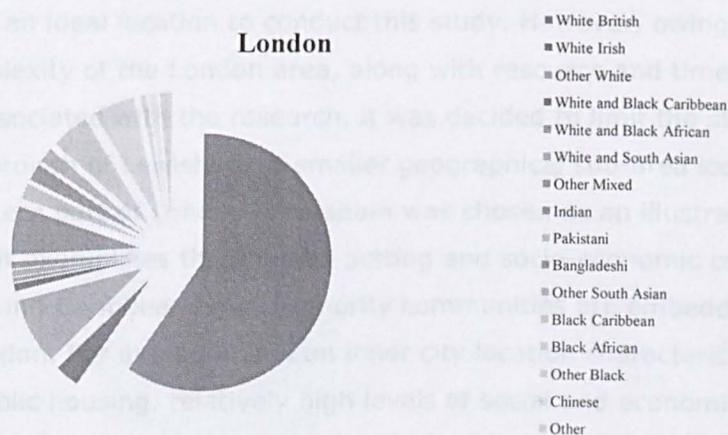
The conurbation of London<sup>29</sup> is located in the south eastern region of the UK. It covers a geographical area of 1,579 km<sup>2</sup> enclosed by a growing number of satellite towns in the South East and South West regions of England with the River Thames running through the middle dividing the city into north and south London. For administrative purposes the London Government Act of 1963 divided the city into inner London, consisting of 12 boroughs bordering the River Thames and outer London made up 20 boroughs. London is the largest conurbation in the United Kingdom with a population of over 7 million; it accounts for 12.2% of the total population of the UK in 2001. There were more women (51.6%) living in London in 2001 than there were men (48.4%)

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<sup>29</sup> London refers to the Greater London authority area made up of 32 boroughs and the city of London.

and recent population estimates indicate that trend is expected to continue (ONS, 2009). It has a relatively young population with 12.45% of its population aged 65 and over compared to the UK national average of 15.9% which is largely as a result of the high levels of education and work related international migration (Rees and Butt, 2004). London's population is also the most ethnically diverse in the UK (see Figure 3.5), with 28.9% of its residents described as belonging to non-white ethnic groups and African and Caribbean people accounting for 5.3% and 4.8% of its population respectively (ONS,2001). However, much of London's ethnic minority population is concentrated in its inner city areas that are noted for their high levels of poverty, deprivation and social exclusion (Hamnett, 2003).

**Figure 3.5 Graphical Representation of the Ethnic Diversity of London, 2001.**



**Source: ONS, Census (2001)**

London is widely regarded as the economic capital of the UK and an international hub for trade in financial services and products. However as Hamnett (2003) points out its economy, up to the 1960s, was largely based on light manufacturing industries with a third of its employment drawn from this sector. It has since evolved into a service-based economy that is characterized by a dwindling manufacturing sector and an ever-expanding<sup>30</sup> service sector of high value, specialist financial and business service activities that contribute the largest share to its economy in terms of economic growth and productivity. It is estimated that London's share of GVA in 2007 was approximately 19% and 15% of total employment in the UK; earnings in London have consistently remained the highest in the country and its service

<sup>30</sup> The expansion of the service sector is likely to have slowed as a result of the global recession of 2007.

sector accounts for just over 85% of all employment in London<sup>31</sup>. Its status as a 'global' city with international businesses and a skilled cosmopolitan workforce is often cited as one of the reasons for its economic performance (Beaverstock and Smith, 1996). The contribution of London's ethnic minority population to its economy is often discussed in terms of the human capital that they provide to the various high and low value economic industries in the city as well as the contribution they make as entrepreneurs creating jobs and providing goods and services (Smallbone *et al.*, 2005). The London Development Agency estimates that there are 66,000 ethnic minority owned businesses in London and 93,000 self employed people from ethnic minority groups, with a sales turnover of £90 billion and over half a million employees (LDA, 2005). Even so, these impressive figures have been described by EMB stakeholder groups as significantly understating the size of London's EMB community (Nwankwo *et al.*, 2010). Based on the above, London was considered as an ideal location to conduct this study. However, owing to the size and complexity of the London area, along with resource and time constraints associated with the research, it was decided to limit the study to the London borough of Lewisham, a smaller geographical sub-area located in the south eastern part of London. Lewisham was chosen as an illustrative case because it exemplifies the physical setting and socio-economic context in which African and Caribbean ethnic minority communities are embedded in the city of London. For example, it is an inner city location characterised by low quality public housing, relatively high levels of social and economic deprivation and an over representation of ethnic minorities, particularly African and Caribbean groups who make up 23% of its population (ONS Census, 2001).

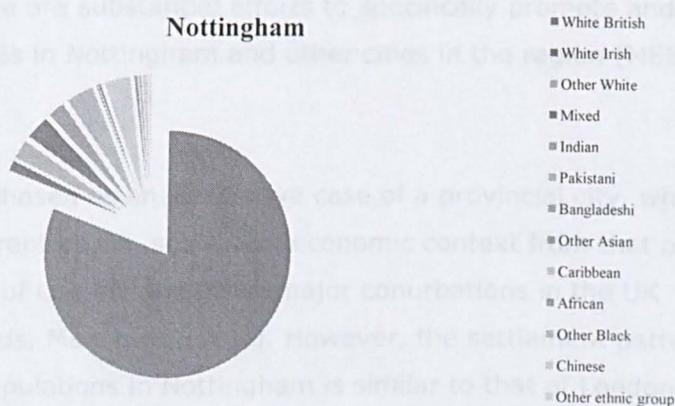
In comparison to the cosmopolitan city of London, Nottingham is a provincial city, the county town of Nottinghamshire, situated in the East Midlands region of the United Kingdom. It covers an area of 74.61km<sup>2</sup> located approximately 130 miles north of London, close to the midland cities of Leicester, Loughborough and Derby, with the River Trent at its southern border. The city is divided into 20 administrative wards with the city centre as its core represented by three tiers of elected government at the local, national and European levels of governance. According to the 2001 national census, the population of the city was 286,400, while the population of Nottingham Urban

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<sup>31</sup> London's Place in the UK Economy, 2008-09. A report by the London School of Economics. Published by City of London Corporation, October, 2008

Area was 666,358, making it the largest urban area in the region but only the seventh largest in the UK. The city has a relatively younger population than the national average (with 37.9% aged under 25 against the national average of 31.2%), largely due to the large number of students attending Nottingham's two universities, with full time students accounting for 12.3% of the city's population (ONS Census 2001). The population of Nottingham is relatively ethnically diverse with 15.1% of the population coming from non-white ethnic groups but with its African and Caribbean community making up only 0.48% and 3.44% of its population respectively (see Figure 3.6). Like in most cities in the UK, ethnic minority populations in Nottingham are concentrated in particular wards (Berridge, Radford and Park, St Ann's, and the Arboretum) close to the city's business district and much less representation in wards in the outer areas of the city.

**Figure 3.6 Graphical Representation of the Ethnic Diversity of Nottingham, 2001.**



**Source: ONS, Census (2001)**

Nottingham's economy was largely based on the textile industry, most notably lace production, during the late 1800s and later on, bicycle and pharmaceutical production. However, manufacturing in Nottingham has since declined in the 1970s and 1980s, while its service sector has grown and emerged as the dominant component of its economy. In 2001 the service sector accounted for 76.7% of total employment in Nottingham, while manufacturing was responsible for 15.2% and construction 6.4% (ONS, 2001). Key elements of Nottingham's economic profile in the 2001 census are stated below:

- The rate of economic activity in Nottingham was 57.9%.
- There were 53.2% of men and 47.5% of women, of working age in full time employment.
- There were 13.1% of men and 5% of women in self employment.
- The rate of unemployment (measured as unemployed people against the number of economically active) was 9.7%.

In 2008 there were 181,400 workplace jobs in Nottingham with the service sector responsible for 87.5% of these (ABI, 2008). According to the Greater Nottingham Economic Review (2009) GVA for the city was £7.5 billion in 2007 and GVA per capita was £26,100 (in comparison to the England average of £20,500 per capita). The contributions of Nottingham's ethnic minority population to its economy in relation to self-employment and/or business ownership are relatively unknown as there are no available historic or current data on their participation. Nonetheless, their importance as a growing business cluster has been recognised by policy makers in the East Midlands region where there are substantial efforts to specifically promote and support the growth of EMBs in Nottingham and other cities in the region (MEEM, 2005).

Nottingham was chosen as an illustrative case of a provincial city, which represents a different urban, social and economic context from that of the cosmopolitan city of London and other major conurbations in the UK (Birmingham, Leeds, Manchester, etc). However, the settlement pattern of ethnic minority populations in Nottingham is similar to that of London, with ethnic minority groups concentrated in inner city areas with high levels of economic and social deprivation. Nonetheless, the scope and character of the ethnic minority networks in the study areas are likely to be different given that in 2001 ethnic minorities in Nottingham made up only 15.1% of the total population (compared to 28.9% in London and 33% in Lewisham) with African and Caribbean groups making up only 3.92% (ONS Census, 2001). The choice of more than one site for this study was primarily informed by the desire to investigate the influence of cultural and socio-economic disparities and similarities across different geographical locations, on the socially responsible behaviour of respondents. Consequently, carrying out the study in two sites enables the mapping of shared meanings, attitudes and practices of social responsibility amongst owner/managers across the two different geographical locations. Likewise, adopting a multi-site approach supports investigations

into the likelihood of the research findings being transferred across analogous settings and contexts. The areas of London and Nottingham therefore offer different settings in which to explore spatial and contextual comparisons in the meanings, perceptions and practices of social responsibility as described and observed amongst African and Caribbean small business owner/managers. These comparisons can also be explored in terms of differences in the breadth and character of social, economic and institutional networks in the study areas, whilst investigating whether and how they influence the socially responsible behaviour of study participants.

In the next chapter, a detailed description of how this research was carried out is outlined in terms of the methodology and methods of data collection and analysis.

# CHAPTER FOUR

## RESEARCH METHODOLOGY AND METHODS

### 4.1 Introduction

The central objective of this study is to examine attitudinal and behavioural issues pertaining to social responsibility within the small business environment, with particular reference to owner/managers in the ethnic minority business community in the UK. However for empirical research in this area to provide a critical and scholarly account of how owner/managers comprehend this phenomena and what they actually do in practice, an appropriate methodology and methods of investigation are required (Spence, 1999; Spence and Rutherford, 2001; Sweeney, 2007). The methodological framework underpinning this study is based on principles from within the interpretative tradition of research that expounds the subjective nature of reality and the social construction of knowledge (Sarantakos, 1997; Bryman, 2004; Saunders *et al.*, 2007) to guide the conduct of the research process, the techniques and process of data collection and subsequent analysis. The objectives of this chapter therefore are to outline the theoretical foundations upon which the research is based, outline methods used and how they are deployed. The chapter is therefore divided into four sections, the first of which describes the principles of the interpretative methodological theory and the rationale behind its selection as the most appropriate framework for delivering the research aims and objectives. This will be followed by discussions of the rationale for adopting the qualitative research methodology and the use of semi-structured interviews and participant observation methods to collect data, as well as related issues of research ethics and the positionality of the researcher. Finally, the chapter explains the process of data collection through to analysis, as well as attendant issues of the reliability and validity of the data gathered.

### 4.2 Methodological Traditions

The methodological framework that guides the structure, process and direction of any research agenda, in terms of the sources and type of data to be acquired and the techniques of collection, processing and analysis employed, is essentially embedded in and influenced by the ontological

(assumptions about the nature of social reality) and epistemological (means of gathering knowledge about social reality) orientation of the researcher (Grix, 2004: 30-31). Generally speaking, there are several methodological theories and perspectives (e.g. positivism, interpretivism, symbolic interactionism, phenomenology, feminism, and critical sociology) which provide the theoretical foundations for most of the methodologies commonly employed in the study of social phenomena, as well as influencing the manner in which research is undertaken (Bryman, 2004; Miller and Brewer, 2003; Grix, 2004; Sarantakos, 1997). Two methodological paradigms, in particular, have influenced the structure and development of research in the social sciences, namely; positivism and interpretivism.

The positivist paradigm is based on an ontological orientation that presupposes that the nature of social reality is ordered and governed by fixed universal laws, patterns and regularities, causes and consequences (Denscombe, 2002:14). Positivists believe that the character of social reality is independent of human perception and interaction, as social reality is objective, unchanging and can be understood equivalently by all those who experience it (Guba and Lincoln, 1998; Grix, 2004; Miller and Brewer, 2003). Positivism is therefore based on the supposition that human beings are rational and their understanding of social reality is external and measurable using structured techniques, models and practices of the natural sciences (Sarantakos, 1997; Denscombe, 2002). Similarly, the epistemological position held by the positivist school of thought is that knowledge of the social world can be derived from the human senses, as the observation and experience of social reality can be objectively recorded and described as fact (Grix, 2004; Sarantakos, 1997). The positivist paradigm therefore emphasises objectivity and empiricism in the production of knowledge, considering the process by which social reality is experienced and understood to be value-free, unspoiled by the meanings and speculations of human beings (Creswell, 2003; Miller and Brewer, 2003; Denscombe, 2002).

The interpretive paradigm takes a different and contrasting theoretical position to positivism, with respect to the nature of reality and how knowledge of it can be acquired (Bryman, 2008; Henn *et al.*, 2006). The ontology of the interpretive paradigm is grounded in the assumption that reality is socially constructed through the perceptions, values and experiences of human beings and as such its meaning and interpretation are neither predetermined or homogeneous but fluid and changing (Grix, 2004; Bryman, 2001). The

interpretive paradigm therefore presupposes that "there is a fundamental difference between the subject matter of the natural sciences and the social sciences and that an epistemology is required that will reflect and capitalise upon this difference" (Bryman, 2008:16). The epistemology of the interpretive paradigm therefore rejects the a priori approach of positivism, arguing instead that knowledge of social reality can best be gained through the complex meanings, interpretations and values that both research subjects and researcher assign to them (Bryman, 2001). Thus, interpretativism is primarily concerned with the creation of meaning within particular contexts and how subjective interpretations of social phenomenon are translated into social action (Schwandt, 2000; Baker, 2001; Spiggle, 1994) whilst taking into consideration the belief that participants are not neutral or impartial observers but react to the methodological process and to the knowledge produced by the process (Grix, 2004; Denscombe, 2002; Sarantakos, 1997).

It is clear therefore that the positivist and interpretive paradigms proffer competing perspectives on the role of science, the purpose of social research, the nature of social reality and possible ways of acquiring knowledge about social truths (Sarantakos, 1997; Bryman, 2001). (See a summary of the core principles and viewpoints held by positivists and interpretivists in Figure 4.1). These different paradigms thus embody different perspectives of thinking about the world around us and the different ways of collecting, treating and analyzing research data (Miller and Brewer, 2003). Consequently, the researcher has to have a clear understanding of his or her ontological and epistemological position and its influence on their choice of an appropriate research methodology and methods (Grix, 2004; Silverman, 2000). While a wide ranging review of the academic debates on the significance and application of particular research paradigms and methodologies is beyond the scope of this chapter, it is important to highlight the theoretical background of the research methodology and methods adopted in this study.

**Figure 4.1 Positivist and Interpretivist Paradigms**

| <b>POSITIVISM</b>  | <b>INTERPRETIVISM</b>  |
|--|--|
| <ul style="list-style-type: none"> <li>• The social world is best explained in terms of cause and effect (ontology).</li> <li>• There is a presumption that there is an objective reality "out there" waiting to be discovered (ontology).</li> <li>• There exists a "unity of methods" to reveal and analyse the reality of social life. i.e. the scientific method is applicable to all subjects, areas, topics across all disciplines.</li> <li>• Theories and explanations have no credibility unless based on observations.</li> <li>• Social research needs to use the appropriate tools and techniques to discover and examine the patterns and regularities in the social world. These tools and techniques must not interfere with or influence the observed reality.</li> <li>• In the process of discovering fact both the human observer and the techniques for measurement are neutral and can be controlled. The researcher is expected to retain a detached, impartial position in relation to what is being observed.</li> </ul> | <ul style="list-style-type: none"> <li>• Social reality is something that is constructed and interpreted by people rather than something that exists objectively "out there" waiting to be observed (ontology).</li> <li>• Humans react to the knowledge that they are being studied (epistemology).</li> <li>• Humans react to the knowledge produced by being studied. e.g. if research leads to certain predictions, those with influence, responsibility and vested interests might react to the knowledge and actively take steps to ensure that the prediction does not become a reality.</li> <li>• It is not possible to gain objective knowledge about a social phenomenon because values and expectations of those undertaking research will always influence the outcome (epistemology).</li> <li>• Researchers cannot claim to be objective because explanations are inevitably influenced by researchers' expectations and conceptions of the social world.</li> <li>• There is always scope for alternative and competing explanations, each of which can claim validity. i.e. interpretivists' accounts are always open to the possibility that another researcher might see things differently and produce a different account.</li> </ul> |

**Source: Adapted from Denscombe (2002:14-15)**

### **4.3 Underpinning Methodological Theory**

Given that the central focus of this research is to understand how the phenomenon of social responsibility of business is subjectively perceived and practiced by particular social actors, an appropriate methodological theory that allows for diverse interpretations, understandings and discoveries of this social phenomenon is therefore of primary consideration. The methodological framework of this study is therefore based on the theoretical imperatives of the interpretive paradigm, which describes a worldview where reality and the knowledge of it is socially constructed through the subjective perceptions and experiences of social actors (Bryman, 2001; Denzin, 2001; Grix, 2004). This

methodological perspective was adopted primarily because it is underpinned by ontological and epistemological foundations that are congruent with the central focus of this thesis and provides a valid framework that can be employed to derive information of the kind suitable for answering the research questions. The ontological position of the interpretive paradigm is grounded in the assumption that the existence of social reality and its meaning are inextricably linked to, and socially produced through the everyday experiences, knowledge and contexts in which social actors are embedded (Grix, 2004; Bryman, 2001). As Sarantakos states,

“Reality is not ‘out there’ but in the minds of people; reality is internally experienced, it is socially constructed through interaction and interpreted through actors, and is based on the definition people attach to it” (1997: 36)

This theoretical perspective of the nature of social reality has resonance with the phenomenon of social responsibility within the small business environment, which has been described as unpredictable, contested and socially constructed. According to Dahlsrud (2008), current research findings indicate that the definition of the social responsibility of business is neither given nor universal but rather fluid and changing depending on the specific context in which it is experienced and discussed (see Chapter 2 for details) Therefore, understanding the phenomenon of social responsibility requires an interpretive ontology, which prioritises the agency of social actors and the interpretations that they give to their perception and experience of social reality. The interpretive ontology also acknowledges that these meanings emanate from the particular context(s) in which social actors are embedded (Miller and Brewer, 2003; Henn *et al.*, 2006) and is construed “against a backdrop of shared understandings, practices, language and so forth” (Schwandt, 2000: 197). Thus social phenomena like social responsibility, are constantly being produced and reworked through human interactions, they are not ‘value-free’ but embedded in the points of view, values and experiences of human actors (Sarantakos, 1997: 36; Cohen *et al.*, 2007). Another equally important reason for adopting an interpretive perspective in this research is its epistemological stance, which would as a rule, regard knowledge of the phenomenon of social responsibility as best obtained and understood through the perceptive meanings, interpretations and values social actors give to their experiences of the phenomenon (Cohen *et al.*, 2007; Grix, 2004). The interpretivist epistemology assumes that research

subjects and researchers are not wholly objective observers of the process of knowledge construction as their expectations and conceptions of the social world inevitably influence explanations and meanings attributed to social phenomena (Henn *et al.*, 2006; Miller and Brewer, 2003; Bryman, 2004). Similarly the interpretative philosophy assumes that all individuals (including researchers and participants) actively interact with their social environment in such a manner that they exert influence on it and are in turn affected by it (Sarantakos, 1997). It is within these sets of multiple interactions between individuals and their social environments that meanings and patterns of social action are created and can be observed by the researcher. Thus, the interpretative approach presents a suitable framework for investigating the phenomenon of social responsibility and the various contextual influences on patterns of socially responsible behaviour in business by interacting with individuals and engaging with how they perceive, experience and explain their social actions within the contexts in which they are embedded. This research project therefore adopts the a posteriori approach of the interpretivist tradition, which posits that knowledge of the social world cannot be known through the senses alone, nor can it be rationally measured and quantified. Rather understanding the different meanings and interpretations social actors ascribe to their observations and experiences of reality is a more important frame of reference (Grix, 2004; Sarantakos, 1997; Henn *et al.*, 2006).

#### **4.4 Adopting a Qualitative Methodology**

Having set out the philosophy underpinning of this research, the next step was to decide on an appropriate methodology that outlines a framework of principles that were used to guide and manage the conduct of the study. According to Miller and Brewer (2003) methodology is central to all forms of knowledge building as it provides the means by which understanding is formed through a widely accepted structure of enquiry and inference. It is a set of conventions and measures rooted in particular epistemological and ontological worldviews on the construction of knowledge, and represents a basis against which the reliability and validity of research results and conclusions can be assessed (Miller and Brewer, 2003). Quantitative and qualitative methodologies are the two most widely accepted research frameworks in the social sciences that emanate from the different ontological and epistemological foundations of positivist and interpretative philosophies of

knowledge investigation and construction (Bryman, 2004; Miller and Brewer, 2003; Denscombe, 2002; Sarantakos, 1997).

In social science research, quantitative methodology presupposes social reality to be a set of universal and unchanging truths, the knowledge of which can be discovered by rational and objective human beings whose understanding of social reality is external and measurable using structured techniques of physical science models (see Sarantakos, 1997; Bryman, 2001; Denscombe, 2002). It adjudges the central relationship between theory and research to be that of theory testing through deductive processes and subsequently emphasizes quantification in the collection and analysis of data, and the generalisation of results that are structured, static and given (see Denscombe, 2002; Miller and Brewer, 2003; Grix, 2004). In contrast, qualitative methodology adopts an interpretative epistemological approach to knowledge creation as the discovery of meanings, values and experiences that social actors attribute to their actions, based on the supposition that social reality is created and recreated by human beings (see Bryman, 2001; Denscombe, 2002). It takes the view that knowledge in the social domain is not given and external, rather it is context and culture specific (Sarantakos, 1997; Marshall and Rossman, 2006). Thus theory building using inductive processes is central to the qualitative approach to research, which generally adopts less structured techniques to produce or reproduce results in similar cases, situations or conditions (see Grix, 2004; Bryman, 2004). A more detailed outline of the differences between these two research methodologies has been described by Grix (2004) and is set out in Table 4.2 below;

**Table 4.1 Contrasting Characteristics of Quantitative and Qualitative Methodologies**

| Quantitative Methodology                               | Qualitative Methodology   |
|--|---|
| Interested in finding out numerical qualities of an    | Interested in the nature and essence of and event, person or case.            |
| Goal of investigation is prediction, control,          | Goal of investigation is understanding, description, discovery and hypothesis |
| Uses hard data (numbers)                               | Uses soft data (words or images from documents or observations, etc)          |
| Objective  | Subjective  |
| Usually tackles macro issues, using large, random and  | Tends to analyse micro issues, using small non-random and non-                |
| Employs a deductive research                           | Employs an inductive research strategy  |
| Its epistemological orientation is argued to be        | Its epistemological orientation is argued to be rooted in the interpretative  |
| Aims at identifying general patterns and relationships | Aims at interpreting events of historical and cultural significance           |
| Measures are created prior to data collection and are  | Measures are created during interaction with data and often specific to the   |
| Survey methodology                                     | Interviews (in-depth case study)  |
| Procedures are standard                                | Research procedures are particular,   |
| Value free   | Political   |
| Abstract   | Grounded  |
| Concepts are in the form of                            | Concepts are in the form of themes and  |
| Findings attempt to be comprehensive, holistic and     | Findings attempt to be precise, narrow and illustrative                       |

**Source: Adapted from Grix (2004:122)**

It therefore follows that quantitative and qualitative approaches imply social investigations in contrasting ways as they have dissimilar views on what represents valid and reliable knowledge (Bryman, 2004). They embody two different perspectives of thinking about the world around us and thus different ways of collecting, treating and analyzing research data (Miller and Brewer, 2003).

Qualitative methodology is adjudged to be the most appropriate framework for conducting this investigation primarily because it best aligns with the ontological position of this research in relation to the interpretative nature of social reality and its epistemological stance on knowledge creation as based on the subjectivity of human perception and experience of social phenomenon. According to Winchester (2000: 1022),

“Different people experience the same events and places differently and giving voice to the experiences of individuals allows viewpoints to be heard, which may otherwise be silenced or excluded”

Since this study is concerned with identifying and understanding the beliefs, attitudes, behaviour and relationships of participants that embody socially responsible business behaviour, the nature of the research problem requires a qualitative approach that draws out people's mind-sets, explanations and experiences of the social phenomenon, within the context of which individuals are a part (Creswell, 2003; Bryman, 2008). Similarly, the qualitative approach to problem solving is interpretative and descriptive in character, largely concerned with describing social actors and events in their cultural context, in an attempt to understand culturally sensitive patterns of social action and the meanings that participants attach to them (Sarantakos, 1997; Marshall and Rossman, 2006). It is therefore best suited to provide answers to the research question as it will generate data that are descriptive, contextual and culturally specific, which would otherwise be difficult to access using a quantitative approach (Grix, 2004; Flick, 2006). A qualitative methodology also facilitates an exploratory but in-depth examination of contextually generated patterns of social action through the use of multiple data sources, rich textual descriptions and iterative research design (Maxwell, 2005), which is congruent with the inductive nature of the research problem. It is therefore more useful than a quantitative approach in the investigation of complex social questions with variable cultural and contextual undertones that necessitate theory building and/or exploring new areas of research (Denscombe, 2002; Creswell, 2003).

There are therefore several merits to adopting a qualitative research strategy in this study, not least of all the generation of contextually rich descriptions of patterns of social behaviour and relationships that embody the idea of social responsibility. However, adopting a qualitative approach to social science research does raise a number of concerns and criticisms, chiefly from quantitatively oriented social scientists, who argue that there are significant limitations to the accuracy and soundness of results that emerge from such a research process. They cite reliance on exploratory, subjective and 'unscientific' approaches that adopt irregular and unsystematic processes of data collection as problematic because findings are susceptible to bias and even conscious and unconscious manipulation (Silverman, 2000; Sarantakos, 1997). In general these criticisms are based on quantitative philosophies of the positivist tradition which perceive reality to be static and not fluid or influenced by the perceptions and values of social actors (including researchers) and as such may be regarded as an incompatible comparison. However, amongst qualitative researchers there is also concern about the lack

of rigour and transparency in the evaluation of qualitative research (see Lincoln and Guba, 1985; Baxter and Eyles, 1997; Bailey *et al.*, 1999). A review of the critique by Baxter and Eyles (1997) identified concerns relating to the credibility, transferability, dependability and confirmability of the qualitative research process. Credibility relates to the descriptions that emerge out of qualitative research, in particular whether these narratives would be immediately recognisable to the respondent and researcher and whether the wider academic and lay communities can make sense of them. While there are some similarities to internal validity in quantitative research, validity in qualitative research is less concerned with establishing 'truths' and more to do with the plausibility of the different interpretations that emerge from a study to others beside the researcher. Other concerns relate to a lack of appreciation for the nomothetic elements of research findings and their transferability across corresponding contexts, as too often qualitative researchers are wholly focussed on the time, setting and people of a particular study and their idiographic descriptions and explanation. It has therefore been suggested that qualitative researchers should take into consideration the possibility of shared meanings emerging out of their research and evaluate the extent to which such findings are transferable beyond a single case. Similarly, the dependability of qualitative interpretations in terms of consistency across space and time is also of concern, as research designs often do not accommodate changes across research contexts and perceptions of respondents during the course of a research. Similar to concerns of reliability in quantitative research, dependability relates more to the consistency of descriptions and interpretations across the research setting, rather than the research design. Qualitative researchers have been criticised for not building into their research design, mechanisms for ensuring an objective third-party audit of their findings can be achieved. The confirmability of qualitative interpretations via a transparent audit trail of the research process is considered necessary to establish the extent to which interpretations are drawn from respondents' narratives and the research context and not by the subjective interests of the researcher. (Baxter and Eyles, 1997: 512-17). It is therefore necessary that these issues are taken into consideration in the design of qualitative research in order to demonstrate its rigour and trustworthiness.

## **4.5 Research Methods**

Having argued for a qualitative methodology as a suitable research strategy for studying the contested, contextual and socially constructed phenomenon of social responsibility, this study will also require the use of research methods to collate and analyse relevant data to answer the research questions. Research methods refer to specific techniques and tools, which are deployed during research within the framework of a chosen methodology to collect and analyse relevant data to solve a research problem (Creswell, 2003; Grix, 2004).

In order to facilitate a qualitative and interpretative approach to data collection, two different qualitative methods, namely qualitative *semi-structured interviews* and *participant observation*, were employed to investigate the research problem. The decision to use both semi-structured interviews and participant observation techniques in this study was to allow for the collection of two different but complementary sets of information about the research problem. Atkinson and Coffey (2002) argue that participant observation and semi-structured interviews are different forms of social encounter, which generate different narratives that give rise to specific versions of social analysis that may be complementary or contradictory. The use of more than one qualitative method therefore ensures that thicker and richer descriptions of socially responsible business behaviour are produced through the research process than would have been achieved with a single method as well as offering different perspectives on the phenomenon and better opportunities to understand its complexities (Silverman, 2000). Using more than one method also strengthens the reliability of the research process through triangulation of data sources and methods, which also complement the weaknesses and strengths of each method employed in the study (Silverman, 2000; Bryman 2001; Grix, 2004). A description of the strengths and weakness of these methods and their suitability for this study is set out in the following sections.

### **4.5.1 Semi Structured Interviews**

A qualitative interview is a social and verbal interaction where an interviewer or researcher attempts to extract information from another person by asking questions (Longhurst, 2010: 117). It is a data collection technique that uses dialogue and talk with respondents to generate rich and detailed data about a

phenomena as well as the social context from which it emerges (Valentine, 2005). In general, qualitative interviews can be described as semi-structured or unstructured depending on the degree of flexibility incorporated into the design and the agency accorded to respondents to define the research topics under investigation (Bryman and Bell, 2007). The semi-structured interview method is characterised by a loosely structured and flexible design<sup>32</sup> that facilitates focused, conversational, two-way communication between interviewer and interviewee and which reflects the interests of the researcher as well as allowing for the exploration of new themes and ideas that emerge from the narratives of respondents during the course of the interview (Cochrane, 1998; Crang, 2002; Valentine, 2005; Longhurst, 2010). According to Gubrium and Holstein (2002) the design of semi-structured interviews requires all interviewees to respond to specific issues of interest to the research, but they are also informal enough to accommodate interviewees views on issues that they consider pertinent to the research topic and have thus been described as “a conversation with a purpose” (Lincoln and Guba, 1985: 268). They are therefore considered to be a very useful technique for gathering qualitative data, by using dialogue and talk to explore how individuals experience, interpret and respond to particular social phenomenon and their interpretations of past events as embedded in the anecdotes and narratives that emerge during conversations (Winchester, 2000; Valentine, 2005). The strengths of this technique are that it generates a rich depth of information that is on the whole a reflection of interpretations, meanings and values (including those that are unanticipated by the research) that are contextually and culturally relevant to the respondent and as such are of both descriptive and explanatory value to the research. The decision to use semi-structured interviews in this study was therefore useful, given the nature of the research questions, to allow African and Caribbean small business owner/managers to describe their understanding, views and practices of social responsibility with as much or as little detail as they thought appropriate. Semi-structured interview data allow for a broad understanding of respondents’ understandings of, and dispositions towards social responsibility and also provides detailed descriptions of actual practices, barriers and motivations, as well as an insight into key relationships that help to shape their behaviour. However, instead of using a completely unstructured technique, it was considered necessary to guide the flow of interviews by

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<sup>32</sup> Distinguished from unstructured interviews that operate with very little direction from the researcher, with the focus of the interview largely dictated by the interviewee and structured interviews that are largely controlled by the interviewer with the use of closed questions

focusing on specific aspects of the research problem to allow owner/managers to then discuss their views, experiences and actions, as well as explore underlying motivations and relationships, in relation to these.

It is however important not to treat the data that emerges from semi-structured interviews as unproblematic accounts of social reality as such accounts are subjective interpretations of historic events and may be socially desirable narratives intended to uphold the expectations of a particular role (Holstein and Gubrium, 2002). According to Dunn (2007: 82) "interviewing is inherently problematic because the stories people tell about how they make decisions are often radically different from the ways those decisions were actually made", suggesting that the narratives of respondents cannot be assumed to entirely capture the complexities of social reality. According to Atkinson and Coffey (2002: 808) researchers need to appreciate that interviews are events in which respondents can enact narratives that portray themselves and others as particular kinds of moral agents. Furthermore, the interaction of this concern with other issues relating to the dynamics of the interview setting - power relations, the interview location and the type of issues being discussed (see Crang, 2002; Elwood and Martin, 2000; Mullings, 1999; Cochrane, 1998), for example - can also significantly influence the nature and content of the data gathered using semi-structured interviews. It is therefore recognized in this study that the data emerging from semi-structured interviews with African and Caribbean small business owner/managers are not necessarily factual representations of actual events and as such the study does not simply take for granted that interviews are accurate descriptions of some underlying reality. Therefore, based on the advice of Denzin (2002), semi-structured interviews carried out in this study actively encouraged participants to share their views and experience of social responsibility. However, I was critical of the status of the emergent interview data in line with the imperatives of the research to better understand how and why interviewees engage in certain patterns of social action and the idiosyncratic meanings that they attach to it. Data from interviews were therefore considered to have intrinsic value as narratives and interpretations that require distinct understanding and sensitivity. Furthermore, Dunn (2007) suggests that a combination of methods that allows the researcher to observe what people do as well as what they say, helps strengthen the reliability and validity of qualitative research that deploy the use of interview techniques.

#### **4.5.2 Participant Observation.**

The assertion by Hammersley and Atkinson that “all social research takes the form of participant observation: it involves participating in the social world, in whatever role and reflecting on the products of that participation” (1995: 16) leads to the second part of the dual-method approach to data collection adopted in this study. Qualitative observational techniques come in many forms but whether they are direct or indirect, participant or non-participant, covert or overt, all are fundamentally concerned with the visual scrutiny, recording and detailed description of behaviour and talk within the context of everyday lived experiences (Cook, 2005; Silverman, 2006). Participant observation as the name implies is a form of qualitative observation that involves the researcher deliberately embedding him or herself, through participation, within the particular social context in which the activity, relationship or phenomenon under investigation is situated, in order to be a part of and study it more closely; what Cook (2005) describes as researching from the “inside”. The participant observation technique therefore has the ability to generate useful contextual information on, and perspectives to a research problem, as it provides rich and in-depth insights into participants’ behaviour, actions and interactions as they occur in the minutiae of everyday life. According to Adler and Adler,

“Qualitative observation is fundamentally naturalistic in essence; it occurs in the natural context of occurrence, among the actors who would naturally be participating in the interaction, and follows the natural stream of everyday life. As such, it enjoys the advantage of drawing the observer into the phenomenological complexity of the world, where connections, correlations, and causes can be witnessed as and how they unfold.” (1994: 81)

A key strength of participant observation is that it facilitates the collection of data on events as they occur in real time, which according to Becker and Geer (1960, cited in Atkinson and Coffey, 2002) makes it a rich source of ‘complete’ data that superimposes talk and events to provide a deep understanding of research questions. Becker and Geer also argue that “observation of events in context yields a more complete record and understanding of events than reliance on interviewing about those events alone” (cited in Atkinson and Coffey, 2002: 804). Participant observation is also widely used as an exploratory method in qualitative research, where the

focus is to gain an in-depth understanding of a phenomenon and/or its social and cultural context of which little is known (Kitchen and Tate, 2000; Cook, 2005; Laurier, 2007). This technique generates a dataset that is regarded to be as important as those produced through semi-structured interviews largely because it provides very rich datasets that often retain contexts and the complexity of human behaviour in everyday settings (Bryman, 2001).

Given the synergy between the qualities of participant observation and the focus of this research, it was regarded as a useful approach to the collection and interpretation of data on events and reported descriptions that illustrate the scope and nature of African and Caribbean small business owner/managers' socially responsible behaviour. However, as with the narratives that emerge from semi-structured interviews, the observations of events and talk that are recorded and subsequently analysed by the researcher during participant work are not to be treated as unproblematic definitive representations of social reality, as the researcher's interpretation of events is subjective and particularistic, influenced by his/her world view (Atkinson and Coffey, 2002). It therefore follows that the analysis and explanation emerging from the data should be reflexively sensitive to the idiosyncratic nature of the process and outcomes of participant observation studies, and should acknowledge the researcher's role in shaping the results. It has equally been suggested by Cohen *et al.* (2007:158) that the status of the data that emerges from participant observation can be influenced by a number of factors including, "the researcher, in exploring the present, may be unaware of important antecedent events; informants may be unrepresentative of the sample in the study; the presence of the observer might bring about different behaviours; the researcher might 'go native', becoming too attached to the group to see it sufficiently dispassionately". However, these weaknesses can be addressed by the triangulation of data sources, types and methods in the research design and critical reflection on the research process.

#### **4.6 Research Ethics**

Qualitative research is often associated with a number of ethical issues especially when human participants are the primary source of data production and/or unit of analysis in a study. Most of the issues surrounding ethical behaviour in research relate to the moral rights and wrongs in the process of recruiting research subjects and securing their participation, as well as the

handling and dissemination of data and information generated by the research (Hay, 2003; Flick, 2006). In order to address these issues within the context of this study, research design was guided by general principles of informed and voluntary consent, confidentiality of information and anonymity of participants.

The principle of informed consent is concerned with ensuring that all prospective participants in social research activities are given the freedom to choose whether to participate or decline involvement, having been given sufficient information to comprehend the key elements of the research, including its purpose, procedure, time commitments and possible risks and benefits of participation (Hay, 2003; Flick, 2006). Similarly, the closely related issues of securing access to business premises to conduct participant observation and acceptance of the procedures to be adopted by the researcher were also taken into consideration. Flick (2006) describes access and acceptance as securing the necessary permissions to enter and conduct research in a given physical setting and in a specific manner. In this study, these principles were given due consideration in the recruitment of participants and subsequent interaction between the researcher and those participants that agreed to take part. Firstly, a letter of introduction and information sheet to all potential participants provided information on the purpose and the nature of the research, as well as other elements of the research process such as time commitments and the possibility of intrusion, that might influence their decision to participate in the study. Secondly, this information was also provided verbally to potential participants and reiterated before interviews and observation sessions with those individuals that agreed to take part. Furthermore, participants were made aware that their participation was strictly voluntary and they could freely withdraw from the project at any time without risk or prejudice. However, it was acknowledged that whilst informed consent was given by the principal participant prior to carrying out several hours of observation in their premises, it was not practical to obtain prior permission from all other individuals that were observed during the course of the study. Nonetheless, in all cases of indirect observation and one-to-one contact with other secondary participants (employees, customers and suppliers) efforts were made to acquaint them with key aspects of the research and to secure their consent to include our interactions as part of the study information.

Another significant ethical issue addressed in this study was that of the anonymity of research participants and the confidentiality of the information that they share with the researcher. These issues are widely acknowledged to be important in research because they underline respect for the participant's right to privacy, self-determination and dignity and as such should not be breached without prior consent of the participant (Cohen *et al.*, 2007). In recognition of these ethical prerequisites, all participants were given assurances that all necessary steps were being taken to protect the privacy and ensure the anonymity and non-traceability of their identities. This was mainly achieved through the use of pseudonyms, for both individual and organisational participants, in any written reports of the research and other forms of dissemination. Similarly, effort was made to ensure that the data generated by the research (e.g. transcripts of research interviews, field reports and research diaries) was kept in a safe and secure location and used purely for the purposes of the research project (including dissemination of findings).

#### **4.7 Researcher Positionality**

Qualitative research that is underpinned by an interpretive philosophy generally entails the use of techniques that warrant direct contact and interaction with research subjects such as in interviews and observations. As a result the identity of the researcher and his/her familiarity with the research setting influences the process of knowledge production and hence the outcomes of the study (Mullings, 1999; Merriam *et al.*, 2001). Generally the researcher assumes the position of an insider or outsider in relation to the researched during the process of data collection (Merriam *et al.*, 2001). According to Ganga and Scott (2006: 2) insider research involving interviews can be described as "social interviews conducted between researchers and participants who share a similar cultural, linguistic, ethnic, national and religious heritage". Conversely, outsider research can be described as one involving significant differences between the investigators and researched in relation to the context of the subject under investigation. In these respects it has been argued that the positionality of the researcher can influence access to study locations, participants and information (Mullings, 1999) as the participants' perception of the researcher can influence their willingness to participate and the kind of information the researcher can obtain from them (Denzin and Lincoln, 1998; Alridge and Levine, 2001). A common view of the

nature of this impact assumes that social propinquity between the researcher and researched enhances the research process and results by advancing cooperation before, during and after the study, whilst detachment encumbers the research process (Cook, 2005 *et al.*). A different view assumes the opposite, and argues that being an insider has negative implications for research. According to Patton (2002) insider researchers are more inclined to gloss over certain issues due to perceived familiarity and thus fail to subject them to more in-depth enquiry. Thus their social proximity is a limitation as it influences the judgement of the researcher and leads to a poor understanding of the research problem (Ganga and Scott, 2006). However, these perspectives on positionality assume that researchers fit neatly into a given model of an insider or outsider with respect to the circumstances of a research programme. It is however the view of Merriam *et al.* (2001) that the positionality of the researcher in any given qualitative study is complex, evolving and relative to a multiplicity of social and cultural characteristics. According to Villenas (1996, cited in Merriam *et al.*, 2001: 411) "as researchers, we can be insiders and outsiders to a particular community of research participants at many different levels and at different times". Similarly, others such as Herod (1999: 320) argue that understanding the positionality of a researcher is not unproblematic as it cannot be simply separated into two distinct categories, but it is convoluted by three key issues, namely the ability of the researcher to consciously manipulate his/her positionality; perceptive differences in how the researcher and the researched regard positionality; and the changing nature of a researcher's positionality during the course of the study. It therefore follows that due consideration should be given to the issue of researcher positionality and its influence (if any) on the research process acknowledged where necessary.

As a Black African, carrying out UK-based research set in an unfamiliar small business environment but centred on individuals of African and Caribbean descent, I could not regard my positionality in this respect as wholly that of an insider or an outsider from the onset. Whilst I could easily be regarded as an outsider as I was not a practitioner nor had I had any direct prolonged contact with the participant sample before the study,<sup>33</sup> I could also be perceived by some respondents to be an insider as I shared some of the physical and social characteristics of the sample of owner/managers (e.g. Black African and a migrant). I therefore regularly reflected on my

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<sup>33</sup> Except for two owner/managers in Nottingham whose services I had used on occasion and a key informant from Groundwork Greater Nottingham with whom I had worked with as a volunteer.

positionality throughout the research process, within the context of my role as an interviewer or an observer/participant, and its impact on the process of data collection. Firstly, in my role as a university student researcher, it was my view that I was perceived by some of the owner/managers and a majority of the key informants that participated in this study to be an outsider. A number of owner/managers appeared to be very cautious about their participation in the study, often seeking repeated clarification of my credentials as well as the purpose of the research and/or expressing a negative view of the relevance of academic research. On several occasions, interviewees openly expressed their concern about me being a covert local council or government agency official trying to get information from them, whilst a few others appeared to be worried that I was after their trade secrets. It was therefore necessary during interaction with these owner/managers for me to gain their trust and confidence through gentle persuasion but also to put in extra effort to drawing them into conversations, whilst subjecting the data gathered from them to vigorous examination. With key informants there were no obvious signs of distrust in relation to the objectives of the study but rather a tendency to emphasise what they regarded to be my naivety about certain issues that relate to the workings of the small business community. This proved to be useful during my interaction with them as their attempts to try to 'educate me on how it really was' provided rich contextual information about the study areas and the nature of the relationships between small business owner/managers and other key stakeholders in the locality (on the value of the researcher adopting different positionalities see McDowell, 1998). Equally, further reflection on my experiences/positionality as an outsider indicated that on the whole it differed between the study areas of London and Nottingham. It was noted that in the London area I was more often than not positioned as an outsider in my relationship with interviewees than in Nottingham. It was observed that more than a few of the owner/managers interviewed in London (the majority of whom were recruited anonymously) were often reserved and guarded in their interaction during the interview. These respondents would sometimes decline to answer background questions about themselves and their businesses or would be evasive in their responses to questions about their relationship with their stakeholders. Whilst the same attitudes were experienced in Nottingham they were not as prevalent probably because a fair number of participants were aware of the University of Nottingham where the researcher is based. The second dimension of my positionality during the research process was

that of an insider. It was my perception that a few owner/managers regarded me as an insider from the onset of the research for a number of reasons, either because I had made contact with them as a customer prior to the research, been referred to them by a close friend/relative or just because I was another Black African/immigrant with whom they felt they shared a common experience of migration. This insider experience was much more common in Nottingham (particularly amongst African owner/managers) where several respondents repeatedly referred to me as 'brother' and would often speak to me in 'pidgin english' commonly spoken in certain parts of Africa and the Caribbean. In one exemplar case, an interviewee invited me to his home for his birthday party and insisted on giving me his product samples as a gift. These owner/managers were therefore very friendly in their interaction with me and although willing to talk about issues of interest to the research, they repeatedly strayed away from central themes and glossed over certain issues with 'you know how it is over here', assuming that I was already knowledgeable about them. I therefore had to ensure that these respondents were prompted to provide relevant detail during conversations and that I closely examined the data gathered to ensure that it was not understating or over-exaggerating the relevance of certain themes.

However in a few cases it appeared that my positionality relative to a number of research subjects experienced a transition from that of an outsider to an insider during the course of the study. A few participants who took part in the second phase of the study and who initially regarded me during interviews as an outsider seemed to change their attitude and behaviour towards me as our rapport improved over the course of the study. So while they were somewhat guarded and evasive during the first phase of the study, they appeared more relaxed and open during their involvement in the participant observation phase. In some other cases this transition took place over the course of a single interview, such that at the start of the interview the respondent's behaviour would indicate that I was probably considered an outsider but as the interview progressed their demeanour would indicate otherwise. I therefore had to manage these changes by making a corresponding adjustment in my approach towards collecting, treating and analysing the data emerging from these research subjects.

## **4.8 Collecting Data**

The actual process of data collection was guided by a fieldwork plan, which set out the different stages of fieldwork, their sequence and the tasks to be accomplished at each stage. The plan ensured that data was collected in a systematic manner, firstly, by generating an appropriate sample of participants, through a desk review and a preliminary survey to scope the study area and potential participants. The next stage was an interview phase to gather information from a specific number of African and Caribbean owner/managers and key local informants and finally a participant observation phase with a smaller number of business participants. However during the actual process of gathering data, the use of interview and observation techniques was not entirely restricted to any phase of the fieldwork plan as direct observations were used to inform semi-structured interviews and ad hoc interviews in the form of conversations were used to deepen understanding of observations. The fieldwork plan was thus only a general guide to data collection, as design flexibility, logistical limitations and the need to ensure that valid and reliable data was produced were also pertinent factors taken into consideration whilst collecting data.

### **4.8.1 Purposive Sampling**

An important precursor to the collection of data in the field is identifying and recruiting participants to take part in the study based on its research objectives and the characteristics of the study population. In determining which and how many African and Caribbean owner/managers should take part in this qualitative study it was decided that purposive rather than probabilistic sampling would be an effective way of selecting an illustrative sample. Purposive sampling would ensure that "information rich cases" are selected to produce a wide range of experiences and interpretations relevant to addressing the research problem (Baxter and Eyles, 1999:513). Likewise, given that this research is not concerned with representativeness but rather with an in-depth understanding of how African and Caribbean owner/managers interpret and practice social responsibility within a given context and would thus leave any grand generalisations to the reader and other researchers (see Chapter 3). Furthermore, there were practical reasons for adopting a purposive sampling approach. Principally the sample population for the study was restricted from the onset by the research focus, its

inherently small size and barriers to access. The logic of purposive sampling is based on the premise that it will enable the selection of study participants that best fit the needs of the study and will thus produce rich data relevant to understanding the research problem (Marshall and Rossman, 2006; Denscombe, 2002; Patton 2002; Saunders *et al.*, 2007). Thus the study participants were selected with a specific goal in mind and based on a number of criteria, the most important being the ethnic identity of the owner/manager, the size, sector and geographic location of his/her business.

The task of generating a purposive sample of owner/manager respondents for the study was addressed by using two sampling techniques, namely, the random selection of prospective participants from business directories and the snowballing technique, which are regarded as well suited for sampling less visible and difficult to access groups (Valentine, 2005). Given that business size and the sector from which potential respondents will be drawn are two important sampling criteria, a review of small business directories was considered a useful means of quickly identifying a large number of potential study participants that met the criteria of the purposive sample. A database of 178 small businesses likely to be owned and/or managed by a Black African or Black Caribbean person was generated from directories of ethnic minority small businesses in the city of Nottingham and the London borough of Lewisham. Directories reviewed included, the *London Black Caribbean directory*, *Lewisham Small Business directory*, *African Caribbean Business Network directory* and *Minority Enterprise East Midlands directory*. The size of the initial database was reduced to 102 after excluding businesses that did not operate within the food and drink or hair and beauty sectors, those with no contact details or whose details showed that they were located outside the study area. A formal letter of introduction and information sheet requesting an interview was then sent to each prospective participant (see Appendix 1 and 2). However, positive responses were initially relatively low (only 9 interviews scheduled) after three months and heavily skewed towards businesses in the London borough of Lewisham given that over 75% of the businesses identified in the databases were from this study area. Furthermore, in addition to the initial low response, a few scheduled interviews were cancelled and rescheduled on an impromptu basis, casting further doubts as to the utility of the randomised approach to generate a sufficiently large sample in a timely manner. However, over the course of the empirical study the number of participants recruited through this sampling technique increased substantially to 28 respondents, - largely as a result of

follow-up calls, emails and face-to-face contact. The majority of these participants were from the London study area, where the number of potential participants was substantially larger than Nottingham. Nonetheless, in view of initial difficulties and concerns about not achieving theoretical saturation (Silverman, 2001; Bryman and Bell, 2007) a snowballing approach to sampling was also adopted. This sampling strategy was employed much more frequently in Nottingham study area where there was a relatively low response to the initial random sampling. In order to avoid self-selection biases, snowballing as used in this study involved several points of contact amongst the owner/managers and key informants already recruited. The approach was to treat every research participant as a potential gatekeeper and depending on the level of rapport with respondents interviewed solicit information and/or referrals to other potential participants likely to meet the sampling criteria. Using the snowballing technique in this manner, a sample of 16 potential participants was generated and 12 eventually selected to take part in the study. Subsequently, a purposive sample of 40<sup>34</sup> African and Caribbean owner/managers of micro businesses<sup>35</sup> was generated using both random and snowballing sampling techniques and these owner/managers were interviewed between April 2008 and January 2009 as part of the interview phase of the study.

The logic of purposive sampling was also applied to selecting key local informants who participated in the study. Particular attention was given to recruiting a diverse mix of informants with different backgrounds and from different institutions in the locality in order to ensure a broad range of views and perspectives. Participants were identified in public, private and civil organisations that provide support to businesses and prospective entrepreneurs (including those that provide services that strategically target ethnic minorities) within the study areas, through a combination of databases on business support, the researcher's local knowledge of the area and referrals from other participants. These included chief executives, senior managers and specific officers in these organisations whose roles suggested that they held privileged information about the local small business community. These potential respondents were then sent formal letters of introduction requesting an interview and were later contacted via telephone or

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<sup>34</sup> Made up of twenty eight participants recruited through random sampling and twelve others from snowballing technique

<sup>35</sup> Although the initial intention was to recruit participants who owned businesses of relatively varied small sizes (with < 249 employees) the practicalities in the field meant that there were virtually very few owner/managers of businesses with greater than 10 employees and none agreed to take part in this study

email in an attempt to secure their participation. In total 32 key informants were contacted in both Nottingham and Lewisham, 23 of these responded positively and 20 (10 in each study location) were eventually selected to take part in the study.

For the participant observation phase of the study, a smaller sample of eight owner/managers was generated from the larger sample of African and Caribbean owner/managers who had taken part in interviews. The choice of these owner/managers was based on a combination of pragmatism, as they were willing to continue to be involved in the study while others were not; and purposive sampling as they reflected aspects of key findings emerging from the research for which further investigation was required. Fifteen prospective owner/managers were contacted over the telephone -after indicating their interest during the interview phase- and formally invited to take part in the participant observation. This initial contact was then followed by a formal letter of invitation, setting out the details of the participant observation study. Participant observation studies were subsequently carried out in eight small businesses during February and April 2009. The cases chosen were intended to be illustrative of the larger interview sample in terms of criteria such as business sector, geographic location and ethnic groups but also capable of generating substantive and relevant data. A breakdown of key characteristics of both the owner/managers and key local informants interviewed, as well as owner/managers who took part in the participant observation study is shown Appendix 3a and 3b.

#### **4.8.2 Conducting Interviews**

The first phase of data collection for this study involved carrying out a series of semi-structured qualitative interviews with two sets of participants, namely, African and Caribbean owner/managers and key local informants in the study areas of Nottingham City and the London borough of Lewisham. In order to manage the actual process of interviewing, an interview guide was developed for each of the two participant groups based on a review of relevant existing literature and the objectives of the research. The interview guide included several open-ended questions on each of these areas of enquiry to allow the interviewee freedom to frame issues and events relating to the research. The guide also built in introductory questions to gather background information on the interviewee and closing questions to explore emerging issues arising from other interviews, where relevant. In the

interview guide for owner/managers, these questions on the specific areas of enquiry were posed directly to respondents who as a general rule were encouraged to discuss and illustrate their answers. However, the guide for key informant interviews was based on the nature of their relationship with the small business community, in terms of the scope and uptake of the business support services that they provide, including those that they consider to promote small business engagement in social responsibility. Key informants interviewed were also asked to comment on small business attitude and behaviour towards social responsibility based on their knowledge and experience of working with small businesses in general and the local ethnic minority business community in particular.

The initial interview guide for owner/managers was revised during the course of the fieldwork. The revisions made to the guide related to the addition of new questions as themes began to emerge, such as whether and why owner/managers are involved in trans-national philanthropy or the level of their involvement in diaspora networks. Changes to the interview guide also included the deletion of two initial questions due to an apparent lack of response. These related to whether owner/managers had or intended to carry out an environmental audit or assessment of their business activities and their views on the influence of suppliers on their socially responsible behaviour<sup>36</sup>. The interviews with key local informants also influenced the interview questions for owner/managers in terms of identifying interview themes that they believed would resonate with respondents, for example faith based organisations as a hub for the social actions of owner/managers and socio-cultural differences as a barrier to the involvement of African and Caribbean owner/managers in the wider community. The final interview guides for owner/managers and key informants are shown in Appendix 4 and Appendix 5 respectively, however since it was only intended to be a guide it was not used inflexibly as additional questions were asked in response to particular comments by respondents and some questions were sometimes left out if already covered in previous discussions during the interview.

Following the recruitment of interview participants, face-to-face interviews were conducted with forty owner/managers with interviews ranging from 28 to 66 minutes in length and twenty key informant interviews ranging from 40 to 70 minutes in length. These were undertaken in business premises, often in open spaces and at various times of the day considered to be convenient by

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<sup>36</sup> However if such issues did arise in subsequent interviews they were of appropriately followed up

the participant. In order to ensure that the information gathered during these interviews could be easily and accurately recalled for subsequent analysis, all of the interview sessions were audio-recorded. The respondents' permission for the interview to be audio-recorded was requested during the recruitment phase and again at the start of each interview. They were assured of confidentiality with respect to their participation and that their input would be anonymised whenever referred to in any report that emerged from the study. As indicated earlier, flexibility is regarded as central to the process of gathering data from owner/managers through semi-structured interviewing and as such the interview guide and questions were not used to constrain the process but rather to aid it. I therefore spent a few minutes before the start of most interview sessions discussing issues totally unconnected with the study (e.g. the weather, cars, and football) in an attempt to put the interviewee (and myself) at ease. It was however less of an issue with female interviewees who were generally more enthusiastic and comfortable with the interview process. However, at the beginning of each interview the aims of the study were restated to the interviewee and reiterate the significance of their contributions and participation in relating their actions, experiences and views with respect to social responsibility in business. During interviews respondents were repeatedly encouraged to unreservedly express their views on the practice of social responsibility, while at the same time probing them with particular questions from the guide or in response to issues raised that were related to any questions in the guide. Interviewees were also posed questions based on my own observations of business practice, actions and archival documents (e.g. certificates of service, quality and use of mechanical equipment, dealings with customers/employees) related to socially responsible business behaviour. This tactic of probing the interviewees with questions based on what was being said by them meant that there was often a lively exchange during the interview sessions with most respondents actively participating and sharing their experiences and opinions on the subject of social responsibility. At the end of each interview session, the audio-recording of the exchange was reviewed and summarily annotated (see Appendix 6 for extract of sample interview transcript).

#### **4.8.3 Conducting Participant Observations**

The second phase of data collection for this study involved carrying out just over 50 hours of participant observation sessions in eight business organisations owned and managed by African and Caribbean people in

Nottingham and Lewisham. The owner/managers were purposely selected from the sample of forty that took part in the first phase of the study because they provided the relevant access and opportunity for the researcher to further investigate research themes emerging from interviews conducted, as well as their value as illustrative in-depth case studies (Stake, 2000). An important component of the observational sessions was shadowing of the owner/manager, which meant that observations were not restricted to the workings within his/her organisation but also extended to interactions with other parties within and beyond the business organisation (MacDonald, 2005). Shadowing as an observational technique is regarded as beneficial because, according to MacDonald (2005: 459), it is likely to provide,

“a rich, dense and comprehensive data set which gives a detailed, first hand and multidimensional picture of the role, approach, philosophy and tasks of the person being studied”.

The processes of data collection were largely unstructured and open-ended with observations of actions, events and conversations (including those in which the researcher was involved) recorded in a field diary (see extract from field diary in Appendix 7). In order to focus the process of observation on the research problem and emerging research themes from analysis of the semi-structured interviews, particular emphasis was given to understanding the type, nature and outcomes of business and social interactions within the environment under observation, as well as actions and processes that denote socially responsible business behaviour. During the observational period, I took part in several activities within the organisation (e.g. stacking shelves, loading and offloading goods, taking out rubbish). I also interacted with employees, customers and the owner/managers and used informal and impromptu field interviews in the form of conversations to clarify certain observations of what people said and/or did. These conversations were also used to probe into the purpose behind particular actions or activities observed, such as why a stove was kept running without being used or why recyclable material was taken home and not disposed of at the business premises. Descriptive field notes were regularly written up in a field diary, during the course of each observation session either as events and interactions occurred or a few minutes afterwards taking into consideration the time, context and content of observations and field interviews. The observations recorded in the field diary during each session centred on detailed depiction of the setting in which the observation was situated,

including the geographic location and physical space of each setting; the people within the setting and their generic identities (e.g. customers, employees etc) where possible; the type and nature of interaction taking place within the setting including the frequency and duration; the type and nature of my participation in the interactions including the frequency and duration; and my reflections on the research process (see Crang and Cook, 2007).

#### **4.9 Social Desirability Tendency**

One of the possible limitations to the methods outlined above is social desirability tendency. Chung and Monroe (2003: 291) describes social desirability as “the tendency of individuals to underestimate (overestimate) the likelihood they would perform an undesirable (desirable) action”. Given the nature of the social phenomenon under investigation and the research design, it was possible that respondents might give answers that match the researcher’s and/or societal expectations of social responsibility with the intention of portraying a more complimentary picture of themselves (Randall and Fernandes, 1991; Fernandes and Randall, 1992). However, social desirability tendencies are less prominent during participant observation, as the focus is on observed behaviour rather than reported behaviour and data is gathered from multiple sources, unprompted/unforeseen circumstances, and through multiple techniques (Crane, 1999). Nonetheless, it is still possible that such tendencies may be reflected in distortions in respondent behaviour during overt participant observation sessions, as they may demonstrate behaviour that they consider to be matching with the expectations of the researcher (Cohen *et al.*, 2007). The prevalent occurrence of such a tendency can significantly affect the reliability and validity of qualitative research in terms of the credibility and dependability of descriptions and the interpretation of socially responsible business attitudes and behaviours (Chung and Monroe, 2003; Crane, 1999).

In this study, the social desirability tendency was addressed in a number of ways. Firstly, following the advice of Fernandes and Randall (1991), it was strongly emphasised to all participants that the objective of the study, particularly the interviews, was to learn about how and why owner/managers and their businesses perceive and practice social responsibility under different circumstances and not to make moral judgements about the rights and

wrongs of individual/organisational attitudes and behaviour. Subsequently, all participants were guaranteed anonymity and confidentiality for themselves and their organisations. The use of indirect open questions was employed as much as possible during semi-structured interviews, and conversations during the participant observation sessions, as another means of reducing social desirability tendencies. Furthermore, the research design included the use of multiple methods (semi-structured interviews and participant observation) and sources (owner/managers, employees, customers and key informants from external organisations) of information. This provided a framework that was not solely dependent on direct and formal response from business participants but also offered an opportunity for gleaning different or comparable perspectives of the underlying meanings and motives participants attach to their socially responsible business behaviour (Crane, 1999). Nonetheless, it is worth noting that whilst these measures may have reduced the likelihood of social desirability influencing the research, there is still a possibility that there were elements of this tendency in the responses given during the study.

#### **4.10 Data Analysis**

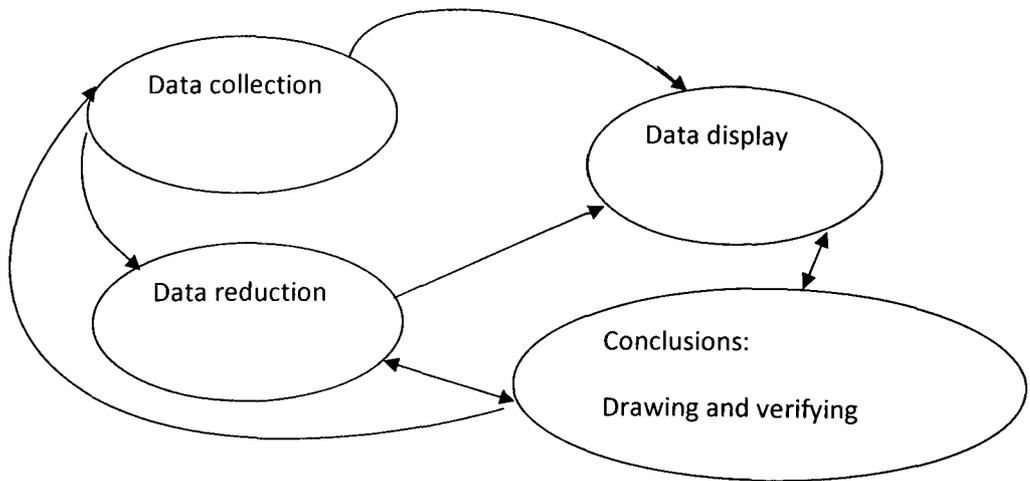
A significant aspect of the research process was the analysis of the different datasets collected through interviews and observation. This entailed the simplification and re-organisation of the raw data into categories to support the identification of research themes, patterns and concepts (Langley, 1999; Spiggle, 1994) that would help address the research question. In interpretative research, there are several approaches to analysing qualitative data depending on the type, aim and design of the research (Denzin and Lincoln, 1998; Silverman, 2001). Even so the process of developing understanding about a particular social phenomenon is characteristically inductive and open-ended in its approach as data collection and analysis are often carried out concurrently (Langley, 1999; Silverman, 2001). In this study, the thematic analysis of data was based on an iterative process that involved the researcher continuously considering and comparing the connections between old and new data with emerging concepts and themes that arose out of the research process (Gerson and Horowitz, 2002).

Making sense of the data gathered in this study, with respect to identifying and interpreting themes and patterns of socially responsible business attitudes and behaviour entailed three connected but non-linear flows of

analytic activity, namely data coding, data display and conclusion drawing/verification (see Miles and Huberman, 1994; Huberman and Miles, 1998). Thus, the large volume of prepared interview transcripts and field notes were reviewed and coded to help focus the process of analysis on emergent themes (Creswell, 2003; Miles and Huberman, 1994). This process involved the elimination of redundant and unrelated data (e.g. discussions about the weather), whilst identifying texts that reflect respondents' socially responsible business behaviour, attitudes and the meanings that they attach to them. The coding of the interview data also involved classifying expressed experiences, views and beliefs, as well as the identification of provisional themes and searching for patterns in the transcribed data. Subsequently, the themes were displayed in a number of ways, firstly and primarily through the use of a coding frame that indexes and condenses the data in a format amenable to conclusion drawing. In addition, extracts of extended texts in the form of anecdotes and case study vignettes were used to highlight emergent themes and patterns. Drawing and verifying conclusions from the categorised and transformed data was largely guided by the research objectives and exploratory analysis of the data, which was achieved through a process of constant comparison. According to Glaser (1996, in Cohen *et al.*, 2007: 493) this is a process "by which the properties and categories across the data are compared continuously until no more variation occurs". Following the advice of several commentators on this analytic approach (Gerson and Horowitz, 2002; Silverman, 2000; Miles and Huberman, 1998; Strauss and Corbin, 1998) analysis of data did not start at the end but during the data collection process, with a part of the data collected being prepared and provisional themes identified via open coding. Subsequent links to other emerging categories and themes were eventually established, and 'deviant' cases and outliers considered. An example of the outcome of this process of constant comparison that will be considered in chapter 5 is that religious faith amongst owner/managers emerged as a prompt to sensitivity to issues of social responsibility. This emerged from comparing positive attitudes to the concept and the appearance of religious faith as a motivation to act in a socially responsible way in business. However as comparison continued with new data, it also became apparent that not all owner/managers with a positive disposition to social responsibility were so religiously inclined. In a similar manner, conclusions drawn from the data were verified and refined by repeatedly looking for similarities and differences during the process of data

collection in parallel with the various components of analysis as suggested by Miles and Huberman (1998).

**Figure 4.2 Components of Data Analysis: An Interactive Model**



**Source: Miles and Huberman 1998: 12**

#### **4.11 Validity and Reliability**

In deciding the most suitable methodology and methods for this study, it was considered necessary to reflect critically on the validity and reliability of the research process, particularly in relation to the evaluation of the results produced. Even though these terms are traditionally linked to the quantitative research philosophies - where validity is discussed in terms of the truth and accuracy of data and reliability in relation to the replication and predictability of data - they are nonetheless acknowledged as important issues for consideration in qualitative research (Baxter and Eyles, 1997; Bailey *et al.*, 1999; Baker, 2002).

Validity in qualitative research can be described as an assessment of the degree to which the description and interpretation of information that is gathered during the research process can be said to be credible and a recognisable reflection of the social phenomenon under consideration (Lincoln and Guba, 1985; Baxter and Eyles, 1997; Bailey *et al.*, 1999; Baker, 2002, Silverman, 2000). This widely regarded perception of research validity (albeit different from that of the quantitative paradigm) is best understood within the context of qualitative philosophies that emphasise the subjective construction of truth and knowledge about the social world. As Hammersley acknowledges,

“we can never know with certainty whether (or the extent to which) an account is true; for the obvious reason that we have no independent, immediate and utterly reliable access to reality. Given that this is the situation we must judge the validity of claims on the basis of the adequacy of the evidence offered in support of them” (1992: 69).

Similarly, reliability in qualitative research refers to the consistency and dependability of the descriptions and interpretations that emerge from the qualitative study and hence the research process. It is a measure of the extent to which the collection and analysis of qualitative data is carried out in a consistent manner, such that the coding of data and formulation of research themes can be understood and similar conclusions arrived at by other researchers (Hammersley, 1992; Creswell, 2003; Baxter and Eyles, 1997; Bailey *et al.*, 1999). It therefore emphasises the need for a detailed description of the research context including how changes in context influenced the decisions taken and the outcomes of the research process, in effect an audit trail (Baxter and Eyles, 1997; Bailey *et al.*, 1999; Lincoln and Guba, 1985).

There are a variety of measures that qualitative researchers use to support and demonstrate the validity and reliability of their work, much of which vary from case to case (Sarantakos, 1997: 80). In this study, an important approach towards improving validity and reliability in the research process was triangulation, which refers to the use of multiple methods and sources to generate the data necessary for addressing the research problem ( Silverman, 2001; Aldridge and Levine, 2001; Lincoln and Guba, 1985). Such methods should have different predispositions and strengths in order for them to complement each other (Huberman and Miles, 1998). However commentators like Hammersley and Atkinson (1995) and Silverman (2001) have raised concerns about the assumption that triangulation can be used conclusively to distinguish between true and false data. Rather they contend that it should be “a matter not of checking whether data are valid, but of discovering which inferences from those data is valid” (Hammersley and Atkinson, 1995: 232). Nonetheless, the research design of this study necessitated the use of more than one method (semi-structured interviews and participant observation) to acquire different information from various sources (key informants, owner/managers and their employees and customers) to strengthen the

credibility of its results. This approach ensures that the disadvantages and bias inherent in any one method or source is minimised and that results produced reflect a richer and more truthful version of respondents' engagement with social responsibility than would have been derived from depending exclusively on a single source or method (Bryman, 2001; Grix, 2004). Further attempts were made to strengthen the quality of the data collected during this study using the related technique of respondent validation of data arising from interviews (Hammersley and Atkinson, 1995; Bloor, 1997; Silverman, 2001), with the aim of enriching and refining emerging analytical themes. It was however observed that most respondents showed very little enthusiasm in engaging with the research at this level and the few key informants that acquiesced to review a synopsis of the conclusions drawn from their interviews did not make any comments. It was therefore decided not to employ respondent validation further in this study.

Another equally important approach to improving the validity and reliability of this study was by making the research process as transparent as possible. It is hoped that this was achieved by overtly reflecting on my role as a researcher with a particular methodological philosophy and positionality within the research context, as well as providing detailed descriptions of the process of data collection, management and analysis. Likewise concerns about whether the research findings are dependable to such an extent that other researchers will arrive at similar conclusions were addressed by adopting particular approaches to data collection (purposive sampling), management, analysis and presentation to achieve a high level of accuracy in the recording, organising and analysis of interview and observational data gathered during the study (Silverman, 2001). According to Kirk and Miller (1986: 21) the research process should clearly demonstrate how data was interpreted to ensure that what the researcher describes is congruent with what he/she sees. In this research, accuracy in the recording of data arising from interviews was achieved by audio recording. Additionally, field notes were taken during the interviews to capture the context of conversations and other relevant information that could not be audio recorded. With respect to observational aspects of this research it was not possible to record visual observations or informal conversations using electronic devices because of ethical issues and their intrusive influences. Instead detailed notes were taken (during or a few minutes after an event or interaction occurred) in a systematic manner to enhance the process of analysis and interpretation. The techniques of recording interview and observational information ensured that

a near as possible exact record of conversations, actions and events observed during the research was documented, properly organized and managed for easy retrieval. Similarly, the reliability of the findings is strengthened by the manner in which they are presented in this thesis. Findings emphasise the use of low inference descriptors, which involve the use of verbatim accounts of respondents' comments during interviews and avoid unnecessary abbreviation of quotes and convenient summaries of the researcher's interpretation of participants' commentaries (Baxter and Eyles, 1997; Seale, 1999). Additionally, care was taken to credit findings from the study to particular sub-groups within the study sample in cases where they apply, in order to strengthen the dependability of the research. Finally, it is acknowledged that since I was the only one that carried out this study it may raise concerns about the absence of another perspective in the analysis of the qualitative data that would have been provided by another researcher. Nonetheless, a basic form of peer review did take place in the shape of consultations with my supervisors and other 'disinterested' peers engaged in social science research<sup>37</sup> (Johnson, 1997) with respect to the data and the thesis in general. On the basis of this and the above techniques and approaches used in researching the concept of social responsibility in this study, it is my contention that the issues of reliability and validity have been given due consideration and that the ensuing themes, discussion and conclusions have emerged from a rigorous research process.

#### **4.12 Conclusion**

The objective of this chapter has been to critically consider the research design of this study in relation to decisions on the most suitable methodology, methods and analytical techniques with which to investigate the research problem. The decision to adopt an interpretative methodology using semi-structured interviews and participant observations was informed by the need to employ a research strategy that engendered understanding of the socially responsible attitude and behaviour of African and Caribbean small business owner/managers. The research design therefore valued these multiple approaches as they emphasise 'thick' and possibly diverse descriptions of participants' accounts and the researcher's observations of socially responsible business behaviour, while at the same time allowing the

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<sup>37</sup> Disinterested peers in this case were research colleagues- doctoral candidates- who were not directly involved in the research

researcher to probe owner/managers about their experience, actions and relationships that may be relevant to providing answers to the research question. However, it is important to recognise that the data that emerged from this interpretative enquiry makes no claim to uncovering an objective 'truth' about the nature and character of the experiences and acts of social responsibility reported and observed amongst the sample of African and Caribbean small business owner/managers. Instead, the account presented should be regarded as interpretations and meanings that owner/managers (and I as a researcher) attach to patterns of social action based on their understanding of what social responsibility to others in a business context embodies.

This thesis has to this point tried to articulate why a number of questions should be asked with respect to the practice of social responsibility within the small business sector in general and the subset of the ethnic minority business community in particular. It has also set out a suitable research strategy to address the research question in such a manner that the transparency, reliability and validity of the research process are sufficiently rich. In the next three chapters, the results of the analysis of data gathered during the study will be described in relation to the key research questions and objectives of this thesis. The subsequent chapter starts the presentation of the research findings by considering what the sample of African and Caribbean small business owner/managers understand by, and experience as, social responsibility to others within and outside their business environment.

## **CHAPTER FIVE**

### **OWNER/MANAGERS' UNDERSTANDING AND PRACTICE OF SOCIAL RESPONSIBILITY**

#### **5.1 Introduction**

This chapter is the first of three describing the findings from the empirical investigations of this thesis and focuses primarily on the analysis of data gathered from interviews and participant observation with business owner/managers. The aim of the chapter is to present a descriptive account of how social responsibility (SR) is interpreted and practiced by a sample of African and Caribbean owner/managers. It begins by first describing the extent to which the generic term of "Corporate Social Responsibility" (CSR) is recognized and understood amongst the sample and describes the identified limitations of adopting CSR terminology as a means of communicating the social role of small business in society. Using a thematic approach it subsequently presents research findings on how African and Caribbean owner/managers interpret the meaning of SR, common patterns of reasoning and emerging socially embedded discourses on the meaning of social responsibility. The chapter also discusses the research findings on the attitudinal orientation of respondents towards social responsibility, describing the underlying predictors of positive attitudes as well as those that compel a more lukewarm approach to the concept. Finally, it presents research results on the scope and character of African and Caribbean small owner/managers involvement in activities and practices that embody SR. At the same time highlighting thematic differences and commonalities across business sectors, geographical locations, ethnicity or gender where they exist in the sample.

#### **5.2 Awareness of the Rhetoric of Corporate Social Responsibility**

The term Corporate Social Responsibility (CSR) is synonymous with the social roles and responsibility of business in society. Early on in this study it was adjudged that the "corporate" connotations of this terminology made it unsuitable for use in the small business context. However, given the popularity of the term and the possibility that respondents were familiar with it and had mental models of its meaning, it was considered a useful starting

point for investigating the research problem. All participants were therefore asked during their interviews, if they were familiar with the term Corporate Social Responsibility (CSR) and its meaning. Analysis of their responses showed that the level of awareness of the concept was very low. The general response to this enquiry was generally negative as the following interview excerpts illustrate;

"Corporate what... I don't know what it is, I have never heard of it" - Laku (African Man, Restaurant owner/manager, London, Oct '08).

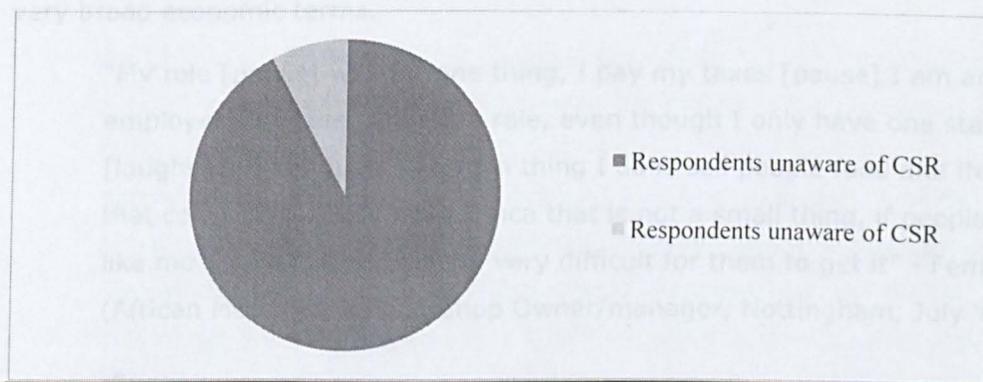
"No it is not something that I have heard before ..."- Sean (Caribbean Man, Barber's Shop Owner/manager, Nottingham).

These comments typified the response of a majority of the owner/managers interviewed to questions about their knowledge of the concept of CSR. The term in most cases appeared to be unknown to respondents who were generally oblivious to its existence and meaning. This lack of awareness of the rhetoric of CSR was common amongst business owners in both study areas and business sectors, and corresponds to the findings of other UK-based studies (Castka *et al.*, 2004; Jenkins, 2006; FSB, 2008) that show that small business owners, are generally unaware of the terminology of CSR or are uncomfortable linking it with their own social actions (Murillo and Lozano, 2006). However, a few owner/managers that took part in this study were familiar with CSR and expressed their own understanding of its meaning. These participants were mainly African respondents based in London all of whom possess degree level higher education qualifications. The interpretations they proffered were generally aligned with common descriptions of CSR that portray it as a 'big business' agenda that is often used as a public relations tool.

"Well I see CSR as a big business thing [pause] I will say it's an attempt by big businesses to paint themselves in a good light. All the things that organisations tout around as CSR are just the things that every other business does or thinks about like health and safety of our customers and staff, like supporting the community in one way or the other" - Florence (African Woman, Retail Food & Drink Shop Owner/manager London, October 2008).

Although only a few respondents expressed these views, they are similar to those identified in other studies on small business social responsibility in which owner/managers perceive CSR as an agenda for big corporations and outside their remit (Spence, 2007; Jenkins, 2006; Lorenzo, 2006). These respondents did not associate CSR with their own social or economic actions rather it has been closely coupled to large organizations and corporations who they perceive to have the wherewithal to institute formalized CSR procedures. These results showed that African and Caribbean business owners/managers were unfamiliar with the language of CSR (see Figure 5.1) and that a more informal and everyday terminology was a better approach in engaging them to talk about their views on and involvement with SR. This approach is analogous with that suggested by Murillo and Lorenzo (2006), who were of the opinion that the concept of SR needed to be defined by small business themselves in the context of their daily experience and practice in order to give it substance and meaning.

**Figure 5.1 Awareness of CSR Terminology**



### 5.3 Making sense of the Role of Business in Society

In order to establish a context for understanding how African and Caribbean small business owners engaged with the concept of social responsibility within their business setting, it was considered pertinent to give the study participants an opportunity to articulate their own understanding of the meaning of the phenomenon. Given the general unfamiliarity with CSR terminology by small business owners, a less structured language that pertained to "the social role and responsibilities of business in society" was employed in interviews to explore how participants defined the social responsibility of business. Analysis of their responses showed that there was no common understanding of SR amongst participants, in contrast, there was

several interpretations proffered by respondents from which a number of recurrent themes emerged. These linked the role of business to making economic contributions and creating value for others in society, particularly for members of their own co-ethnic group.

### **5.3.1 Economic Perspectives**

The most common understanding of the role of their business in society expressed by the majority of respondents focused largely on the generic economic activities and consequence of engaging in business. The initial response of both African and Caribbean respondents interviewed, almost always involved the use of illustrations that underline the generic economic contributions they make to society, in the course of running their business. Common business roles identified by respondents include job creation, statutory financial obligations to the state and the socio-economic value of their goods and services. The following excerpts illustrate the common response of owner/managers to their understanding of their role in society in very broad economic terms.

“My role [pause] well for one thing, I pay my taxes [pause] I am an employer so I guess that is a role, even though I only have one staff [laughs] but seriously the main thing I do is sell people food and items that come all the way from Africa that is not a small thing, if people like me are not here it will be very difficult for them to get it” - Femi (African Man, Retail Food Shop Owner/manager, Nottingham, July '08).

“Well I see my role as an important one, I am providing a much needed service in the community. I [pause] my business is all about making people feel and look beautiful and good about themselves, and I believe that is important to people. I also [pause] employ people, so some people get their daily bread through this business so I am contributing to the community in that way” - Latisha (Caribbean Woman, Hair & Beauty Salon owner/manager, London, February '09).

These respondents like most others in the study were quick to identify practices that are intrinsically linked to their business activity as SR, and therefore emphasized the traditional roles of business in society as those which deliver economic gain to themselves as well as to others. This initial description of SR put forward by most owner/managers interviewed has

substantive connotations with the neoclassical economic view on the role of business in society as wealth creation through the provision of goods and services to meet the wants and needs of its members. This view of SR is based on the premise that businesses are strictly economic entities and their obligation to society is confined within the economic context within which they operate (Carroll, 1991, 1999). Proponents of this perspective argue that the role of business in society is limited to economic and legislative obligations and that "the business of business is business- not social issues or politics" (Gray and Karp, 1993:1).

### **5.3.2 Social Perspectives**

A key intention of this study was to examine perceptions on the role of business in society from a social standpoint without providing a definition for respondents. Whilst this approach was possible with some respondents, it was more complicated with others. As the following extract from Barry's interview suggests, some prompting was often necessary to discover owner/managers' regard as the 'social' responsibility of business.

**INT:** okay, let us talk about other issues linked to running a business. Firstly, when people talk of businesses having a responsibility to society what does that mean to you?

**Barry:** you mean my business [pause] well it is a business [pause] it is here to buy and sell help me earn an honest income to support my family and [pause] help me climb, you know, be something in life.

**INT:** I see but that is like you are talking about what your business does for you, which is fine, but I am also interested in what you think is the responsibility of your business to people who may or may not be connected to it, people in the neighbourhood, you know the other additional things that your business does for society?

**Barry:** I see what you mean now, it's like the things we are suppose to do for people or the way we deal with people who are in business with us, like our customers and suppliers right [long pause]

**INT:** but not just people that you do business with, it's a bit broader than that

**Barry:** I know, I know it involves others too that don't do business with us, like um contributing to the community kind of thing, I get you...- Barry (Caribbean Man, Snack Bar and Take-Away Shop Owner/manager, Nottingham, August 2008).

It was therefore possible to draw out different conceptions of SR in this manner by encouraging Barry and other respondents that took part in the study to not only reflect on their roles and responsibilities to other participants of their business transactions but also other social actors with whom they do not have a formal business relationship. The various ideas of SR that emerged from ensuing discussions were then categorized into three broad perspectives of SR that relate to business ethics, philanthropy and improving the welfare of other co-ethnics (Table 5.1). These perspectives on SR are not mutually exclusive and are in some ways connected to each other by the personal moral views of the respondents, who themselves sometimes described SR from more than one perspective.

**Table 5.1: Social perspectives on the meaning of SR**

| Social Perspectives of SR   | Generic Description   |
|-----------------------------|---|
| Philanthropy                | SR defined as charitable actions that are directly/indirectly connected to the business process or objectives                           |
| Ethical Business Behaviour  | SR defined as business processes and conduct that are guided by the moral expectations of society and the values of the owner/manager   |
| Improving Co-ethnic Welfare | SR defined with respect to social actions (both ethical business behaviour and philanthropy) directed specifically at other co-ethnics. |

### **5.3.2.1 SR as Philanthropy**

Philanthropy or voluntary acts of charity is the most common interpretation of SR from a social perspective put forward by both African and Caribbean small business owner/managers who took part in this study. This perception of SR was widely repeated amongst the study participants irrespective of their geographical location or business sector within which they operate. The perception that SR is about charitable giving, helping or offering assistance to people who may or may not be connected to the business was very common view held by all the study respondents. According to Carroll (1999) philanthropy is a type of SR that is not necessarily required or expected but is desired of businesses by society. This philanthropic view was often linked to moral values held by individual but differed from the business ethics perspective in its portrayal of SR. Conversely, the philanthropic perspective of SR calls attention to the altruistic component of ethics and moral principles, which guides social actions that are not necessarily confined to the

commercial environment that actors operate. The philanthropic interpretations of SR are illustrated in the following excerpts;

"I think social responsibility is about looking out for others in the society and not just yourself, it is about being um [pause] charitable, about going out in the community and giving a bit of yourself to the community [pause] I am looking for the right words here um when I think of social responsibility I am thinking of being unselfish, giving, helping, all those words that describe the Good Samaritan." - Florence (African Woman, Retail Food Shop Owner/manager, London, October 2008).

Other participants also shared this view and articulate their opinion in a similar manner, some like Biola, draw a distinction between instrumental actions of a business and its practice of philanthropy, while others like Carmen, point out that philanthropy is a social obligation that people in business owe to society.

"I feel that my role is not just business you know, make money and move up, its good I want that but it is not everything [pause] helping people who are down on their luck, helping people who are struggling that is something that I am concerned about and something we all should be concerned about" - Biola (African Woman, Retail Food Shop Owner/manager, London).

"Well I will say it means being charitable, it means that you have a good heart and are always willing to help others in society, giving a little here and there, a people person [pause] and at the back of my mind I don't see it as giving it away but I see it more like giving it back to society since the community itself helps us to be in business we are only giving back, doing our bit" - Carmen (African Woman, Retail Food Shop Owner/manager, Nottingham, July 2008).

This perception of SR as 'giving back' in a philanthropic sense is quite common amongst small business owners and managers including those from an ethnic minority background. Researchers (Edmondson and Carroll, 1999; Jenkins, 2006; Worthington *et al.*, 2006a) have found that business owners and managers articulate their understanding of SR in this context and a vast majority of their social actions can be described as charitable in nature. It is thus suggested that philanthropy plays a major part in the way both African

and Caribbean business owners/managers define the role of their business in society and as Van Marrewijk (2003) suggests, its traditional association with ideas of ethics and morality, strengthens the perception held by respondents that being charitable is a standard practice of any business.

### **5.3.2.2 SR as Ethical Business Behaviour**

The observance of ethics-driven business principles and practice is another recurrent interpretation of SR offered by both African and Caribbean small business owners interviewed in London and Nottingham. Personal moral philosophies implicitly -and in some cases explicitly- underline the way in which most respondents described their responsibility to others. Several business owners used words like 'Good', 'Fairness', 'Right' and 'Honesty' that have strong moral connotations to qualify business practices they perceive to be socially appropriate, particularly as they relate to key stakeholders of the business. These respondents, as the following examples show, drew a correlation between SR and ethical business behaviour embedded in their day-to-day business activities.

"I will say things like quality service um being reliable and um dependable you know, you make sure your customers are not kept waiting, you don't disappoint them. I think that is it really [pause] a good business must do business well you know don't let the people that depend on you down, like your customers or even your staff you know, you are not being responsible if you can't pay your staff or if can't treat your staff well or even treat the community well. I know of several shops around here that let their premises become a nuisance you know and that is not good, it makes all of us look bad." - Marcel (Caribbean Man, Hair & Beauty Industry, London, October 2008).

"I think the [pause] how can I put this, I think fairness is the main thing that I owe people. I think I need to be fair to everyone that comes my way either, in business, in the street or in my place of work. So I treat my staff fairly just the same way I will want my boss to treat me. Another thing is honesty, like taxes for instance, I pay my tax and rates for this business I don't try to dodge them like some other people, not to mention that I still pay tax for the job that I do. So I am not cheating society, am not cheating other people." - Gloria (African Woman, Retail Food Shop Industry, Nottingham, August 2008).

These examples contain many elements that were echoed in the responses of other business owners. Essentially, these revolve around moral codes of conduct for business in society that relate to obeying the law (e.g. paying taxes), professional conduct (e.g. good customer service) and general morality linked to fair and honest dealings with customers, staff and the general public.

This ethic-centred approach to defining SR is quite similar to that of those expressed by Asian small business owners in a study carried out by Worthington *et al.*, where SR was defined "as a form of moral duty towards others" (Worthington *et al.*, 2006a: 210). According to Garriga and Mele (2004) there is a theoretical antecedent to this perception of SR, postulations such as the 'common good' approach and 'stakeholder' theory have ethics at the core of their explanations of SR. These theories for the most part articulate a normative core of moral standards to guide and govern business-society relations and thus describe what acceptable social behaviour is for a business firm (Philips *et al.* 2003). Although, in practice, making decisions based on what is good or bad business behaviour can sometimes be a very context specific process and may emanate from a mix of economic, cultural, social, legal, professional or religious values (Heath, 2006). In this study ethical business behaviour was broadly identified as SR, the majority of the owner/managers interviewed, regardless of their ethnicity, business type or location made reference to universal ethical norms to describe SR. Furthermore (as we will see later on), these participants drew from a range of values to justify their business ethics, which for the most part played a key role in shaping their definitions of SR as well as their attitude and engagement with the concept.

### **5.3.2.3 SR as Improving the Welfare of Other Co-ethnics**

The creation of social and economic value amongst co-ethnics is the third noteworthy definition of SR highlighted by a few of the owner/managers interviewed. This small group of participants that were neither differentiated by study location or business sector described their understanding of SR with respect to investing in the collective prosperity of their ethnic group. Thus SR was largely defined with respect to social actions directed specifically at other co-ethnics. Analysis of the study results revealed that there are three components to this point of view of SR, these relate to the participant's business framework, their moral principles and a perception of being socially

excluded/discriminated. Firstly, the business component of this rationale of SR is rooted in the business context from which most businesses and their owners operate. The business profile of most of the participants in this study was typical of EMBs in the UK and other developed western nations, in that they were engaged in niche businesses that serve the needs of particular ethnic groups. As a result the majority of their business relationships were with other co-ethnics either as customers, staff or suppliers with whom they share a common cultural identity. The ethical conduct and actions that were frequently part and parcel of the business relationships with other co-ethnics was thus perceived as creating some value for the recipients and consequently defined as SR by these respondents as the following excerpts illustrate:

“You know we bring them [Africans] their native food, drink, even movies and music, they come here and they meet their friends and other people from their country and even their townships but apart from the business angle, I am like [pause] here to support my people, to help out when I can after all they are my customers they are my brothers and we all have to help us black people move up because as you know we are not exactly doing well in this country” - Obinna (African Man, Retail Food Shop Owner/manager, Nottingham, May 2008)

“Well the way I see it my responsibility is to my people, my community because as you know this is an African shop and we are here to serve the African community and they too are supporting me and my business because they patronise me, they come around here and they buy what they need, they tell other of our people about my business. So if I want to do anything at all it is them that I think about first because it’s just common sense, on one hand they support me so on the other hand if I can I should also do something to support them, to help make all our lives better, that’s the responsible thing to do, isn’t it? - Aziz (African Man, Retail Food Shop Owner/manager, London, November 2008)

These responses also show that there was a strong sense of shared cultural identity underpinning this interpretation of SR, as these participants attribute an added cultural value to the goods and services they provide, which may not be fully appreciated by other individuals who do not belong to their ethnic

group. Another important component that defines SR as creating value for other co-ethnics was the character of the moral principles that participants expressed. While all respondents generally identified with generic moral conventions with respect to business ethics and philanthropy, a few respondents articulated these ideas relative to taking actions that directly benefited other co-ethnics. These owner/managers used the axioms "charity begins at home" and "being my brother's keeper" literally to describe their understanding of who they owe a social responsibility. These phrases were used with respect to improving the welfare of family members and other co-ethnics with whom they were in close association. Thus these participants described their efforts to support other co-ethnics as value-laden and equivalent to SR.

"For me it is simple one just has to be good whether they are in business or whether they work in an office, the important thing is to be good, you know be charitable, be kind and generous, those are the important things. And the way I see it you have to start with those closest to you, your family, your friends, other West Indian people because as they say charity begins at home and if you can't be charitable with those in your home then it's no use is it to others that you don't know, unless it's for show" - Joan (Caribbean Woman, Hair & Beauty salon Owner/manager, London, November 2008).

"Well [pause] I think it's about giving back to the community, it's about [pause] supporting the black community, supporting your people generally, being your brother's keeper not letting things go wrong in your community and you looking the other way, you know. I think it is being responsible, really taking part and being out there in the black community for a cause [pause] that is what it means" - Brianna, (Caribbean Woman, Hair & Beauty salon Owner/manager, Nottingham, July 2008).

This moral rationale was often embedded in the descriptions of social responsible actions and experiences shared by most business owner/managers who took part in this study but only a few like Brianna, explicitly linked it to a description of their SR. In a few cases this sense of moral responsibility to other co-ethnics was motivated by a desire to address perceived societal inequalities that ethnic minorities face. A few of the interviewees were of the opinion that their ethnic group was experiencing

some degree of social exclusion or discrimination and that SR was all about creating social and economic value amongst co-ethnics to address this imbalance. One such respondent was Jack, who like others who shared his view was passionate about promoting social mobility within their ethnic group as the following excerpts illustrate;

**Jack:** My role is to um first take care of me family, support them and make sure them climb up that ladder you know, and then where I can or every opportunity I have I think I have to help the black community, young black boys and girls, I have to try my best to give them a hand because we black people we have had it really bad and no one is helping us, they all say they are but it's all a lie.

**INT:** I see but your business and I believe you too reside in a neighbourhood where there are lots of different people from all races, don't you think you have a responsibility to other groups too.

**Jack:** See it might seem harsh when I say it's the black community me care about but I have been in England since 1982 in that time I have seen lots of things, I have lived all over the place and what I know is that if you don't take care of your own [pause] you know your people, nobody will do it for you. Oh they may say we going to help them black people do this and that, it's a lie they just want to make themselves look good. I say black people in business take care of your own people, help them improve themselves just as the Indians are taking care of them own, just as the Chinese are taking care of them own, you see and that is what I preach to my friends all the time. – Jack (Caribbean Man, Retail Food Shop Owner/manager, Nottingham, July 2008)

Analysis of these interpretations of SR showed that while they are in some respects similar to afore mentioned perspectives of SR as philanthropy and business ethic, they also present a different perspective from these interpretations. This is evident in the sense that they describe SR in terms of actions directed at a small exclusive group of recipients to whom they believed a social responsibility was owed. It thus presents a narrow but socially embedded interpretation of SR based on ethnic identity and socio-economic conditions, in contrast to previous definitions based on business ethics and philanthropy, which were less rigid in their interpretation of SR.

In conclusion, the different definitions of SR articulated by the study sample of African and Caribbean business owner/managers further reinforce the

essentially contested nature of the concept. Participants displayed various interpretations of the concept irrespective of similarities in their ethnic background, geographical area and business interests. They were framed within the context of the socio-economic and cultural backgrounds of the respondents, and were reflective of their circumstance as immigrants and/or ethnic minorities. Participants generally displayed a localised understanding of SR, which was often explained within the context of their day-to-day engagements and their immediate social and economic environment. Most tellingly, none of the interpretations of SR put forward by African and Caribbean owner/managers in this study reflected a concern for the welfare of the natural environment. Despite environmental management being a mainstream issue linked with SR, respondents did not readily associate pro-environmental behaviour with their role as business owner/managers and only acknowledged it as such when prompted. It appears that interviewees commonly associated social responsibility with actions and practices that are aimed at improving the welfare of people within their local area or social/business network, while environmental responsibility was perceived to be associated with a different and to some extent an external geography, which was outside their remit as owner/managers.

#### **5.4 Attitudinal Orientations towards Social Responsibility**

The various view points on SR expressed by small business owners did not only show how the concept was interpreted by participants, it also provide a useful insight into their attitudes towards it. In this study, attitudinal orientation of participants is described with reference to their predilection (or dislike) for engaging in SR. These attitudinal orientations for the most part were related to respondents' conception of SR as philanthropy, according to Campbell *et al.* this is not unusual "because charitable donations are measurable and may be intended for philanthropic or benevolent purposes that they may (a priori) be considered to be an analogue for a business's more general attitude to social responsibility" (2002, p. 30). There was however some attitudinal orientations that connote an understanding of SR based on ethical business behaviour that appeared to influence owner/managers attitude towards SR.

In articulating the attitudinal orientations of business owner/managers towards SR, it is appropriate to comment on the issue of social desirability

bias. Like most value concepts SR normally connotes socially acceptable actions and as a consequence, individuals would generally not openly subscribe to social irresponsibility. Thus, to ensure a reliable examination of respondents' attitudinal orientation to SR, the research methodology took steps to limit the possibility of respondents providing responses about their engagement with SR that they perceive to be desired by the researcher (see chapter 4). The analysis of the attitudinal orientations within the sample of African and Caribbean business owner/managers indicate that there were two strands of attitudinal responses that capture the positive orientation of participants towards the concept. The first of these was positive affirmation of SR, linked to the owner/managers' professed moral and/or religious commitment to others and secondly, a lukewarm, albeit positive outlook that was defined by practical concerns over the economic impact of social actions on the business.

#### **5.4.1 Positive Attitudes towards SR**

The study sample of African and Caribbean business owners generally expressed a positive attitude towards SR. For some of these respondents, their positive attitude towards businesses having a social responsibility was directly related to their personal sense of morality. Ethics and morality are terms that are commonly used interchangeably to describe the conception and ability of individuals and institutions to define right from wrong (Kolodinsky *et al.* 2010). These are value-concepts that place a premium on the notion that individuals and institutions have obligations to contribute to the well-being of others in society because it is the 'right' thing to do (Kolodinsky *et al.* 2010). This was the view adopted by a majority of African and Caribbean owner/managers that took part in this study, whose description of their understanding of SR included positive attitudinal responses that were either justified based on a personal sense of morality or a religious philosophy of probity.

##### **5.4.1.1 A Matter of Principle**

African and Caribbean business owner/managers that express strong positive feelings about SR, generally described it as behaviour that was in step with their personal beliefs, as one of the respondents, Gabriel, explains "it's a matter of principle, that is the type of person I am". These respondents

therefore did not perceive their involvement in SR initiatives as temporary or tentative but rather regarded it as normal practice. They generally expressed strong positive feelings about SR and employed their own ethical perspective on what was good or bad business behaviour to rationalize their attitude towards SR. They made reference to personal values, which were for the most part people-centric and focused on the individual's moral commitment to others, as the following excerpts illustrate;

"For me it's a matter of principle, that is the type of person I am [pause] that was the way I was raised, to help people who are in need or who have been unfortunate. So when I see on TV or someone comes around asking for £5, £10 donations for earthquake or flood victims I just do it naturally" Gabriel (Caribbean Man, Retail Food Shop Owner/manager, London, November 2008).

"I believe it has to do a lot with who you are as a person, what your beliefs are, for me, I believe that human beings should help one another, it doesn't matter who or what you are you have something to give, it may not always be money but it can be something like your experience or your handwork [skills]. As for me I am convinced that being open-handed is the right thing to do" Joyce (African Woman, Food Caterers Owner/managers, Nottingham, September 2008).

These respondents and others like them in both London and Nottingham, personalize the judgments they make about the value of engaging in SR actions. The personal values that they articulate draw a close parallel with what Gillian, (1992, cited in Kolodinsky *et al.* 2010) describes as "an ethic of caring". According to Henle *et al.*, (2005, p. 220) people who have a legitimate concern for others, "optimistically assume desirable outcome can be obtained by engaging in moral actions". This positive relationship between the personal ethics and social responsibility has been observed by Hemingway and Maclagan, (2004), whose findings indicated that the personal values of their study sample positively influenced their attitude towards SR.

#### **5.4.1.2 A Religious Duty**

What emerged from the interviews with African and Caribbean business owners in this study was that personal moral values were one obvious predictor of positive SR attitude. However, some of the owner/managers

interviewed attributed their strong affirmation of SR to their religious beliefs, which unlike personal moral values had an element of adhering to the instructions of an organized religious institution. Their attitudinal orientation was more prevalent amongst African business owner/managers who mainly referenced Christian religious beliefs that obligated the believer to contribute to the well being of others. Typifying this religious view of SR is the response of Phoebe, whose positive attitude towards SR was explicitly linked to what he describes as an expectation from God;

“My own view is this [pause] most of these things we are talking about is what is expected from any God fearing person, as a Christian, as a human being this is what is expected of us but not all of us do it but as a good Christian I do it because it’s a way of life” Phoebe (African Woman, Hair & Beauty Salon Owner/Manager, London, November 2008).

Other respondents also shared this view, linking their positive attitude towards SR to the expectations of their religious faith, as the following interview excerpts illustrate;

“That is what is expected from any real Christian, you don’t have to be begged to do it, if you see something that is not right you do something about it that is the Christian way, and it’s not just Christians, Muslims do it [pause] most religions really” Carol (African Woman, Restaurant Owner/manager, London, November 2008).

For these respondents, business involvement in socially responsible actions that benefit others was a religious imperative and an essential component of their everyday personal and business conduct that should not to be taken lightly. Thus involvement in SR was considered good and acceptable because their religious values define them as such. This positive attitude towards SR and the religious undertones behind it was again reiterated by owner/managers during the participant observation study and corroborated by the few employees and customers with whom the researcher conversed during the study, as the following extract from the researcher’s field notes indicate:

12:45pm I have just been having an interesting conversation with Alfred [employee] at the back of the shop about the social actions of his employer. Alfred has been telling me that he attends the same church with Linus and that he is a "very respected" member of the congregation that has done "so much" for the church and its members. He went on to explain that he has heard that Linus often makes monetary donations to the church and has witnessed him give out money from the till to fellow church members. (Extract from field notes taken during participant observation with Linus -African Man, Bakery Owner/manager, London- March 2009).

It was noted that third parties described the owner/manager as 'a church person' or 'a good Christian' and affirmed their involvement in philanthropy targeted at religious organizations. Furthermore, direct observations also supported their stated religiosity as these owner/managers often had displayed in their businesses premises religious symbols/literature and engaged in religious practices (e.g. prayers) whilst being shadowed by the researcher. Although there was significant reference to Christianity, these values are not confined to any one religion as Smart (1989, cited in Hemingway and Maclagan, 2004) noted, major religions like Buddhism, Judaism and Islam instruct their believers to help other people less fortunate than themselves. Whereas religion and CSR attitudes among small business owners/managers have not been extensively researched, studies by Worthington *et al* (2006a) and Janjuha-Jivraj (2003) have found that there is a direct relationship between the religious beliefs of Asian entrepreneurs and their positive attitudes towards social responsibility.

#### **5.4.2 A Cautious Approach towards SR**

The attitudinal orientations to SR were not always uniformly positive amongst study participants, as a small number of owners/managers were cautious in their affirmation, expressing concern about the effect of SR on their businesses. These participants adopted a lukewarm, though, overall generally positive approach towards SR and their attitudinal responses revealed common concerns over structural limitations of small businesses to engage in SR. For example issues relating to lack of time and resources, as well as business priorities have been known to influence small business attitudes towards SR and impede their participation in SR initiatives (Hillary, 2000; Observatory of European SMEs, 2002). This view was often expressed in

particular by business/owners of recently established businesses like Henry a restaurant owner in London, for whom business survival and growth were understandably very important. Henry's attitudinal orientation was therefore very organisation-centric and he expressed scepticism about his ability to commit personal time and expense to SR initiatives.

"There is not much room for that [voluntary and charitable actions] in small businesses like us, look at us now, see we are barely surviving where will we find the money to give or where is the time to leave the shop and go do charity work? All those things are not bad but for me it's only when I have established myself and have settled then I can start to make time for those things [long pause] Don't get me wrong it is not that I don't do them now but it's a few pounds here and a few pounds there nothing to write home about" - Henry (African Man, Restaurant Owner/manager, London, October 2008).

During the interview with Henry, he was very guarded in his approach to SR. While he did not openly reject the notion that businesses should have a social responsibility, he considered a consistent engagement with SR as part of his core-business practice as impractical, instead regarding its practice as an occasional, peripheral and resource consuming activity. While this concern about SR consuming the limited resources of the business was shared by only a few of the interviewees, a proportion of these emphasised a different element with respect to being involved in SR initiatives, which has to do with the concern that their key stakeholders might perceive SR as a compulsory standardised practice. These business owner/managers expressed a positive attitude to SR but with the proviso that their involvement was wholly at their own discretion, as the following quote from Chuwi and Kony illustrates:

"I think whatever one does in this regard should be left to every individual as our pockets are different just like how our personal situations [pause] don't get me wrong see I am not saying it is not good but it should not be called a responsibility as such because people will start to think that you must do such and such for them after all there is no law that says you must" - Chuwi (African Man, Retail Food Shop Owner/manager, Nottingham, August 2008).

"So you see I think it is a good thing, there is nothing wrong with it per se but the only thing [pause] the important thing I want to say is that it has to be at the person's free will, in as much as this social responsibility things is at my discretion, at my own control then there is no problem because after all one is in business to survive not just because one has nothing better to do" - Kony (African Man, Retail Food Shop Owner/manager, London, January 2009).

Underlining this cautious attitude towards SR was the perception by respondents that SR is peripheral to, and imposed cost on their core business activity. It appears that this understanding of the concept creates a dilemma for these business/owners as it portrays SR as a non-business activity that has altruistic merits but with a propensity to consume the limited resources of the business. Respondents were therefore hesitant to endorse the idea that they have responsibilities outside their commercial objectives in the face of practical difficulties that hinder their implementation. This ambivalent attitude towards SR is not uncommon amongst very small business owners, according to Baker (2003 cited in Jenkins, 2006) business survival is the most small businesses can hope for and they are therefore more likely to be concerned about the impact of SR behaviour on their bottom line than about any potential indeterminate merits.

In conclusion, it can be surmised from this study that owner/managers are receptive of the idea that they have a social responsibility outside their primary commercial objectives. Research findings showed that most owner/managers viewed SR as a moral responsibility based on their personal ethics or a religious duty in compliance with the dictates of their religious faith. It also emerged that owner/managers' attitudes towards SR were sometimes framed around their understanding of where it sits within their business structure. Respondents who perceived SR as a fundamental element of their business culture either due to moral and/or religious motivations strongly affirm SR as a positive business activity. A few others who were of the opinion that SR was a cost that could adversely impact their core business objectives were less enthusiastic about their involvement in SR, as they expressed concern about their ability to practically engage in SR initiatives due to the structural limitations of their business.

## 5.5 Involvement in Socially Responsible Practices

The importance of owner/managers' attitudes to SR, whether they be positive or negative cannot be understated, as they have a strong influence on the scope and character of a firm's behavioural manifestations of SR (Hemingway and Maclagan, 2004; Aguilera *et al.* 2007). However, the attitude of small business owner/managers towards SR is not always a reflection of their behaviour, particularly with respect to environmental responsibility (Tilley, 1999). In several UK studies (Tilley, 1999; Petts *et al.*, 1999; Revell and Blackburn, 2007) there has been substantial evidence of small business owners/managers articulating positive environmental concerns but very little correlation between their environmental attitude and the actual actions taken to improve the environment. It was therefore necessary to interrogate in detail the professed values and attitudes of the study respondents and examine what manifestations (if any) of SR behaviour exist within the study sample of African and Caribbean business owner/managers. A review of the evidence on respondent SR behaviour showed that both African and Caribbean business owner/managers are engaged in a wide range of SR activities. Further analysis of the interview and observational data indicated that there were in general two obvious patterns of involvement in SR displayed by participants in the study. These correspond to business actions and practices that were representative of the ethical and philanthropic dimensions of SR and will be discussed in subsequent sections under these headings. There was however a third, less evident pattern of involvement exhibited by African and Caribbean business owner/managers was also deduced from the study data and this related to the propensity of owner/managers to consciously or unconsciously engage in environmental and philanthropic actions that were commercially beneficial to their business. A more detailed description of these findings is outlined in subsequent paragraphs. The analysis of the study data shows that African and Caribbean business owner/managers were engaged in a variety of social activities and practices, much of which occurred within their business and social network. Evidence of participants' involvement in SR activities was derived from a number of sources, the primary source being the respondents themselves and their comments and narratives during interviews. Other sources include the observation of participants' interaction with other business and non-business actors during visits to business premises, remarks by customers and employees during informal discussions and displayed documents that further

substantiated their SR involvement, which included certificates of commendation, awards and posters. The picture that emerges from the survey is that the actions of respondents span across ethical and philanthropic typologies of SR that broadly correlate with their perception of and attitude to the meaning of social responsibility. It was therefore possible to describe the various SR activities of African and Caribbean small business owner/managers as ethical, based on whether they were compliant with societal values and mandates and /or philanthropic, if they represent acts of charity.

### **5.5.1 Ethical SR Practices**

A review of the data gathered during the field exercise revealed that African and Caribbean small business owners/managers were engaged in activities that embody compliance with societal values, standards and rules, which include but are not limited to the legal obligations of their business. According to Carroll (2001) the ethical responsibilities of a business are not restricted to its adherence to legal codes of conduct but also include the setting up of policies, activities, practices and decisions that society judges to be appropriate moral behaviour. Similarly, Lantos (2001) is of the opinion that the ethical responsibilities of a business can be construed as encompassing nascent societal values and norms by which businesses are expected to abide, irrespective of whether such expectations exceed current legal requirements or pose no obvious benefit to the business. The various SR activities and practices professed by African and Caribbean business owners/managers were therefore described as ethical, on the basis that they reflect a moral and/or legal expectation for businesses to prevent harm to and ensure the welfare of individuals and groups that might be adversely affected by their operations. It was observed that respondents' reported ethical behaviour generally constituted actions and practices that address issues of health and safety associated with their business operation and those that foster and manage stakeholder relationships of the business.

#### **5.5.1.1 Regard for the Health, Safety and Welfare of Stakeholders**

All Business organisations, regardless of their size or scope of operations have an ethical and legal responsibility to curb the adverse effects of its operation on and contribute to the general welfare of society. Businesses fulfil this responsibility when they comply with lawful mandates to institute measures to

protect members of society from harm and exploitation; and when they voluntarily adhere to fair, just and considerate decisions and practices in their interactions with other members of society (Beauchamp *et al.*, 2001; Lantos, 2001; Carroll, 2000). The study sample of African and Caribbean business owner/managers reported several practices that could be described as ethical behaviour because they embodied concern for the general wellbeing of the different groups of individuals with whom they interact with and could be affected by the activities or processes of their business. There were two basic strands of ethical business conduct observed amongst owners/managers that participated in this study, these relate to mandatory ethical practice that was regulated by law and those that modulated by societal etiquette and the personal ethical codes of individual business owner/managers.

### ***Fulfilling a Legal Duty of Care***

One of the most commonplace ethical business behaviours that is regulated by law and was reported by African and Caribbean business owner/managers involved basic measures that address the health and safety of people in the workplace and people that might be affected by their business activities. All businesses in the UK, irrespective of their size, have a moral and legal duty of care to ensure so far as is reasonably practicable, the health and safety of its employees and all others who may be affected by its activities. This duty of care to protect others from harm in the work place is enshrined in UK law by the Health and Safety at Work Act 1974, which clearly mandates business owner/managers to provide and maintain a safe working environment, with a low risk of accident and ill health occurring as a result of working in or visiting the business premises. African and Caribbean business owners/managers identified a number of health and safety practices and activities that they carried out in their businesses, some of which were generic, while others were specific to the business sector within which they operated. A review of field data showed that the scope of respondents' involvement in health and safety practice was dependent on the business sector in which they operated. Participants in the food retail sector were more likely to adopt a formalized approach to health and safety in the work place than those in the hair and beauty sector, who showed less enthusiasm for health and safety procedures and confined their activities to very minimum expectations. Small business owner/managers in the food retail sector identified several practices and actions they carry out to address health and safety in the work place, the most important and repeatedly mentioned being procedures that focus on

food safety. Due to the nature of their business it was not surprising that food safety was a major concern for business owner/managers like Linus and Carmen, who as the following quotations indicate, consider food safety procedures as very important to their business operations:

"Health and safety, food safety they are very important for my business you know the bakery business is all about raw and cooked food, so we try our best to make sure that the environment is okay there is nothing that will harm anyone or cause accidents, very important we make this place spotless and check all our food daily [pause] see there on that fridge that is a notice for all the staff to take note and um what to record [pause] so we do many other things we don't play with health and safety here" - Linus (African Man, Bakery Owner/manager, London, October 2008).

"It's keeping the environment clean isn't it, health and safety, they are the important things you know, making sure everything is in its place, checking that the food you are selling is right, the right product, it is what you say you are selling and so forth, checking the dates, the best before and the sell by dates etcetera and making sure whatever you are selling to the community is not harmful" Carmen (Caribbean Woman, Retail Food Shop Owner/manager, Nottingham, July 2008).

Health and safety practice was not however limited to food safety, as owner/managers like Linus and Carmen also mentioned several other activities like cleanliness of their business premises, safety of electrical appliances and elimination of hazards that may cause accidents or fire. Analysis of the interview data showed that the motivation for these actions had more to do with the legal and regulatory nature of health and safety practices and less to do with their personal sense of morality. Most participants from the food retail sector had had several interactions with regulatory officers and like Dambisa -who owned a food retail business in Nottingham- cited this interaction as influential in their decisions to adopt certain health and safety practices.

"I try my best you see because I don't want stress from the council over these health and safety thing [pause] so I always tell my girl to make sure she mops the place very well whenever there is a spill or make sure there are not too many things littered around, small things like that to avoid accidents, even with our products we don't sell

expired ones and soon we are going to start having this electricity check to make sure all our electrical equipments are fine just as the officers suggested" Dambisa (African Man, Retail Food Shop Owner/Manager, Nottingham, August 2008).

For a small number of participants the motivation to adopt certain health and safety practices was based on pragmatic concerns about the potential commercial impact of non-compliance. They were concerned that business profits and reputation might be adversely affected if their key stakeholders or they themselves were to experience harm as a result of actions or inaction. Kony illustrates this viewpoint in the following extract;

"Yes I think so it is very do-able, we do these things every day, health and safety is important here as we are a restaurant and we deal with food so we have to make sure that our customers and even we ourselves don't get sick from the food because that is bad business very bad market because it won't pay the business at all and give us a bad name" - Kony (African Man, Retail Food Shop Owner/Manager, London, January 2009).

Conversely, business owner/managers in the hair and beauty were less rigorous in their approach to health and safety in the work place, the motivations identified as important to participants in the food retail sector appeared not to apply. Most business owner/managers of hair and beauty salons and barber shops only identified the very basic expectation of health and safety as it relates to the cleanliness of the work environment, and only a few mentioned the safety of electrical appliances and the elimination of hazards. It was observed that these respondents had less engagement with regulatory officers and showed less awareness of their responsibilities in this regard, as the following comment by Lee indicates;

"No they don't come around here at all [health and safety officers] I mean why should they? What are we doing here? We are only cutting and styling hair, that is no biggie, there is nothing we do here that can hurt anyone or poison anyone that is for them chip shops and restaurants to worry about, as for us, we just have to keep the place clean and nice that's all" - Lee (Caribbean Man, Hair & Beauty Industry, Nottingham, September 2008).

It is important to note that most of the evidence on participant involvement in health and safety practices was based on the participants' responses to questions about the steps they take to address SR issues in the work place. The data that emerged from participant observation component of this research generally corroborated this reported behaviour by respondents. The majority of owner/managers were observed engaging in various actions that could be described as good health and safety practice, as the following extract from the researcher's field notes indicate;

9:35am            I have just been having a quick look around in the kitchen area where the actual food preparation takes place and observed that it was reasonably clean even though they had started making pastries for the day. I also noticed that there was a fire extinguisher, clear access to the fire exit and all the workers in the Bakery were properly kitted up with hats, hairnets and aprons. There is also a fair amount of signage on fire safety and food hygiene as well as stickers on electrical equipment showing past and future dates for their maintenance and testing. (Extract from field notes taken during participant observation with Linus -African Man, Bakery Owner/manager, London- on March 2009).

While it was difficult to judge the extent of their commitment to health and safety practices, the data from the participant observation research indicated that it was a fairly important part of doing business amongst most of the owner/managers shadowed as on more than one occasion owner/managers were observed reprimanding staff for not following the correct health and safety procedure. Nonetheless, very few African and Caribbean business owners/managers appeared to have formalized the process of assessing, implementing and monitoring their health and safety practices, with only a few respondents having at least one form of document that records their health and safety practice. It was therefore concluded that even though African and Caribbean business owners/managers carried out some actions that help reduce the risk of harm to key stakeholders, their engagement was still very informal, reactive and driven by the support of and interaction with regulators, a state of affairs that Petts *et al.* (1999) describe as 'vulnerable compliance'. Petts *et al.* (1999) are of the opinion that the small businesses generally profess a positive attitude to compliance, however their ability to act

is usually low (with respect to resources and knowledge) and reactive in response to prompting from regulators.

#### **5.5.1.2 Fostering Good Business Relations**

The Ethical obligations of business owner/managers are not always codified in law, as these responsibilities often refer to the moral rights and wrongs of their business decisions, which themselves are value judgments that are difficult to legislate but are regarded as morally acceptable to the larger society (Carroll, 2000; McWilliams and Siegel, 2001). This dimension of the ethical responsibilities of business is relatively subjective and largely dependent on personal and cultural interpretations of fairness, equality and justice, which for all intents and purposes should coincide with universal moral standards of acceptable business behaviour (Alder and Gilbert, 2006). It was observed in this study that business owner/managers engagement with this dimension of business ethical behavior was generally associated with actions that embody fairness and consideration with respect to dealings with customers and employees. Almost all respondents were able to describe common business actions, which demonstrated how even-handed they were in their relationships with other business actors. These business practices as the following interview excerpts show are aimed at fostering good relations with their primary stakeholders;

“I will say I am a fair employer, I try my best to do the right thing by my employees I don't pay a lot but at least it's better than minimum wage and I always pay on time, I don't mess around with their wages at all no matter what. Apart from that I try to look out for them, if things are not going too well they now that they come to me and I will do my best to help after all we are all one” - Biodun (African Woman, Bakery Owner/manager, London, October 2008).

“My approach is to treat my staff and customers as family, just as I want the best for my family I also try to do my best for my staff and customers, so for instance I always try to make sure that my customers get the best of service when they are here, it's all about respect you see, the way I talk to them the way I handle their hair, the way I make them feel at home, it's all those sort of things. Their appointment is their appointment I don't say oh my friend or my sister is coming over so I juggle them about or keep them waiting

unnecessarily. So it's just being honest and fair really and people respect that" - Lee (Caribbean Man, Barber's Shop Owner/manager, Nottingham, September 2008)

These and similar examples described by respondents appear to be commonplace amongst the sample of respondents as both African and Caribbean owner/managers repeatedly reported their transactions with employees and customers as characterize by fairness and consideration on their part. They insinuated during interviews that this was a consistent pattern of behaviour and a part of their organisational practice, which was motivated by their personal moral convictions. However, analysis of interview data also revealed that respondents' behaviour was also motivated by cultural norms. It was observed that a few of the study respondent coupled their ethical behaviour to cultural influences by making reference to "the way we do things back home" or "what our people expect" and were often concerned about how members of their ethnic community will perceive them if they adopted a contrary attitude;

"Well an example will be the home service that I do for my elderly customers, you see I have like three, no four elderly regular customers they have been with me for years and now they are old and its difficult for them to come to the shop so I go around their houses to cut them hair at no extra cost because it's the right thing to do, that's the way they do it in Jamaica back home and so I do the same here because we have to take care of our elderly people. It won't look nice if I say to them I can't cut your hair if you don't come to me shop because then what will people then say [pause] they will say am all about the money and I don't care about other people if them sick or them old but there I care about the elderly and I do my little bit for them out of respect" Marcel (Caribbean Man, Barber's Shop Owner/manager, London, October 2008).

This SR behaviour as reported by respondents during interviews was also supported by data that emerged from the participant observation phase of this research. Findings from discussions with employees and customers during the observational study indicated that these business stakeholders generally reported a positive view and experience of their business relationship with the owner/manager, as illustrated in the following extract from the researcher's field notes:

4:40pm        In the past hour and half it's been very busy at the barbers shop, I have counted seven paying customers and another three whom I guess are friends that have stopped over for some sort of informal visit. The atmosphere in the shop was buzzing with activity, with reggae music blaring in the background, Lee and his employees were hard at work but also chatting, arguing and laughing over football, music, shared experiences at night clubs, weekend parties and pubs, amongst others. This left me with a strong impression that this was "a group" of individuals who had known one another for a while and obviously moved in the same social circles. It seems to me that the apparent good business relationship that Lee enjoys with his customers and employees was linked to the close social ties that they share. My presumption was later confirmed during the several conversations I had with a number of customers waiting for their appointments, all of whom praised Lee as a good or excellent barber but also described him as a friend. One customer explained that he had known Lee for years as they lived in the same area of town, they went to the same school and still frequent the same hangouts. Another described him as someone that he has always known in the neighbourhood, who every one considers a very good barber and that he got along very well with everybody. It seemed that everyone in the shop knew everyone and I alone appeared to be the stranger. -  
(Extract from field notes taken during participant observation with Lee -Caribbean Man, Hair & Beauty Industry, Nottingham -April 2009)

Although there was a possibility of social desirability bias in their responses, the researcher's observations of very cordial and informal interactions between owner/managers and their employees and customers suggests that it was probably not significant.

It was however observed that not all business owner/managers accorded a similar level of consideration to their suppliers. While most respondents reported that they had a cordial and stable relationship with their suppliers, a few of the owner/managers interviewed described the nature of their relationship with wholesalers as transient and largely dependent on cost margins, thus a more contractual relationship. This group of respondents were mainly small business owner/managers in the food retail sector, who had only been in business for a relatively short period of time but were of the opinion

that the onus was on their suppliers to positively sustain their business relationship, as the following interview excerpts demonstrate;

“Suppliers? oh you mean the wholesale guys, right, well in truth there is no one in particular um maybe like two or three but I will trade with any of the wholesalers around if they have the stuff that I want and the price is good, after all I am their customer aren’t I so it’s up to them to make sure that I am happy not the other way round at least that is what I do for my customers and I suppose that they should do the same for me” - Femi (African Man, Retail Food Shop Owner/manager, Nottingham, July 2008).

It was deduced from Femi’s comments and similar remarks by other respondents that the power relationship between retailer and wholesaler was a factor that influenced the nature of their interaction. These deductions were reinforced by participant observation data:

11:25am I have been sat in Soku’s little office for the past 20min while she made two phone calls, one to her supplier and the other a customer. Both telephone conversations have been very insightful into the nature of her relationship with both parties. In the first phone call with her supplier Soku was clearly unhappy with the person at the other end, she complained about the late arrival of supplies and about their cost which she said was a bit more expensive than the going market rate. It appeared that the supplier was from her own ethnic group as she started speaking a language that I didn’t understand. Nevertheless, I could sense she was irritated with the caller as she threatened (in English) to take her business elsewhere. (Extract from field notes taken during participant observation with Soku - African Woman, Retail Food Shop Owner/Manager, Nottingham - February 2009).

Soku and other respondents felt that they were in a less powerful position in such relationships and often changed their suppliers regularly to strengthen their position.

In conclusion, the ethical SR practices of African and Caribbean business owner/managers is centred on preventing harm to and promoting the welfare of key business stakeholders, notably customers and employees. The level of engagement in legally regulated practices that reduce the risk of harm was

different across business sectors, as respondents in the hair and beauty industry demonstrated a relatively limited level of involvement compared to those in the food retail sector. Results showed that this was largely due to limited contact with regulatory officers, poor knowledge of their responsibilities and the perception that the nature of their business posed very limited risk of harm. In terms of ethical behaviour that promotes stakeholder welfare, most respondent reported localised everyday behaviour that bordered on good customer service and fair treatment of employees. The findings of the survey indicate that while their ethical behaviour was commonly motivated by the personal ethics of the business owner/manager but some of their actions were influenced by cultural dictates and expectations of acceptable behaviour.

### **5.5.2 Philanthropic SR Activities**

Philanthropic or altruistic acts of charity were the most predominant and recurrent social action undertaken by African and Caribbean owner/managers. The social activities of participants identified during the field exercise were categorized as philanthropic on the basis that they were voluntary, beneficial to others, consumed resources and not motivated by the imperatives of business profit. The most common of these social actions include monetary support for individuals (particularly co-ethnics), local/non-local groups and charities, and to a lesser extent actions that manage the potential harm that their business poses to the natural environment. Research data also showed that business owner/managers committed their time and expertise towards charitable initiatives in their ethnic and local community. According to Lantos (2001, 2002) SR based on altruism connotes self-sacrifice and munificence on the part of the business owner/managers and often entails businesses engaging in actions that address social issues, which have no direct association with their business profitability and growth. It is analogous to Carroll's (1979,1991) conception of philanthropic SR, which he described as discretionary involvement by businesses in activities that make a monetary and non-monetary contributions towards the good of society even if it compromises profits. In this study, analysis of interview and participant observation data indicated that African and Caribbean business owner/managers displayed various levels of involvement in philanthropic activities, which were generally channelled towards other actors in their social

and business networks. The different dimensions of their philanthropic SR behaviour are discussed in the ensuing sections.

### **5.5.2.1 Channels of Philanthropic Activity**

The philanthropic activities of the sample of African and Caribbean owner/managers generally occurred within their business and social network. From the analysis of the interview and participant observation data it emerged that the main recipients of their charity within their business network was customers and employees, with no respondent claiming to support their suppliers in this manner, as it was perceived that suppliers were not in need of charity. All respondents irrespective of their location and business sector reported carrying out at least one type of charitable deed that were beneficial to their customers, with those in the food retail industry professing a high level of involvement in altruistic activities towards customers than their counter parts in the hair and beauty industry. Respondents equally identified charitable actions towards employees mainly with respect to enjoying free or discounted services or goods on sale. These actions did not appear to be planned but rather were in reaction to the requests of the parties involved as the following interview excerpts demonstrate;

“I do a lot oh, I sometimes give these my guys [employees] salary advance when they need it urgently, they cut their hair for free, they use treatments for free, and I don’t ask them for money” Shola (African Man, Hair Salon /Barbers Shop Owner/Manager, London, January 2009).

“I give my customers discounts lots of time, I can count many times I have sold at cost price to some of my customers or given them a little bit of credit when things are hard it’s not as if it is easy I too need the money to buy new stock but things are hard and one has to help when possible” Gabriel (Caribbean Man, Retail Food Shop Owner/Manager, London, November 2008).

“For example last month I went to Johannesburg and some of my customers wanted me to buy one traditional clothe or the other for them, some even wanted jewellery. Now if they were to get it themselves transport alone will make it impossible, so I do things like

that. I spent my time and my money running all over the place trying to buy this and that and I didn't charge them for anything" Gloria (African Woman, Retail Food Shop Owner/Manager, Nottingham, August 2008).

Respondents often described these reactive voluntary actions and others identified during the interviews as a normal occurrence. This reported philanthropic behaviour was also corroborated in the participant observation research, as several acts of philanthropy were directly observed by the researcher in the field:

11:25am I have been sat in Soku's little office for the past 20min while she made two phone calls, one to her supplier and the other a customer ... No sooner had she put down the phone when the second call came in and her entire demeanour changed, her tone dropped as she greeted whoever it was on the line whilst bowing her head in the process. As they conversed it soon became clear that the person on the other line was placing a catering order as she took down relevant details and gave a verbal quote, stating that she would take 10% off the final price which she told the customer to view as her own contribution to the event coming up. At the end of the telephone conversation I asked her about the discount and whether it was common practice. She explained that it was routine to give discounts but this one was not the usual "market discount" used to attract repeat patronage but rather a real discount she regularly gives to charitable and community organisations and as such she doesn't make any profit from the transactions. (Extract from field notes taken during participant observation with Soku - African Woman, Retail Food Shop Owner/Manager, Nottingham - February 2009).

6:45pm The shop closed its doors at 6pm and the process of closing up for the day started as Linus handled some financial and accounting stuff at the back office. I assisted in getting the kitchen tops and snack bar cleaned and disinfected. I also helped the staff in putting away pots, pans and other pieces of crockery. The atmosphere was more relaxed in the shop as the radio was turned up and the staff chatted at the top of their voices about their plans for the weekend. At about 6:30 when some staff were about to leave Linus came into the service area with takeaway packs apparently filled with snacks and

drinks for the staff and me included. Although I insisted that it wasn't necessary, it was apparent from his reaction that continuing to refuse would create offence. He explained that it was his custom to give his staff something at the end of the day no matter how small. (Extract from field notes taken during participant observation with Linus - African Man, Bakery Owner/manager, London- March 2009).

It was therefore surmised from the interview and observational data that the obvious good relationship between owner/managers and other business actors was not only attributed to their formal business interaction but also to a social and more informal connection. Respondents often referred to their customers and employees as "my people" or "my brothers and sisters" and inferred that their relationship extended beyond the formal dictates of their business transactions. This perception was corroborated by participant observations of the interaction between owner/managers and their employees and customers. Observations revealed that their relationship was largely informal and convivial in nature, as customers did not just come in to trade but also to socialise with the owner/manager and other customers. For example during participant observation with Henry (who owned an African restaurant in London) it was observed at one point that despite not having a paying customer, his business premises was partly full with people discussing African politics and football. The research data therefore suggest that business premises often doubled as social hubs where owner/managers and other business actors relate to each other on both a formal and informal level.

### ***Philanthropic Involvement in the Local Community***

Another important channel for the philanthropic activities of African and Caribbean owner/managers was their local community. All respondents sampled reported carrying out voluntary work in their local community. The extent of their involvement ranged from peripheral infrequent acts to regular financial donations and direct participation in social initiatives in the local community, which often involved contribution of their time, expertise and material resources. Donation to charitable organisations is a typical example of respondent's philanthropic behaviour that was sporadic and involved marginal commitment. A review of the interview data showed that the majority of respondents in this study claimed to have made donations of cash or material to charitable organisations, whose priorities may not necessarily have a direct impact on their local community. The voluntary support that

they provide to these charities is usually intermittent and reactive in character as the following excerpt demonstrates;

“I give to um ‘save the children’ [pause] I have also um I can’t recall all of them but you know those advert on TV or those guys in the street that ask you to donate for one thing or the other I donate when I have the money to spare” Doreen (Caribbean Woman, Snack Bar/Take-Away Shop Owner/Manager, Nottingham, August 2008).

This respondent and others of similar disposition in London and Nottingham also described other irregular and peripheral engagement with members of their local community in several other ways such as the use of their shop window for placing local adverts and notices, positive interaction with the local police, community safety and the local council officers, as well as members of the local business community to address social issues in their local community. However, analysis of the interview results also showed that African and Caribbean business owner/managers’ involvement in their local community was not always spontaneous and uncommitted. It emerged that a few of the interviewees expressed a more robust voluntary involvement in their local community that often warranted them engaging in local initiatives that have a direct impact on local people. These respondents were mainly Caribbean business owner/managers who had resided in, and been in business in these communities for a much longer time than their African business counterparts. They described direct and regular philanthropic involvement in social institutions like schools, sports club, and health institutions local to their community and described their behaviour as giving back to the community. This behaviour is exemplified in the excerpts below;

“I do my bit for the community you know, we have lived in Nottingham since we were kids me and my sister back when things were a lot different so I know it is important to be out there. So I try to do what I can [pause] I support the local football team, the [named football club]. I also donate money to them or I buy one or two kits for the team and attend their matches when I can. I also support the day centre at the Marcus Garvey the one for old people, me and my sister have been supporting them for years and when my dad was alive he support them too. So it’s something that we do, the carnival is coming up pretty soon I will have to chip in for one club or the other I know I will have to because that is what we do every year” Ambrose (Caribbean Man, Retail Food Shop Owner/Manager, Nottingham).

These respondents and others who professed to committed involvement in social initiatives in their local community often acknowledged that they had strong social and emotional ties in the local neighbourhood with respect to family, friends and the fact that they had grown up in the local community. Evidence of their engagement in the local community in form of photographs, letters of commendation, certificates and awards that celebrate their involvement was observed by the researcher during the study. On the contrary most African business owner/managers particularly those in Nottingham were first generation migrants who in most cases had lived in the United Kingdom for relatively fewer number of years. Although African respondents appeared to be less emotive about their local communities, they did profess involvement in their local communities' particular with respect to local religious institutions. Their engagement with these institutions appeared to be relatively more extensive than their Caribbean colleagues who rarely brought up religion during interviews.

"My local church will be the only example I can give you. I um regularly make donations to the church and I am a church worker that means I teach Sunday school to the young children and help out with little tasks that helps the church to run smoothly" Violet (African Woman, Restaurant Owner/managers, London, November 2008).

"I support the church through donations and such um any way I can I try to help out even with my time I go over to the church and help clean it once a month [pause] it's not by force as such but if you want to prosper you have to think not just about yourself, you have to commit to certain things" Asante (African Man, Food retail shop Owner/managers, Nottingham, September 2008).

The interview data showed that a few of the interviewees reported making regular voluntary involvement in their local churches. Respondents like Violet and Asante describe their philanthropic behaviour as compliant with the dictates of their religion, which generally required them to be charitable to people in society and also to the institution of the church. This religious obligation is described in the following interview excerpt;

"You mean tithe and offering, that is a spiritual command all Christians are expected to pay one tenth of their income, that is tithe and give offerings as best as the can to support the work of God, to

um support the church and that is what I do regularly” Joyce (African Woman, Food Caterers Owner/managers, Nottingham, September 2008)

This and similar findings that emerged during interviews and the participant observation phase of the research suggest that the religious convictions of respondents was a key driver of their involvement in philanthropic activities in their local communities.

### ***Philanthropic Involvement in Co-Ethnic Community***

The third and most significant channel for the philanthropic activities of African and Caribbean owner/managers was their co-ethnic community. The social and business profile of the study sample of business owner/managers was greatly influenced by their respective ethnic communities. Analysis of both interview and observation data indicate that a significant proportion of their business and social associates were from their respective African and Caribbean ethnic community. However, while most respondents assert that ethnicity was not a factor when making decision about their philanthropic activities, there were a few respondents that explicitly stated that their ethnic community was the main focus of their altruistic actions. These respondents who were mainly African and Caribbean business owner/managers in Nottingham stressed that the welfare of members of their ethnic community was of primary concern when making decisions and made comparisons to the philanthropic behaviour of other ethnic minorities in the UK;

“For me it’s the black organisations first, the African churches or the charities that are helping Africans, it’s only natural because that is what everybody does, you don’t see the Asians supporting people in west Africa or supporting black people no they help themselves, they help their Arab or Asian brothers and sisters and that is something we Africans must learn to do too not trying to be what we are not” - Linus (African Man, Bakery Owner/manager, London, October 2008).

“Well it’s not that I am not interested in working with or um helping local organisations but as far as I am concerned charity begins at home, I need to paddle my own canoe before I look at doing the same for another person, so my primary responsibility is to make sure my family is settled, and then I look at the community and not just anybody in the community I still have to um [pause] help my people

first before I go any further” - Dambisa (African Man, Retail Food Shop Owner/Manager, Nottingham, August 2008).

The philanthropic activities of these and other respondents was not limited to co-ethnics in the UK but also included those in their home nations. Research results revealed that voluntary contributions to individuals, groups and institutions in respondents’ country of origin were a common feature of business owner/managers philanthropic behaviour. It was however observed that this behaviour was more common amongst African respondents as they appeared to have strong social ties with not only individuals but also whole communities in their home countries. According to Levitt (2001) individuals in diaspora often maintain strong cultural and socio-economic links to their home nations, which often warrants the transfer of resources to families and communities in their homeland. The following interview excerpts illustrates this behaviour amongst the study respondents;

“I help people at home lots of time either it’s the extended family down there or just people in my local community there you see, the last one was when they wanted to renovate the town hall, all of us in overseas had to send some money back no matter how small” - Asante (African Man, Retail Food Shop Owner/manager, Nottingham, September 2008).

“I give a lot of support to my local community back home because that is my roots, that is where I was born and I can’t change that. So um I support family and friends that are over there, I give to orphanages or small projects that will benefit people there, for example to dig a borehole for water or supply a clinic with drugs. So it is such things that I help out with from time to time” - Olu (African Man, Retail Food Shop Owner/manager, London, February 2009)

The above types of philanthropic commitments described by some of the study participants is partly reflected in the monetary remittances from the United Kingdom by migrants, which has increased from £708 million in 2000 to 1,231 million in 2006<sup>38</sup>. According to Johnson (2007) monies sent by diaspora communities for charitable causes and initiatives make-up a significant component of the ever-increasing volume of monetary remittances to developing countries and Portes, (2009) asserts that the poor are the greatest beneficiaries of these migrant remittances. This transnational

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<sup>38</sup> World Bank Remittance Data Set <http://go.worldbank.org/QOWEWD6TA0>

philanthropic behaviour underline the unique position some ethnic minorities occupy in the United Kingdom, as they often have social and economic allegiances to local communities in the UK and in their home countries, a status Levitt (2001) describes as transnational citizenship.

### **5.5.2.2 Self-Interest Philanthropy**

The philanthropic SR activities as described by the study sample of African and Caribbean owner/managers were not always at odds with their business objectives but were on occasion consciously aligned with their central goal of profitability. Although, respondents commonly reported their SR activities as altruistic and/or motivated by noble moral convictions, analysis of these practices reveal that some philanthropic and ethical business actions were inadvertently or purposely strategic in character. According to several commentators ( Lantos, 2001; Burke and Logsdon, 1996) strategic SR are actions and practices, which underline the positive sum dimension of SR by accruing social and economic value to the firm and thereby aligning the fundamental objectives of business (profit) with societal expectations for it to contribute to the public good. "Corporate social responsibility (policy, programme or process) is strategic when it yields substantial business-related benefits to the firm, in particular by supporting core business activities and thus contributing to the firm's effectiveness in accomplishing its mission" (Burke and Logsdon 1996: 496). It was however observed that that certain philanthropic behaviour reported by African and Caribbean small business owner/managers was such that they could be construed as beneficial to their business, albeit it was not intended to be. These philanthropic practices were often orchestrated in such a manner that the benefits were visible and traceable to the business or its owner/manager and as such were good for public relations. A typical example of the self-interest nature of respondent's philanthropic behaviour is illustrated in the following discussions with Norman;

**INT:** So tell me about your relationship with the local radio station because I have heard your barbers shop mentioned over on [named radio station] several times in connection with events happening in the local community.

**Norman:** I tell you what, the thing with the radio station was just from nowhere you know because at the beginning I was just lending a hand because I knew these guys back in the days when we were

holding shows at the Marcus Garvey and we got along well and when they wanted to bring some musical artiste for a variety night in the community them say can you sell tickets for us and of course I said yes it's no big deal but I didn't know they were going to advertise it in the radio station and that it was going to be a big hit because we had them people flooding in here you know wanting to buy tickets and we sold out within a couple of days. So that was the beginning and it has continued with lots of different shows and programmes them say sell the tickets for us [pause] and even though them buying the tickets here can be a nuisance sometimes but we trying to help the community and sometimes they just don't buy the tickets they cut their hair too so it's not all bad

**INT:** So do you think this experience of helping sell tickets in your shop has been beneficial to your business in anyway?

**Norman:** Well yes it has been good in a way because at least I get the shop mentioned over at the radio station every now and then, people come up to me and say enough respect on what you doing in the community and all that, but what I have also noticed is that over the two years we have been doing this ticket selling we have gotten some new guys who now come to cut them hair regularly. So like I said it's been good and I will keep helping out as long as I can because in a way I am getting something back and that's a good feeling you know. Norman- (Caribbean Man, Barbers' Shop Owner/Manager, Nottingham, July 2008)

Philanthropic initiatives akin to that described by Norman, which have the propensity to deliver commercial benefits to respondents' business, are often associated with their philanthropic involvement in their local community. This involvement is generally reported by respondents to be motivated by non-instrumental motives and a drain on their resources, however a few owner/managers like Norman acknowledge that they have experienced benefits to their business as a result. According to Besser (1999) and Besser and Miller (2001), the involvement of small business owners in their local community is usually a means by which they achieve business visibility and engender the goodwill of other community members. While most respondents assert that they do not appropriate their philanthropic activities for business interest, a very small minority admit to strategically engaging in philanthropic initiatives that compliment their business objectives. One such respondent was Obinna, a business owner/manager of an African food retail shop in

Nottingham, who described philanthropic business practices that were specifically initiated to deliver business goals;

**INT:** I see that you have pens and pencils and other items that carry your business name and address, do you sell them or is it a promotion of sorts?

**Obinna:** No we don't sell them I give them out to my customers and friends just to say thank you for patronising us and sort of to say don't forget us also. You see it is what we regularly do at least two to three times in the year just to keep us fresh in our customers mind and to let people know about us. So like Christmas or Easter for example I will get pens, some diaries, calendar, wines all sorts of items and I will give it out to my customers.

**INT:** But I noticed that they all have you business details and what you do on top of them, so why [cut off]

**Obinna:** Yes now, I am the one giving it to them so they won't forget it and you should know a little thing like a pen you don't know how far it will travel. We are just trying to announce ourselves but in a good way because I know people who make fliers or cards or even go on the radio it's the something but ours is better because we are giving something to people, something that they can use and appreciate.

This type of reported philanthropic behaviour is representative of the enlightened self-interest model of SR, which hypothesises that businesses can reap commercial benefits from socially responsible behaviour that directly improves their public image and reputation (Besser and Miller, 2001; Besser, 1999). The appropriation of this "enlightened self-interest" was however uncommon amongst the study participants, majority of whom considered their philanthropic practices to be altruistic and unrelated to their core business objectives.

### **5.5.2.3 Involvement in Pro-Environmental Actions**

Environmental behaviour is a key component of SR behaviour and was therefore a major area of enquiry during the fieldwork. The pro-environmental business actions of African and Caribbean business/owners were considered as SR behavior because they address societal concerns about the contributions of business processes and activities to global and local environmental degradation. All businesses, regardless of their size, type and

scope of operations, interact with the natural environment through various processes that directly/indirectly consume natural resources (water, material, energy etc) and produce waste that can harm the environment (Tilley, 2000). Business owners/managers therefore have a moral duty to manage their commercial activities and practices in such a manner that they eliminate and/or reduce the negative impact of their business on the environment (see Welford and Starkey, 1996; Tilley, 2000; Besser and Miller, 2001).

The study sample of African and Caribbean business owner/managers did not readily associate their pro-environmental behaviour with social responsibility and in some cases were unaware that certain business practices were environmentally friendly. Respondents therefore had to be prompted to discuss their involvement in pro-environmental initiatives during the fieldwork. The ensuing data from interviews and researcher observations of environmental behaviour was then used to identify the common types and characteristics of pro-environmental actions of respondents. In practice there are two aspects to the environmental behaviour of the study sample of African and Caribbean business owner/managers. Analysis of the research interview data showed that business owner/managers were engaged in pro-environmental practices and actions that were required by and compliant with environmental law. Respondents also described voluntarily pro-environmental actions that they initiated as a result of their personal environmental ethic and/or commercial inclinations.

### ***Adherence to Environmental Law***

The examination of the research data reveals that compliance with the most basic environmental law that deals with waste disposal was the most common environmental behaviour of African and Caribbean business owner/managers. In the UK, businesses have a legal duty of care towards the environment. This obligation is set out in the Environmental Protection Act of 1990 and associated regulations that specify the responsibility of business owners/managers to enforce procedures and controls that ensure that their businesses pose no harm to human health or the environment. These regulations cover several environmental aspects of business including air, water and land pollution, biodiversity protection and conservation and waste management. The most relevant of these to the participant businesses was waste management particularly with respect to the handling and transfer of commercial waste, which covered in section 34 of the EPA (1990). The enforcement of these regulations is particularly at the local government level and LGAs are largely responsible for ensuring compliance. The sample of

African and Caribbean business owners/managers, most of whom used the local authority or licensed carriers to dispose of their commercial waste, all reported complete compliance with this basic expectation. Owner/managers like Andrew who runs a butcher's shop in Nottingham, associate their efforts to dispose of their commercial waste appropriately to fear of breaking the law and the commercial consequences on their business.

"Waste [pause] you mean my rubbish, oh I get rid of my rubbish properly, in fact I pay the city council to pick up them up every other week or so, it's not something that I am particularly happy about because I think it should be free but I don't have a choice really. It's either that or get in trouble with the law and my business can't afford any kind of trouble right now even though I don't think it's fair as I don't see why we have to spend extra, like everyone else we pay our tax and business rates, I even pay council tax again on my property and we still have to spend extra again for our rubbish, not fair at all"  
James (African Man, Retail Food Shop Owner/manager, Nottingham, June 2008)

Most respondents acknowledged the importance of disposing their commercial waste in an appropriate manner and although concerned about the extra cost it involved they felt constrained to obey the law. The cost of compliance with environmental regulations is one of the major constraints to the pro-environmental behaviour of small businesses in the UK. According to the Federation of Small Business biennial membership survey carried out in 2006, small businesses in the United Kingdom identified the cost of compliance as one of the most significant barriers to their business performance (Carter *et al.* 2006).

### ***Marginal Voluntary Involvement***

However, environmental ethics goes beyond simply complying with the law, which currently addresses only a part of the environmental aspects of respondent businesses, it includes a willingness to address environmental issues that transcend legal considerations but are nevertheless expectations that society wants business to fulfill (Carroll and Buchholtz, 2008). African and Caribbean small business owner/managers were therefore asked about efforts they make to reduce the impact of their business on the environment that were not regulated or required by law. Analysis of their responses indicated that most business owner/managers considered pro-environmental

actions to be acceptable business behaviour and admit to being involved in at least one pro-environmental activity. The general response to this enquiry indicated that the environmental behavior of a majority of African and Caribbean business owner/managers was however not so robust, and although most business owner/managers were open to the idea of their business being environmentally friendly they only profess to limited engagement in environmental activities and anticipated future involvement. These respondents identified at least one pro-environmental activity they were involved with, which were often of little priority and peripheral to their core business operations. The most commonly reported pro-environmental activity performed by these respondents was the recycling of waste materials, which was sometimes carried out intermittently and with little consideration for the process as the following excerpts illustrate;

“I do recycle, every now and again I put together all the packaging material together [commercial waste] and I take them home at the end of the week or if I have time I take them to ASDA [local domestic recycling centre] down the road because I don't have a separate recycling bin here you see I just have the one for general waste”  
Asante (African Man, Retail Food Shop Owner/manager, Nottingham)

“We do try to separate what we put in the bin, as in we recycle our paper waste um plastics and glass um all the things that you are allowed to recycle you know. The only thing is that we don't do it as much as we will like to because we just don't have the time we have a lot of different materials here and sometime it just takes too much time sorting it out and finding where to keep them before we get rid of them, so sometimes we just do what we can”  
Mary (Caribbean Woman, Snack Bar and Take-Away Shop Owner/manager, London)

Despite this reported involvement in the activity of recycling, data from the participant observation study highlighted some discrepancies in actual practice. It was observed that most of the businesses visited had no recycling infrastructure (e.g. recycling bins or bags) and their generic waste bins often contained recyclable waste material suggesting that recycling was not a priority. Furthermore discussions with some of the employees of these businesses indicated that recycling was a sporadic business activity, one which was only embarked upon “when business was slow” or at the whim of their employer. It was therefore surmised that most owner/managers in this

study demonstrated a concern for the activity of recycling but little knowledge of and long-term commitment to the process of recycling commercial waste. They also showed an interest to engage in more pro-environmental activities in the future with respect to getting more energy efficient equipments and use of environmentally friendly products. There were, however, a few respondents who were not involved in any environmentally friendly activity of any kind. These were usually owner/managers of businesses that were engaged in a relatively narrow set of operations and appeared to be struggling to survive in the marketplace compared to their colleagues. A typical example of this group of respondents was Sean, a local barber in Nottingham, whose barber's shop only provided one service- haircuts -and was at that time rapidly losing its customers to bigger hair and beauty salons nearby. Sean demonstrated very little awareness of environmental issues and considered his business as too small to adversely impact on the environment;

**INT:** can you tell me about some of the other things you do as part of your business that can be described as environmentally friendly?

**Sean:** hmm... I don't do anything as such

**INT:** I see but is there anything you do to reduce the amount of energy you use or the waste that comes from your business...anything at all to reduce the potential impact or harm your business poses to the environment?

**Sean:** What do you mean harm, I cut hair man [pause] how can that harm the environment, I don't manufacture anything so how can I harm anything, all I do here is cut hair, there is nothing we can do for waste [pause] I even wish I had much waste because then I will know business is good, as you can see I got a tiny shop, I am not doing much business here, all I have got is two hair clippers and that's all. (Caribbean Man, Barber's Shop Owner/manager, Nottingham, August 2008)

Sean's indifference to his environmental responsibility was despite the fact that his shop had three fluorescence tubes, a hi-fi system and television, which were constantly kept on even when he had no customers in the shop. When this was pointed out to him during the interview he simply remarked that the rent paid for the premises was inclusive of electricity rates and was therefore not his problem. This haphazard attitude towards environmental issues was not always the case amongst respondents who did not carry out any environmental activity, as some expressed a positive attitude towards

their environmental responsibility but attributed their non-involvement to a lack of resources.

“It is not that I don’t want my business to be environmentally friendly, it’s just that right now I can’t afford it [pause] it’s just not possible [pause] I mean where will I get the money to buy a new fridge freezer or food warmer, I just can’t spare money or time for anything right now apart from the very essential” - Dambisa (African Man, Retail Food Shop Owner/Manager, Nottingham, August 2008)

It was therefore clear from the comments of Dambisa and similar remarks by other African and Caribbean business owner/managers that their environmental behaviour was largely influenced by resource availability rather than by ethical considerations. It mirrors the findings of other studies on small social responsibility (Hillary, 2000; Hitchens *et al.*, 2005; Observatory of European SMEs, 2002), which cite resource poverty as a major barrier to small firms engaging in SR activities.

### ***Embedding Environmental Practice***

Notwithstanding, it was observed in this study that a few business owner/managers still manage to integrate their environmental behaviour into the operational activities of their business. These respondents were mainly female business owner/managers in both London and Nottingham. They reported involvement in several activities relating to reduction in energy consumption, the use and sale of environmentally benign products and the reduction, reuse and recycling of materials. The extent of their involvement in these environmental activities was relatively more robust than other participants, as they professed to environmental behavior that entailed the setting up of practices that were not only sustained but were integrated into their business model. There was also an apparent connection between the business context of these respondents and the type and characteristics of their environmental actions as the following excerpts illustrate;

“Oh we try to do our own bit for the environment, we recycle all paper and cartons that we get um [pause] and we don’t waste water or electricity all my staff know that any equipment not in use should be switched off its just common sense [long pause] but as far as I am concerned the most important thing that we do is the service and products that we sell. As I said at the beginning we focus on Afro-Caribbean styles like braids, cornrows, twist and weaves which are all

natural hairdos, they don't need any kind of stretching chemicals or artificial weave-on [hair extensions] and even if our customers insist on weave-on, we have some that are made from natural hair. We also sell various treatment gels, shampoos, conditioners, body scrubs and um [pause] these are traditional Afro-Caribbean products that are made naturally, some we buy from wholesalers, a few we make ourselves using things like aloe vera, shea butter, cocoa butter and a couple of other stuff which are all natural and it is something that is catching on because people are trying to connect back to their roots" Latisha (Caribbean Woman, Hair & Beauty Salon Owner/manager, London, November 2008).

"Yes I can say we are environmentally friendly, for one thing we don't give out plastic bags, we sell them for like 3p and that has encouraged our customers to bring their own bags. We recycle all our paper and cardboard packaging that we get and we flatten all our boxes etcetera and that goes to the recycle plant, it is collected once a week or twice a week at the moment and we also collect um [pause] the food waste from the fruits and vegetables, we collect that for the gentlemen from the allotments, they come along and they take it and put in their compost and that makes sure that we don't have rotten products lying about" Carmen (Caribbean Woman, Retail Food Shop Owner/manager, Nottingham, July 2008)

During the participant observation exercise with Carmen, there was substantial evidence in the form of direct observation of the above stated practices to support her reported environmental behaviour. Additionally, observational data indicated that some of her pro-environmental practices, for example the sale of carrier bags, were driven by strategic considerations, as she acknowledged whilst being shadowed that this activity was relatively profitable to the business. It appears that the environmental behavior of Carmen and Latisha and a few other respondents were influenced by the business case for such practices. The majority of respondents however did not describe similar involvement as beneficial but like these respondents highlighted the 'natural' qualities of their goods and services, which they perceive to be environmentally benign. It appeared that the majority of the study sample of African and Caribbean business owner managers was of the opinion that their indigenous ethnic goods and services were environmentally superior to those available in the mainstream. Analysis of interview data

showed that the majority of owner/managers interviewed made reference to the environmental value attached to their business products and services, which they describe as 'natural' or 'from the earth'. Business owner/managers in the food retail industry often suggested that their ethnic indigenous food products or meals were inherently environmentally benign simply because they are native to Africa or the Caribbean. Similarly, those in the hair and beauty industry made comparable claims about the indigenous services and products they offer;

"All Afro-Caribbean hair styles are natural, we don't add any kind of treatment we don't use any equipment, dryer, steamer we don't need any of those it's just the skill that we need" Alisha (Caribbean Woman, Hair/Beauty Salon Owner/manager, Nottingham, July, 2008).

"The meals that we prepare we use natural foodstuff throughout, sauces, spices you name it they are all natural from local farms and gardens in Africa, the only thing that is from here is the chicken and the water [laughs] because even the bush-meat we use is imported you see" Carol (African Woman, Restaurant Owner/manager, London, November, 2008).

These assertions were made despite the fact that respondents acknowledged that they frequently purchased their products from third parties and they could not validate the source. They however were convinced that the value of these products, which had a cultural significance for them, could not be replicated. As Thaddeus explains "if you grow this yam with fertilizer or use one oyinbo [western] method or the other, I can guarantee you that any proper Nigerian will spot the difference right away" (African Man, Retail Food Shop owner/manager, London, September 2008). Respondents therefore identified with their products and services not only at a commercial level but also from a cultural standpoint. These research findings on the pro-environmental behaviour of African and Caribbean business owners/managers that participated in this study revealed that they were engaged in business practices that could be described as both mandatory and voluntary environmental behaviour. It also showed that female business owners/managers were more likely to be involved in voluntary pro-environmental activities than their male counterparts. In general, the extent of their involvement in these environmental activities was quite varied and ranged from those participants who regularly carried out multiple

environmental actions to those who did not engage in any pro-environmental activity. Furthermore, the nature of the environmental behaviour of all participants was consistently informal and unsophisticated as they did not adopt any formalised environmental management techniques but simplistic commonplace measures.

## **5.6 Conclusion**

The objective in this chapter has been to present the research findings as they relate to respondents understanding of SR and the characteristics of their reported attitudes and behaviours. The analysis of the results reveal that respondents were generally unfamiliar with the formal terminologies of SR and business owner/managers' own interpretation of their role in society presents an appropriate and contextually rich perspective, which provides useful insights into their attitude and behaviour towards social responsibility. The research results showed that all business owner/managers that took part in the study reported a positive attitude towards SR nonetheless some did express anxiety over its impact on the commercial objectives of their enterprise. The evidence also showed that philanthropy and ethical business behaviour were the two major ways by which African and Caribbean business owner/ managers perceive and engage with SR. Respondents' participation in SR ranged from very limited and reactive responses to requests for charitable donations to committed patterns of giving and involvement in their local communities and beyond. While altruistic intentions of the business owner/manager appeared to be the dominant predictor of philanthropic behaviour, there was also evidence to show that religious and/or co-ethnic allegiances was an important denominator and in a few cases philanthropy was observed to be prompted by strategic intentions. The research findings also indicate that ethical SR behaviour of African and Caribbean business owner/managers primarily relates to business efforts that prevent harm to and promoting the welfare of their customers and employees. The level of involvement with health and safety practice was different across business sectors, as respondents in the hair and beauty industry reported limited involvement relative to business owner/managers in the food retail sector. The results also suggest that the key predictor of behaviour in this regard was the frequency of contact with regulatory officers. With respect to stakeholder welfare, most respondent reported that customer service and consideration towards customers and employees as common practice. Their behaviour was generally motivated by the personal ethics of the business owner/manager

and to a lesser extent influenced by cultural traditions and expectations of acceptable behaviour. The evidence on the pro-environmental behaviour of African and Caribbean business owners/managers showed that the sample engaged in mandatory and voluntary environmental practices. It also suggested that female business owners/managers were more likely to be involved in voluntary pro-environmental activities than their male counterparts. This chapter therefore contributes to the overall research findings by presenting an empirical description of mind-sets and key forms of engagement with SR amongst African and Caribbean business owner/managers. It provides the setting for further discussions and assertions on the influences, motivations and character of their SR behaviour.

## CHAPTER SIX

### FORMAL AND INFORMAL NETWORKS AND THE EMBEDDEDNESS OF SR PRACTICE

#### 6.1 Introduction

The findings of this study have so far shown that African and Caribbean business owner/managers interpret SR differently and engage in a range of SR practices to varying degrees and that much of it was confined to their business and social networks. The objective of this chapter is to offer a description of the social, business and institutional context and its influences on the different dimension of SR attitude and behaviour amongst African and Caribbean owner/managers. It presents the findings of the research on the connections between the personal, business and institutional relations of African and Caribbean business owner/managers and their SR behaviour. The premise being that business owner/managers interact with different individuals and groups in the course of conducting their everyday business activities and in so doing they establish networks of formal and informal associations, which oblige them to act in a socially responsible manner (Edmonds and Carroll, 1999; Campell, 2007; Worthington *et al.*, 2006). In order to facilitate an in-depth understanding of the explanatory power of relational networks with respect to the SR behaviour of African and Caribbean business owner/managers, qualitative data on the linkages that exist between them and other network actors was collected through interviews with business owner/managers and key informants in their local business networks. These key informants included senior officers of local government authorities, voluntary agencies, business enterprise agencies, private business consultants and community organisations that operate in the study areas. Discussions with these institutional actors was particularly useful, as it provided an opportunity to draw on their collective knowledge and experience of workings of the small business environment and African and Caribbean in particular, to help paint a picture of the nature and scope of business and social relationships in each local business community. Likewise, interviews with the sample of African and Caribbean business owner/managers focused on examining the quantity and quality of formal and informal relationships in which they were a part of, as useful indicators of their social inclusion, commitments and responsibilities within their local and social network. This

chapter draws on the results of the analysis of these interviews, highlighting the differences and similarities in their experiences where they exist. It is divided into three broad sections beginning with a description of the nature and extent of their family and interpersonal social associations, with particular reference to the availability and use of ties to family, friends and other acquaintances and their influence on owner/managers' SR. The second section will look at research results as they relate to the nature of owner/managers key business relationships (with particular reference to employees, customers and suppliers) and how they help shape owner/managers perception and practice of SR. The third section presents research findings on owner/managers' formal and informal linkages with regulatory, business support and civic institutions and the influence these relationships have on their SR attitude and behaviour.

## **6.2 Social Ties and Responsibilities**

The scope and quality of owner/managers interpersonal relationships, particularly with friends and family, provide useful insights into the character of their SR behaviour. Personal and family commitments are often transferable to the business setting and may influence owner/managers' decisions to engage in social actions that are not only beneficial to network actors but also to the wider society. The social networks within which individual owner/managers' are embedded are generally defined by their social ties to family, friends and acquaintances. These networks are characterised by bonding and bridging relationships which strengthen and expand the connections within and between social networks (Adler and Kwon, 2002; Putnam, 1995; Werner and Spence, 2004). According to Coleman (1988:102-3) expectations, obligations and trustworthiness are evident in these relationships and thus actors have a basic sense of responsibility for the wellbeing of other actors in their social network, including the prevention of harm. The African and Caribbean owned businesses sampled in this study were characteristically micro enterprises with ownership and management structures that allow for the fusion of individual and business relationships and resources (Baines and Wheelock, 1998). The fuzzy boundaries that exists between the personal resources of owner/managers and that of their businesses, implies that such businesses could tap into the physical and social resources embedded in the family ties and informal relationships of owner/managers and vice versa (Curran and Blackburn, 1994; Worthington et

*al.*, 2006). The analysis of the research data outlines the scope of family ties and other informal relationships of African and Caribbean owner/managers, the nature of their integration within respondent businesses and illustrations of the influence these relationships have on their socially responsible behaviour.

### **6.2.1 Scope of Family and Kinship Ties**

The role that family and kinship ties play in the formation, management and survival/growth of small businesses has been the subject of a number of studies (e.g. Greve and Salaff, 2003, 2005; Aldrich and Cliff, 2003). Much of this research (Coleman, 1988; Ram and Hillin, 1994; Fadahunsi *et al.*, 2000; Bagwell, 2008) has focused on EMBs whose family networks have been shown to be an important source of financial and human resources, as well as socio-cultural capital which facilitate access to particular trade and information networks. UK based studies on this subject have largely concentrated on Asian owned firms and highlighted their use of resources inherent in their family and kinship ties to provide competitive advantage for their businesses (Basu 1998; Flap *et al.*, 2000; Ram *et al.*, 2000; Barrett *et al.*, 2001; Janjuha-Jivraj, 2003). By contrast the small amount of similar research into the UK African and Caribbean business community has suggested that owner/managers lacked or were less able to utilise internal resources in their family network in a similar manner to their Asian counterpart ( Ram *et al.*, 2000; Basu, 1998; Barret *et al.*, 1996). In most of these studies African and Caribbean owner/managers were regarded as a homogeneous subset of a larger ethnic minority sample and subsequent analysis failed to shed any light on the reason(s) for their deficiency in family resources. In this study African and Caribbean owner/managers were regarded as similar but distinct ethnic minority subsets and the scope of their family and kinship ties was examined with respect to family generation, extended kin and trans-ethnic relationships. Research data showed that a majority of the sample of African owner managers were first generation migrants<sup>39</sup> inset in one or two generation family networks<sup>40</sup> in the UK. Although these respondents reported having a large extended family network, they also declared that the majority of their close kin were still residing in their home nation;

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<sup>39</sup> First generation migrants are defined in this study as individuals who are born in a country other than the United Kingdom and whose parents both have foreign citizenship (Dustmann *et al.*, 2003)

<sup>40</sup> One generation family refer to migrant adults of same age group only. while two generation families refer to migrant adults with dependent children

"I come from a big family, real big family but over here [The UK] it's just me and my wife and our kids and they are still in school. So in a way we are on our own here." Femi (African Man, Retail Food Shop Owner/manager, Nottingham, July 2008)

"I don't have a lot of family members over here, um [pause] I have a cousin in Belfast, he is studying something at Queen's University, apart from him there is no one else, it's just my immediate family, even my wife's people are not in this country." Henry (African Man, Restaurant Owner/manager, London, October 2008)

Although, only a few of the African owner/managers sampled reported having a family network that span two generations, as well as other kinfolk in the UK, these and other African owner/managers reported their family network in the UK as small and limited to a few individuals. This assertion was corroborated by one of the key informants interviewed, who linked the paucity of family network to the socio-economic context of Africans in the UK;

"I can't speak for West Indians, but as far as Africans are concerned let me be frank with you, most of us here are economic migrants who are just looking for a better life here in Britain, either through education or work or whatever. So when people talk about family support for African business it just shows how little they know about Africans living in Britain because most of us here are really the ones supporting large families back home" (CEO, Hunt Consulting, Lewisham, November 2008).

These findings imply that the family networks in which African owner/managers were embedded are typically a combination of small network of mainly young and dependent family members in the UK and a larger network of extended kin in their home countries that are equally dependent on them for support. It was also observed that there was no indication from the research data that the sample of African owner/managers had any family ties outside their co-ethnic network as none of the respondents identified extended family in any other ethnic group. The research data, however, also showed some differences between African and Caribbean owner/managers' family networks. Caribbean respondents were embedded in broader family and kinship networks than their African counterparts, with most of the

owner/managers associated with multigenerational family<sup>41</sup> networks in the UK, with a few amongst the sample of Caribbean owner/managers identified as British-born second generation migrants. Furthermore, research findings show that unlike African owner/managers, they reported having extended family in and beyond their locality, as well as outside their co-ethnic network;

“I have a lot of family and relatives here and in Jamaica, um the real close ones like brothers, sisters, cousins and so are in Britain, some are even here in London with their own family, so I guess I can say that I have my family around me. My family here has grown we have indeed” Desmond (Caribbean Man, Retail Food Shop Owner/manager, London, October 2008)

“Oh my family, it’s big man, I have got brothers and sisters uncles and aunties coming out of my ears, I have even got family relatives that are Scottish and um yeah [named individual] where is [named individual] from... yeah Isle of White, I have got relatives who come from the Isle of White [laughs]. So as you can see they are all over the place.” Lee (Caribbean Man, Hair & Beauty Industry, Nottingham, August 2008)

Although a small proportion of the study sample of Caribbean owner/managers did report having smaller family networks, the research findings overwhelmingly indicated that Caribbean owner/managers are embedded in family networks whose character and complexity were different from that of African owner/managers in terms of the heterogeneity and breadth of their familial ties.

### **6.2.2 Other Interpersonal Relationships**

Interpersonal relationships with friends and acquaintances may not be as close as family ties but they are, nonetheless, an important component of the social networks within which small business owner/managers operate (Spence, 2004). These relationships may take the form of strong or weak ties depending on “the potential for participants in such networks to have greater motivation to be of assistance to others and to be more readily available” (Granovetter, 1982 cited in Perry, 1999: 20). Research findings indicate that there are several differences in the character of the interpersonal

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<sup>41</sup> Multigenerational family refers to a network of family members that includes more than two generations e.g. grandparents and grandchildren

relationships of the sample of African and Caribbean owner/managers. The main area of divergence lies in the embeddedness of their interpersonal relationships and friendships in their co-ethnic networks. It was observed that Caribbean owner/managers were associated with multi-ethnic networks of interpersonal relationship. Although owner/managers did report having ties with other co-ethnics, they also acknowledged connections with individuals outside their ethnic group as the following interview excerpt indicate;

“no no it don’t make no difference I admit I have got a lot of West Indian friends, good ones and bad ones but I also got a lot of white friends, a lot of Asian friends too, some good some bad it’s people isn’t it. So it makes no difference where they are from.” Rob (Caribbean Man, Barber’s Shop Owner/manager, London, and October 2008)

This broad-minded view expressed by the above respondent was common amongst Caribbean owner/managers in both study locations and observations in the field corroborated interview reports in this regard. Conversely, interview findings showed that while all African owner/managers reported strong connections with other individuals in their co-ethnic community - particularly those from their home nations - interpersonal relationship with other actors outside their own ethnic group varied between the study locations. In Nottingham, all but one of the African owner/managers interviewed reported limited and weak ties with other actors outside their ethnic group that were typified by casual acquaintances with a small group of actors in their locality;

“I don’t have much friends around here, I mean where is the time, the few I have are those that I have known a long time back home in Nigeria or just a few of our people that I have come to know through church...well I won’t say that they [other actors in the community] are my friends or that they are not my friends but we see we say ‘hi, you alright’ and that’s all, even my neighbours sometime months go by before I run into any one of them” Obinna (African Man, Retail Food Shop Owner/manager, Nottingham, May 2008)

African respondents in Nottingham attributed the paucity of interpersonal relationships to the constraints of time and involvement in different but smaller social networks. Several respondents reported very limited involvement in mainstream social networking spaces (pubs, clubs, leisure centres, social clubs etc) and generally appeared to be socially excluded from

other ethnic groups. However, African owner/manager in London reported relatively broader informal associations with social actors outside their ethnic group. These respondents tend to be female owner/managers, whose comments suggest that these relationships have been developed under particular social settings, as the following interview excerpts illustrate;

“I am good friends with loads of different people, it’s sort of like a rainbow coalition of friends, and some of them I met while in college, some at the university and my last place of work” Phoebe (African Woman, Hair & Beauty Salon Owner/Manager, London, November 2008)

“I have a lot of friends from my local parish, good Christian friends that are not bothered whether you come from the moon or a village in Africa, we are friends because we share the same Christian values and personality, simple” Carol (African Woman, Restaurant Owner/manager, London, November 2008)

These comments indicate that personal and context-specific characteristics are likely to be significant factors affecting the quality and quantity of interpersonal relationships that owner/managers engage in as they may create settings that engender social interaction and engagement outside co-ethnic networks. These findings point to several differences in the form and character of the social networks within which African and Caribbean owner/managers are embedded. It was observed that social network of African owner/managers were relatively less developed by virtue of the small number of actors and the paucity of social actors from outside their co-ethnic network. On the other hand, Caribbean owner/managers were associated with a relatively more broader social network that exhibited bonding and bridging relationships that span across ethnic boundaries to include a wide range of actors in their local community. It was also observed that in general the sample of Caribbean owner/managers had been resident in the UK (and some were actually born in the country) for a relatively longer length of time than their African counterparts. The observed differences in the character of familial and interpersonal ties of the sample of African and Caribbean owner/managers are further accentuated when the interpersonal links between both groups were examined. The research results showed that informal ties between both groups was fairly limited and poorly developed as

respondents reported having limited links with members of the corresponding ethnic group.

“First of all [pause] African people are on one side and Jamaican people are on the other side, most of the time those two side don’t mix very well at all at all, even amongst us Africans we are different and we have our own little little clique” Thaddeus (African Man, Retail Food Shop Owner/manager, Nottingham, August 2008)

“no not at all, as far as I am concerned majority of Africans stay together and majority of people from the West Indies stay together but coming together as a group not very common [pause] not that it doesn’t exist but it’s not common place most times we all just stick to ourselves.” Brianna, (Caribbean Woman, Hair & Beauty salon Owner/manager, Nottingham, July 2008)

Although only a few of the study participants (mainly in the London area) reported having close ties with people in the African/Caribbean community, the above comments are representative of a majority of owner/managers views on the level of informal networking between the African and Caribbean community in their locality. It is important to reiterate that these findings are not intended to be generalisable across the entire population of African and Caribbean owner/managers in the UK, as these results may be skewed by the small sample size and the business sector under investigation. However, the results provide useful insights into the scope and character of family and interpersonal networks with which African and Caribbean owner/managers are associated and the possible opportunities and barriers to merging these networks with their business framework.

### **6.2.3 Leveraging Interpersonal Ties**

There is a broad consensus in the social science literature and research that family, kinship and friendship networks are an important source of social and economic capital which owner/managers can draw on to support their business. According to Spence and colleagues (Spence and Lozano, 2000; Spence *et al.*, 2003) the character and extent of these networks of interpersonal relations are of key determinants shaping how small businesses function economically and socially. It is assumed that actors within a social network will be more disposed to supporting each other as a result of the social/physical proximity, shared values and mutual respect that exists in

these networks. The uptake of the resources embedded in these networks by owner/managers is a useful indicator of the inter-connectedness of the social and business ties of owner/managers and an expression of the close bonds of trust, cooperation, reciprocity and loyalty that exist in these networks (Ram *et al.*, 2000; Barret *et al.*, 2001). The actions that embed familial and other interpersonal ties in business networks include assistance with capital and labour costs, help with information that provides competitive advantage and access to other trust networks pertinent to the success of the business (Basu 1998; Flap *et al.*, 2000; Barrett *et al.*, 2001; Janjuha-Jivraj, 2003). The interpersonal networks with which the study sample of African and Caribbean owner/managers are associated have been shown to be different in scope and character. There was however a general consensus amongst key informants interviewed that these networks are important to small businesses and that they relied on them to survive and be successful;

“Family is crucial for these businesses, very crucial because they [entrepreneurs] don’t have the capital, they don’t have the finance, so the little they have has to be maximised and that is where family and friends come in. They chip in, they help with their money, with their time and expertise even. Most businesses will not be able to survive without some help from family and friends.” (CEO, Manny Business Enterprise, Nottingham, August 2008)

“Oh definitely, family and friends make black businesses tick, bringing their family into their business is the only way they can make a profit, for example they can save on the free labour and on interest free loans that they get from relatives for nothing.” (Business Advisor, Black Business Initiative, London, October 2008)

These and other key informants interviewed regarded the participation of owner/managers’ family and friends in their businesses as a natural and routine occurrence. However, data from interviews with owner/managers revealed that the leveraging of interpersonal ties by respondents to support their businesses was neither universal nor routine but could best be described as strong or weak based on the relative size and availability of support from their social network of family, friends and acquaintances.

### ***Strong Support***

Both African and Caribbean owner/managers reported employing different and multiple resources inherent in their social networks of family and friends to

support their businesses. It was observed that most of the owner/managers interviewed reported that they received regular, intermittent or one-off support from members of their family network in the course of setting-up and running their businesses, as the following excerpts show;

“Oh yes they [family members] do in many ways, they keep me in business by patronising me of course, they support me morally when things are tough as in I get to share these things with them and they shore up my spirit you know they are great guys.” Shola (African Man, Hair Salon /Barbers Shop Owner/manager, London, November 2008)

“When I wanted to start this business years ago it was my sisters and brothers that borrowed me most of the money to start it, even now when I want to ship some goods they still help out in making sure the goods I buy leave the ports safely and there is no hanky panky back home so no one cheats me” Thaddeus (African Man, Retail Food Shop Owner/manager, Nottingham, August 2008)

The support received by respondents included assistance with start-up or trade finance, provision of unpaid or low cost labour, business information and moral support. It was also observed that a few of these owner/managers received support from family networks abroad through facilitation of links with suppliers and communication of important trade information, for example political and regulatory information that would affect the cost of trading in their home nation. Over half of the sampled businesses operated in a manner akin to family businesses as they consistently drew on support from family members to manage and sustain their business;

“Yeah, my son works with me, both my sons work with me, one does a Saturday and the other one works during the week and my other brother also... So yes it is a family business we do try to work together as a family.” Carmen (Caribbean Woman, Retail Food Shop Owner/manager, Nottingham, July 2008)

“That is one, the other is that most of our workers are like family if they are not my brother’s kids, they are like my cousins, my brothers from my township in Uganda” Kony (African Man, Retail Food Shop Owner/manager, Nottingham, October 2008)

It was observed that consistent support of this kind was more common in businesses in the food retail sector, as relatives helped out with important but

low skill tasks such as manning the till, stacking, packing and odd menial tasks. In contrast, respondents in the hair and beauty sector reported less involvement possibly because their business activities often require a measure of skill that may not be found in family networks. These research findings also indicate that the scope of family members' involvement in the sampled business was often limited to the provision low-cost labour, and while there was reported and observed evidence of this support, it was generally limited to a small number of close family members.

### ***Weak Support***

Despite the obvious benefits of taking up family assistance, only a few of the owner/managers that participated in this study reported that they had received or required no support from members of their family network in either initiating or sustaining their businesses;

"They [family members] don't get involved really, everybody has got their own thing going. I um I have got a partner but she is into her own thing also and I am into my own thing, which is this business..."  
Norman (African Man, Barbers Shop Owner/manager, Nottingham)

Owner/managers like Norman were of the opinion that "family and business don't mix" and therefore chose not to take up any support that may be available from their family networks. The respondents that shared this view suggested during their interviews that involving family members in their business would be problematic as it would be difficult to treat them as any other employee or business partner and such a situation may lead to a breakdown of these relationships. This same concern was expressed towards other interpersonal relationships (e.g. friends and acquaintances) outside the core family network. One respondent of this view commented that "getting your friends too close to your business is a recipe for disaster both for your business and the friendship" Jack (Caribbean Man, Retail Food Shop Owner/manager, Nottingham, July 2008). Such respondents argued for a separation of formal and informal relationships in the work place, citing the possible tensions that might arise from such multiple relations and roles;

"We are bound to clash at some point because as friends we are equals but as my employee we are not and it won't take long before they forget. So I am happy to keep them at arm's length, close enough to assist but not too close to damage our friendship" Desmond (Caribbean Man, Retail Food Shop Owner/manager, London, Oct' 08).

Conversely, other owner/managers took the view that members of their family network have neither the motivation nor the capacity to offer assistance. An example from the interview with Gloria, an African woman who owned and managed a food retail shop best illustrates this standpoint. Her immediate family (husband and children) were still in Zimbabwe relying on her for financial support, while most members of her extended family network in the UK were in similar situations or were asylum seekers unable to work and in need of assistance themselves. She therefore referenced her socio-economic background to explain the absence of family involvement in her business, pointing out that she is regarded as a benefactor in her family network and thus less likely to be in need of support. Overall, these and other findings suggest that access to business support and other opportunities embedded in family and other interpersonal networks by African and Caribbean owner/managers is not given but context specific, as an extensive family network does not automatically translate to ready availability of human and social resource for the business. Nevertheless, the majority of the small business owner/managers sampled demonstrated a high level of embeddedness in their family and interpersonal networks. However, the incorporation of family and friendship ties into the business environment is also likely to lead to the integration of interpersonal obligation and expectation norms into the business practices of owner/managers.

#### **6.2.4 Shaping SR Behaviour**

The influence of family and friendship networks on owner/managers' perception and practice of SR was a theme that emerged out of the research data. These interpersonal networks are characterised by multiple ties between actors, which could be weak or strong depending on their social, physical and emotional proximity between actors. Depending on the strength of ties, family and friendship networks are guided by norms which institutionalise obligation, expectation and trustworthiness and confer a basic sense of responsibility towards other network members (Lesser, 2000). In this study it was observed that some small business owner/managers interpreted SR as ethical and philanthropic practices primarily targeted at their family networks. Several respondents used the phrases "charity begins at home" and "being my brother's keeper" to literally describe their understanding of who they owe a social responsibility. These phrases were used with respect to improving the welfare of family members and other co-ethnics with whom they were closely associated. It was therefore not unusual that a common pattern of socially

responsible behaviour reported by the sample of African and Caribbean owner/managers involved social actions that specifically promoted the welfare of their network of family and friends, both in the diaspora and their home nations;

“Like most of us here I send money home regularly, I have to pay the school fees of brothers and sisters back home you know and there many other things that I have to do [pause] it’s not easy but they’re family and I can’t turn my back on them it’s just something I have to do come rain or shine” - Olu (Caribbean Man, Retail Food Shop Owner/manager, London, February 2009)

“It’s not easy you know, too much on you, too much responsibility with the family [pause] I just have to take care of my family you know, the government don’t do much, my mum and dad their pension is rubbish so I have to work hard so I can provide for them and all my family too, it is not something I can avoid, is what we all face everyday isn’t it?” Mary (Caribbean Woman, Retail Food Shop Owner/manager, London, November 2008)

The above interview excerpts illustrate the importance of expectation-obligation structures that exist within family networks of African and Caribbean owner/managers. However the influence of these structures on owner/managers’ perception and attitudes towards SR extends beyond actions that are specifically beneficial to members of their family and friendship networks. The close ties that exist within these networks can also serve as either a motivation or a deterrent to much broader SR behaviour in the wider community. The influence of family and friendship ties is illustrated using examples that highlight their role in influencing owner/managers’ involvement in SR practice.

### ***Ties that bind***

An important aspect of the SR of owner/managers is their involvement in social initiatives that benefit the local community where they live and run their business. Commonly referred to by small business owners as “giving back to the community” (Spence, 2006; Murillo, 2006; Worthington *et al.*, 2006), their involvement generally relates to voluntary philanthropic actions and participation in a given locality. In this research a few of the owner/managers interviewed reported being voluntarily involved in community based initiatives in their locality such as the local football or youth

clubs, charities or social associations. In most of these cases the participation of owner/managers was often engendered by family and other interpersonal associations such as the presence of a relative (child, sibling, grandparent etc) in these organisations. Barry, a caterer and snack bar owner in Nottingham, describes an incident which illustrates the influence of family ties on owner/managers' voluntary involvement in local organisations and initiatives.

"last year I started doing a charity event for sickle cell, where I did a food event and all the money went to them and there will be another one next year, and I am going to try and organise um we going to be doing something bigger hopefully. When I was doing this one I did ask all the Caribbean takeaways if they will like to come and chip in but at the time most of them said that they didn't have the time to do it but they didn't say they can't do next one, so I am going to ask them again and again to try and raise money for the charity because I feel it's important to get involved in this way."

Barry initially described his involvement in this initiative as giving back to the community but when asked about how he became involved with that particular charity, he explained that his niece was suffering from the ailment for which the charity provides support and that fundraising for the charity was a way of "being there" for his niece;

"Well I had gone to visit my sister and one of them community nurse was there telling them about sickle cell week and how sickle charities all over the country were struggling to raise funds and I remember saying to myself that's something I can help with that's something I can do to support [named individual]...you know you have to be there for the ones you love, I work approximately 14, 15 hours a day, six days a week, I don't have time on my hands but for once a year to that one thing to help people like my niece [named individual] and [pause] support the work others are doing to help them, then I feel that that is time and money well spent".

Following the above comments, Barry was asked if he would have been involved with the charity if his niece did not have sickle cell, to which he replied "probably not". Barry explained further in the following interview excerpts:

“what I mean by probably not, is that it is possible that they could have been one of those that I donate to every now and then, just like any other charity you understand, but knowing what [named individual] is going through, she is my blood you know, what is hurting her is hurting me. So knowing that these guys are trying to help her make her life better is what is really pushing me to do all I can do for them all the time”

These comments by Barry underline family ties as a driver of owner/managers involvement in wider SR activities and whilst the recognition of this link was implicit in several of the interviews conducted, it was also openly expressed by a small minority of owner/managers during the participant observation phase of the study. For example family and friendship ties were clearly identified as a driver of philanthropic behaviour by Ambrose (a retail food shop owner/manager in Nottingham) whilst shadowing him to a local adult day centre for the elderly with which he has a business relationship. During the visit I observed that Ambrose interacted very informally with the service users (the majority of whom were of Caribbean origins) and conversation around this revealed that two generations of his family had been supporting the service philanthropically for several years and it was inconceivable that he would do otherwise in future. According to Ambrose, although his business relationship with the centre wasn't particularly profitable and he wasn't always happy with its management, he continued to support them in various ways because “that is what they [friends and relatives] have come to expect”. He stated that some of the people that use the services of the day centre are his relatives or family friends and it was because of these relationships and the memory of his late father who helped form the group that he felt committed to maintaining his association with the centre. Thus while he had earlier described his philanthropic gestures towards this organisation during interviews as “giving back to the community”, the participant observation revealed that his involvement was influenced by the social expectations of his network of family and friends.

What is revealing about the above two examples is that the owner/managers' decision to be involved in wider SR activities (fundraising for a local charity or philanthropic donations of time and resources) in their local community was influenced by their family ties and driven by the belief that their network of family and friends would directly benefit their actions. They also indicate the fluidity of the boundary between the personal and business interests of

owner/managers as in both cases the respondents did not engage in the aforementioned SR actions as private individuals but rather chose to do so under their business names and with the resources of their businesses.

### ***Ties that blind***

It was observed that in some cases family ties do not always steer owner/managers towards taking socially responsible actions, they can also limit the scope of their participation or deter their involvement. The adverse implication of family ties on the SR behaviour of owner/managers was more evident in family run businesses. Data from the interviews and participant observation conducted showed that the informal nature of the family employer-employee relationship meant that a few owner/managers were involved in unethical (and sometimes illegal) business behaviour. It was observed that in a few cases employees had no agreed contractual hours, were sometimes paid below the national minimum wage and often in the form of undocumented cash payments, and that they employed relatives with no legal rights to work in the UK. It was however observed that these owner/managers and their employed relative were oblivious of the untoward nature of some of these actions. Instead owner/managers such as Laku (who owns an African Restaurant in London) justified it with comments like "that's what families do", "we are just supporting each other as a family" and "right now that is the only way we can survive in business". Furthermore, it also emerged that the influence of family ties on owner/managers SR behaviour also extended beyond a relationship with employed relative to that with the wider community. This is illustrated in the case of Jack, a Caribbean grocery shop owner in Nottingham, who described an incident that highlights the negative influence of family ties on owner/managers' involvement in wider SR practices and initiatives. The business had been running for 15 years in Nottingham and Jack had ties to several community organisations in the locality. He, however, reported discontinuing his support for the local football club due to a disagreement with the club management. He explained that his son had recently been asked to leave the football club without any good reason and therefore there was no need to continue supporting them:

"My son was in one of the club and the first person they kick out of the club is my son and I ask what did my son do, nothing, and I am funding the club so how could you [pause] I don't understand he didn't do anything and they kick him out so what more are you telling me, they are not seeing my money anymore"

When asked whether his support for local community organisations was contingent on a family relative being part of that organisation, Jack replied that it made it easier as contributions to the local football club were synonymous with supporting his son's aspirations. This incident illustrates that the emotive connections between owner/managers and other actors in a family network may sometimes introduce an instrumental factor to their decision making with regards to social actions.

In summary, these exemplar incidents allow for a deeper understanding of the motivations for African and Caribbean owner/manager SR behaviour. The findings show that owner/managers generally have a close relationship with members of their network of family and friends. The strength of their relationship is underlined by norms of obligation and expectation which not only facilitate the integration of family members into the business framework but also oblige owner/managers to take actions that may be deemed socially responsible. While the research findings does not suggest that owner/managers' SR behaviour is wholly determined by the nature of their family and friendship ties, it does hint that their business practices reflect their personal ties and provides an insight into the idiosyncrasies of African and Caribbean owner/managers' perception and practice of SR.

### **6.3 Socialising Business Relations**

The social embeddedness of the business relations of respondent organisations has been established in the preceding discussions as family networks of African and Caribbean owner/managers were shown to play a key role in their workforce. Other aspects of their business operation (e.g. sales and supply chain) were also found to be connected to their social network of co-ethnic ties. Extant research on small business organisation and behaviour stress the embeddedness of small business activity in social networks of personal and family ties. Empirical studies (Granovetter, 1985; Uzzi, 1997,1999;Johaninson *et al*, 2002; Kloosterman *et al.*, 1999; Ram *et al.*, 2002) have shown that owner/managers are involved in a range of business relationships with individuals within their social network, the nature of which can be used to explain their perception of and behaviour towards SR (Spence and Rutherford, 2003). Analysis of interview results showed that African and Caribbean owner/managers reported having social ties to key stakeholders (employees, customers and suppliers) with whom they have direct and consistent business transactions and relations, much of which was

corroborated during the participant observation phase of the study. It was observed that a significant proportion of these business actors were of the same ethnic grouping as the owner/manager, and were socially connected via extended family and kinship ties as well as through friendship and acquaintance. Owner/managers also reported tangential business relationships with other owner/managers and business associations whose links with the owner/managers were reported as less frequent and dependent on several social and economic factors. These findings are presented in greater detail in the following sections of this report and used to illustrate the social components of owner/managers' business relationships and their influence on SR practice.

### **6.3.1 Key Stakeholder Relationships**

Evidence from the research carried out indicates that the scope of business relationships of the sample of African and Caribbean owner/managers was largely limited to their commercial transaction cycle as respondents primarily reported formal and informal ties with suppliers, customers and employees. These conventional business relationships are not only necessary but are governed by formal obligation and expectation structures which confer a duty of care on owner/managers' and an expectation to manage the interest of these actors (Simmons, 2008). However, research findings indicate that the nature of African and Caribbean owner/managers' business relationship with their employees, customers and suppliers is defined by both instrumental and social imperatives. Furthermore, owner/manager's conception and expression of SR is manifested in their conduct and management of these business relationships. Analysis of the nature and extent of stakeholder relations and its influence on owner/managers' SR behaviour is discussed in detail in this section;

#### ***Employee and Customer Relations***

The research findings indicate that owner/manager's relationship with their employees and customers was quite similar, in terms of the level of informality and social proximity between owner/managers and their customers and employees. Micro businesses like those that participated in this research, by reason of their size have very few employees. It was observed that the majority of African and Caribbean owned businesses that participated in this study employed at least one person and just over half employed three to six individuals. All owner/managers interviewed recruited their employees

from the locality where they did business but most employees were members of either their family or co-ethnic network, with only a few of the respondent businesses (mainly Caribbean-owned) employing local people from outside their co-ethnic network. This extensive reliance on family and co-ethnic networks for their employment needs meant that relations with employees were not solely defined by formal contracts but also by social obligations and expectations. Consequently, African and Caribbean owner/managers not only describe their perception and subsequent practice of SR in terms of ethical responsibility to uphold formal contracts and fulfil their duty of care to employees, but also with respect to acts of altruism that are intended to meet the expectations of their employees;

"The way we get on here is um [pause] for instance you don't see me lifting my shoulders and ordering people around because I am the boss. These guys are my pals, we go back a long way, so it's more than paying a good salary or being reasonable with work arrangements. These guys depend on me when things are not okay or if they have money problems or family issues or um [pause] they just know they can count on me for help and advice whenever they need it."- Gabriel (Caribbean Man, Retail Food Shop Owner/manager, London, November, 2008)

"Two of them have been with me from the very beginning through thick and thin, so naturally I treat them more like family than people I pay to work for me. So for example they are having an occasion like a christening or a wedding I support them, I lend a hand. Whenever they are a bit tight in the pocket and need some sort of help or something I am there for them. So it's all sorts really, because it's part of what we do it comes with the territory." - Barry (Caribbean Man, Retail Food Shop Owner/manager, Nottingham, August, 2008)

These and other owner/managers reported having close social ties with their employees which warrant commitments beyond formal agreements of employment. These findings showed that while employees were often the direct beneficiaries of these SR actions, there were a few cases where their social relationships prompted owner/managers' involvement in wider SR initiatives in the community, as illustrated in the following interview excerpts:

"Well when you talk about charities that is a different thing entirely because there a lots of them all over the place, we have charities for dogs and cats and even donkeys [laughs] it's just crazy and I don't have time for all those things. I have only supported one, it's called "healing hands" have you heard of it? Well it is the only one I have had anything to do with and it's only because one of my boys [employee] goes on and on about the work they do in Ghana and he ...he is like a spokesman you know, healing hands this, healing hands that. So from time to time I give to 'healing hands' or allow him [employee] to place their collection box in the shop but apart from them I haven't donated to any other one." Asante (African Man, Food retail shop Owner/managers, Nottingham).

"I do support my staff when I can, for instance, Wale over there plays football for Lewisham community football club and even though I am not a fan of football [named individual] has pushed me several times to donate money to the club, only recently he convinced me to give them snacks and drinks for refreshment after their game." Aziz (African, Food retail shop Owner/manager, London, November 2008)

The above extracts further underline the reported active involvement of owner/managers in the social network of their employees reiterate the social embeddedness of employee relations and its influence on the owner/managers' adoption of ethical and philanthropic practices that are perceived as strengthening their relationship.

A similar level of social proximity was reported by owner/managers with respect to their relationship with customers. The research findings indicate that the customer base of the sampled businesses was largely drawn from their locality and their co-ethnic community in particular. This was not unusual as the majority of these businesses operated in largely niche markets that are tailored to offer specialised goods and services to their co-ethnic community. Although, the few businesses (bakers, grocers and butchers) that offered mainstream services and goods reported relatively higher patronage from people outside their ethnic group. Notwithstanding, the majority of owner/managers reported relations with their customers as extending beyond formal business transactions to include social interaction which they described as 'close', 'tight', 'good' and 'friendly'. The social connection between owner/managers and their customers is underscored by

the various forms of non-business interactions reported by respondents, who suggested that they often shared similar social networks with their customers as the following respondents explain;

“It doesn’t end with buying stuff from me, because we meet up in other ways, some of my customers are members of my church, some are my neighbours or we get to meet in functions where we interact on a different level so we relate in other ways and I can say that I am close with most of them.” - Nicky (Caribbean Woman, Hair/beauty Salon Owner/manager, London, October, 2008)

“I know some of my customers very well, not all because that will be impossible, but some of them have been in the community for a long time and we have become tight like that um [pause] we run into each other during football, the local youth football team I mean, them kids are on the team just like my kids so we got to know each other, for some of them we have been in the area together for so long one can’t help but know them because we run into each other either at the pub, or the clubs or wherever.” - Ricardo (Caribbean Man, Bakery Owner/manager, Nottingham, August 2008)

The comments highlight the social connection between owner/managers and their customers and explain why SR was not wholly perceived in exclusively business terms as such close social relations often entail norms of obligations and expectations that extend beyond formal business responsibilities. This viewpoint is reflected in African and Caribbean owner/managers perception of SR from dual perspectives of ethics and philanthropy as research findings show that while owner/managers primarily expressed concern about ethical imperatives with respect to the sale of quality products and the prevention of harm to customers, they also engaged in altruistic practices that were pertinent to their social relations with customers. Results show that acts of philanthropy towards their customers were widely reported by African and Caribbean owner/managers as SR practice. Typical examples relate to impromptu sales credit, gifts in form of trade goods, including free and discounted services. These actions can often emanate from the close informal ties that exist between owner/managers and their customers, which are often reinforced by social interaction external to but sometimes within the business environment. A high level of informal interactions between actors was observed in business premises visited as part of this study. Research findings

indicate that a few participants amongst the study sample of business respondents encouraged the use of their business premises for social networking amongst their customers. These owner/managers regarded this practice as a social service targeted at their co-ethnic community in general and their customers in particular;

“I believe if I were to leave this area, a lot of people will not have a place to unwind or chill out and meet up with their friends to discuss football or music, you know, I can mention the number of demos that have been advertised in this barbers shop or even business deals that have been born here and that is what I try to see continue happening” Lee (Caribbean Man, Hair & Beauty Industry, Nottingham, September 2008)

“You know [pause] we bring them their native food, drink, even movies and music, they come here and they meet their friends and other people from their country and their township [pause] so apart from the business angle I am like um here to support my people, my customers to be more comfortable here in Nottingham” Obinna (African Man, Retail Food Shop Owner/manager, Nottingham, May 2008)

It is surmise from findings like the above interview excerpts that the business premises of owner/managers often served as social spaces where network actors interact socially, serving to reinforce social ties with customers, specifically amongst co-ethnics. These relations engender trust and reciprocity structures and buttress owner/managers’ perceptions of social obligations as more than an ethical responsibility to fulfil transactional agreements, they go beyond this to include the fulfilment of social expectations to improve customer welfare beyond the provision of goods and services.

### ***Trade Patterns and Relationships***

The influence of social proximity on owner/managers’ perception and practice of SR is evident in their relationship with suppliers which were considerably different from those with their employees and customers. Owner/managers generally engaged with suppliers from their co-ethnic groups possibly because of the niche markets in which they operated. As to be expected, it was observed that the purchase pattern of the sample of African and Caribbean owned businesses was quite different from their sales pattern, as they have relatively dispersed connections with local, non-local and transnational

suppliers. All the owner/managers sampled in Nottingham had trade links with suppliers outside their locality in the bigger cities of London, Birmingham and Manchester. It was also observed that only a few of the owner/managers that participated in the study occasionally purchased goods from local suppliers. Likewise it was also noted that some owner/managers in the food retail sector have links to international suppliers, mainly from their home nations in Africa and the Caribbean. On the other hand, all owner/managers interviewed in London reported links with local suppliers in the city as it is the centre of a very large network of relevant wholesale businesses. It was observed that none of the owner/managers interviewed in London had suppliers anywhere else in the country but they reported links with international suppliers of their specific trade goods. These trade patterns with respect to suppliers could be explained by the commodity being traded. Most of the food products were non-native to the United Kingdom and had to be imported into the country and it was observed that while owner/managers traded with importers of these products they did engage in importing these products themselves for their businesses. However, some businesses traded in food products that were local to the UK and for which business relationships existed with local suppliers. Business products in the hair and beauty industry were less localised to ethnic niches, however the availability of these products in the United Kingdom was still limited and owner/managers reported trade relationships with co-ethnic and other suppliers who import these products from abroad. Furthermore, businesses in the hair and beauty were largely service-driven and often engaged in producing certain trade products themselves. The study results showed that most respondents sampled reported having cordial dealings with their suppliers with respect to their business dealings, though social ties could be described as modest as respondents reported limited social association with their suppliers. This point was highlighted by the following interview excerpts;

“We get on well, never had much problem with their products and when I do they sort it out quickly and sometimes when there is some delay in payment they let me have the goods because they know that I am good for it. So I can say that we relate well together all in all” - Jack (Caribbean Man, Retail Food Shop Owner/manager, Nottingham, July 2008)

“Oh the chaps are alright, their goods are usually okay...no we don't relate with them in that way because we are here and they are based

in Birmingham so socialising with them is not practical and also they are a big company and people come and go so who will we be socialising with? All we do is ring up place an order and they deliver, if we have any issues we ring them and they sort it and that has been working for us.” - Zuma (African Man, Retail Food Shop Owner/manager, Nottingham, September 2008)

These and other respondents describe relations with suppliers as good but largely formal. They identify differences in location, limited face-to-face contact and turnover of representatives of supplier organisations to account for their limited social interaction. Conversations with owner/managers during interview sessions and participant observation studies revealed that they generally did not share similar social networks with their suppliers except for a few respondents in the London area whose suppliers were local and well known to them. It was therefore deduced from the research data that social proximity between owner/managers and their suppliers is marginal and the nature of their business relations was largely defined by formal transactional norms. This accounts for the disparity in owner/managers SR attitude and behaviour towards their suppliers in comparison to their employees/customer, as all the respondents were of the opinion that their SR to suppliers was limited to ethical obligations of “paying on time” and “giving them business”. None of the respondents reported any philanthropic action prompted by or targeted at their suppliers rather some argued that they expected such social actions from their suppliers and some were beneficiaries of such acts of charity by their suppliers. While owner/managers were particularly responsive to activities related to their employees and staff, they showed less enthusiasm where their suppliers were concerned, something which could be attributed to the social distance between them. One respondent describes this difference in social proximity and its effect on owner/managers’ relations with suppliers;

“With suppliers it’s just business mostly, the people I deal with are good people but most of them are also big time businessmen that deal in tens of thousands of pounds with shops all over the place. So these guys are not in our league, I mean what can I do that will affect them in anyway [pause] nothing, but with customers or our employees it is different. These are people that I am close with, they are my friends, you understand, they care about me personally and I care about them also” - Laku (African Man, Restaurant owner/manager, London, Oct’08)

The assertion that suppliers operated in a different economic and social level from owner/managers although the dominant view amongst respondents was not universal, as findings from the participant observation also indicate that a few respondents reported having close business and social relations with their suppliers.

In summary, the above research findings on the business relationships of African and Caribbean owned businesses underscores further the effect of owner/managers' social ties have on their SR behaviour. The business relationships that African and Caribbean owner/managers cultivate are clearly complex and many-sided, just as the character of these relationships is influenced by a range of economic and social factors. It has nonetheless been observed that the social component of these relationships can shape and underpin the SR attitude and behaviour of owner/managers, especially when they involve close ties of kinship and friendship. Social relations amongst business actors were often guided by informal obligations and expectation structures which are founded on the basis of mutual trust, cooperation and loyalty amongst actors.

#### **6.4 Institutional Linkages and Support for SR**

The institutional environment within which individuals, private and community organisations, governments, and other establishments in a society interact, is represented by a system of regulatory and legal processes, informal conventions, customs and norms that forms, standardises and restrains socio-economic activity and behaviour (Matten and Moon 2008). It is the contention of some commentators (e.g. Blowfield and Frynas, 2005; Amaeshi, 2008; Aguiler *et al.*, 2007; Campbell, 2006, 2007) that the institutional framework is often required to ensure that business actors are sensitive to the social welfare of other actors that might be directly or indirectly impacted by their business activity. These commentators argue that the institutional environment to an extent determines responsibility for social issues and can influence SR behaviour within the business community (Matten and Moon, 2008; Campbell, 2006, 2007). The extent and depth of the relationships that exist between small business owner/managers and institutional elements within and beyond the locality in which they operate is a key indicator of their embeddedness in local networks (Johannisson *et al.*, 2002; Curran and Blackburn, 1994) as well as in the wider socio-economic and institutional context (Dicken and Thrift, 1992; Kloostermann *et al.*, 1999; Baret *et al.*,

the welfare of people and groups within these networks (Campbell, 2006, 2007). Analysis of the research data revealed that African and Caribbean business owner/managers reported having links with public, private and civic institutions. The nature of the different relationships that exist between these institutions and the sample of business owner/managers can be described as regulatory, economic and civic, based on the character of their interactions.

#### **6.4.1 Regulatory Relationships and Formal Obligations**

An important mechanism by which the institutional framework influences the socially responsible behaviour of business organisations is through regulation. It can shape businesses' interaction with their environment and with key stakeholders (via appropriate environmental and employment laws and guidance). Regulatory institutions can therefore enable socially responsible behaviour through the use of incentives and rewards, which promote social welfare and the common good or conversely they can discourage socially irresponsible behaviour by setting out and enforcing standards for business practices (Campbell, 2007). Thus the nature and quality of the connections that business actors have with regulatory institutions could infer their readiness to adopt minimum statutory requirements for socially responsible behaviour.

Businesses irrespective of the size and scope of their activities are generally compelled to interact with certain public institutions as of operational necessity and in order to fulfil their legal obligations. Typical examples of such institutions are national and local government and their agencies that are largely responsible for the registration and regulation of businesses. In this study all the respondents interviewed operated businesses that were regulated by both national and local agencies which ensured that all business owner/managers in the sample were either registered as self-employed sole traders or their businesses were listed as private and limited liability companies. They were also easily identifiable as they all had their own business name and the majority of them operated out of commercial premises. It was therefore not unusual to find that the sample of African and Caribbean business owner/managers have several and diverse forms of contact with regulatory agencies within the institutional environment. A significant part of this interaction involves direct contact between business owner/managers and representatives of the local authority in the form of

visits and inspections of business premises and processes. This type of face-to-face interaction presents opportunities for socialising relationships by building trust and mutual commitment between actors (Storper and Venables, 2004). Over half of the sample respondents were indifferent about the quality of their relationship with regulatory agencies and simply regarded contact with them as a formal tick-box process. These business owner/managers described their contact with regulators in detached terms, for example, according to Violet, a restaurant owner in the London borough of Lewisham "I can't say whether it's been good or bad [pause] they come, they go, it's their job, isn't it?" This perception of regulators, whilst common, was not universal amongst respondents, as a small proportion of owner/managers expressed contrasting views of their relationship with regulatory institutions, describing it in either constructive or negative terms. It was observed that only a few of the interviewees had a positive perception of their interaction with regulatory institutions and their representatives, regarding them as helpful and supportive of their business as the following interview excerpts illustrates;

"I have no problem at all with their [Environmental Health] visits, because they come around to help us do well by our customers. As you know things are changing everyday what was okay yesterday may not be okay today because of new information and these guys are just trying to make sure we are aware of these things, simple." Mary (Caribbean Woman, Snack Bar and Take-Away Shop Owner/manager, London, November, 2008)

This view is in sharp contrast to those expressed by a smaller group respondents who described their experience with regulatory institutions in less constructive terms, citing the intrusive and officious nature of these regulatory visits as factors that shape their opinion;

"Them [environmental health officers] make life difficult for we business people, it's always do this and that or show me that paper um that document, them come in here and tell you how to run your business and all the time we trying to survive and them making it harder for we to survive" Jack (Caribbean Man, Retail Food Shop Owner/manager, Nottingham, July 2008)

"hmm our experience was a nasty experience because the people from the environmental department they came in just [pause] you know went away with some of our African goods saying it's against the

health and safety, even after I explained that this is African goods, the way we sell our goods, the way it has to be preserved is quite different from the way they are talking about but no way they refuse to understand. I tell those guys have it in for me.” Femi (African Man, Retail Food Shop Owner/manager, Nottingham, July 2008)

These contrasting perspectives of the relationship between small business owner/managers and regulatory institutions is however not particular to any one business sectors and geographical locations and while the same regulatory institutions in the study areas dealt with the same set of local businesses, it emerged that the quality of their interaction was perceived differently. Research findings suggest that a possible predictor of respondents' attitudes towards regulatory institutions was the social and informal component of their interaction with regulatory actors. Implicit in the responses of owner/managers who were upbeat about their relationship with regulatory institutions was a sense of familiarity and rapport with individuals who represented those institutions. Johannisson *et al.* (2002) describe this as a “friendship tie” that evolves out of a merger of acquaintance and talk<sup>42</sup> in their connection with institutions. It was this informal element (acquaintance and talk) that appeared to be lacking or broken down amongst respondents with a dissenting view. Notwithstanding the different attitudes towards regulatory institutions, it was observed that regulated business practices relating to environmental health, occupational health and safety, payment of taxes and rates was universally accepted and commonly reported by African and Caribbean owner/managers as a core responsibility of their business. Although most of these practices are basic statutory requirements, it was observed that contact with regulatory agencies had a significant effect on owner/managers' SR behaviour as it served to inform and underline owner/managers' obligations. It was noted that a few of the owner/managers that participated in this study specifically made reference to formal interaction with regulators as instrumental to their decisions to adopt certain health and safety practices;

“You know how it is [pause] this guys from the council [environmental health officers] come around and ask you to do this and do that and even though I feel some of it is um too much, there is nothing I can't do about it, you know what I mean. These guys can shut me down you

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<sup>42</sup> Johannisson *et al.* (2002) describes talk as face-to-face or telephone meetings between senior management of a firm and representatives of an institution. While acquaintance is regarded as when a representative of the institution is personally known

know and they let me know it. So that's how it is we are at their mercy" Thaddeus (African Man, Retail Food Shop Owner/manager, Nottingham, August 2008).

"We get *along* very well with them [Environmental Health officers] particularly with [two named individuals] they are good people, always polite and friendly. I am not saying that they let me get away with things because they don't, but they always give me time to do things and advise me also um which is one of the things that helped me to get four stars for health and safety. So I will say that they are more like firm and fair at the same time" Biodun (African Woman, Bakery Owner/manager, London, October 2008).

These and other respondents reported being asked by regulatory officers to institute new procedures or improve on their business practices and while not all respondents were gracious about the advice/instructions received, it was noted that those that were enthused about improving their workplace practices expressed a familiarity with the regulatory officers with whom they dealt. This finding was also substantiated by data from the participant observation study as the following extract show:

9:35am ... after noting the basic operational layout of the business, I wander off to find Henry still in his office fiddling with his diary, I reckoned that he wasn't too busy so I decided to ask about the 'whys' behind the various environmental, health and safety practices I had just observed. Henry explained that most of the practices I observed were fairly recent and had only been started after they got a warning letter from the city's food safety officers. He showed me the letter which he got about four months ago. The letter asked him to put in place several food safety measures including a cleaning regime, personal protective equipment for staff, temperature monitoring of cold storage facilities etc. Henry stated that he then had to try and address the issues raised as quickly as possible because according to him "they [council officials] actually wanted to close us down". He explained that he knew that his restaurant was not "100% perfect" but he didn't know that "these things were that serious" but his experience with the regulatory officers had made him think about a lot of new things about running his business. (Extract from field notes taken during participant observation with Henry on 13/03/2009)

In summary, research findings suggest that the interaction between regulatory institutions and the sample of owner/managers was generally regarded as a formal and impersonal experience and the required nature of contact with these institutions required was the only motivation to engage with them. It was however observed that contact with regulatory institutions sometimes offers opportunities for facilitating informal relations and building trust between actors, which makes the provision of advice and support on business regulatory obligations to owner/managers much easier to accept and adopt. Conversely, negative experiences of contact or poor levels of rapport may also act as a barrier to good relations and a source of mistrust between the parties, both of which are antithetic to the primary objective of regulation to check socially irresponsible behaviour. It is however important to stress that while these research findings concentrate on the role of public regulatory institutions, regulation itself is not entirely driven by public institutions, as private institutions also set up their own regulatory system of standards and performance monitoring (Crane *et al.*, 2008).

#### **6.4.2 Institutional Support for SR**

The institutional environment within which businesses operate is not only concerned with the regulation and monitoring of economic activity but is also directly involved in stimulating and supporting the growth of business organisations. This business support component of institutions presents a useful framework for initiating and broadening relations with the small business community, as well as promoting and shaping business networks (Johannisson *et al.*, 2002; Ram and Smallbone, 2003; Crane *et al.*, 2008). The research findings show that business owner/managers voluntarily associate with institutions that are set up to promote small business start-up, survival and growth. These institutions engage in the provision of a range of business advice and support services, some of which are strategically targeted at enabling SR behaviour amongst small businesses. The findings from this research identify broad linkages between African and Caribbean owner/managers and business support institutions in the private and public sector, and show that good relations between actors is a useful predictor of owner/managers' involvement in SR initiatives emanating from the institutional environment.

The UK government has in the past three decades increasingly committed substantial resources to supporting small business start-ups and growth,

much of which have been channelled towards establishing support networks that provide financial assistance, skills training and advice to small firms (Wren and Storey, 2002). While business support from the government is sometimes delivered by regional or national institutions (Department for Business, Innovation and Skill, Regional Development Agencies and the former DTI and BERR<sup>43</sup>), which by nature are spatially distant from local businesses, much of it is still dependent on local delivery through Local Government Authorities, Local Business Link advisers, Enterprise Agencies and Local Educational Institutions for example. This public framework for supporting business and entrepreneurial activity has also been used as a mechanism for providing SR information and support to small businesses. However, the form and extent of institutional support for small business can differ from one locality to another and can be influenced by the local context within which it is delivered (Ram and Smallbone, 2003; Cooke and Clifton, 2004; Nwankwo *et al.*, 2010). This geographical disparity was evident in the study as key informant interview data suggest that the public support infrastructure for small businesses in general and ethnic minority owned business in particular was different in some respect between the study areas of Nottingham and the London Borough of Lewisham. These differences relate to the role of local authorities, the scale of localised business support opportunities and the provision of specialised support for ethnic minorities.

Local Government Authorities are largely regarded as central to local governance and responsible for facilitating and shaping local networks of public, private and voluntary actors (Craig and Manthorpe, 1999). As public agencies, local authorities play an important role in modulating the organisational behaviour of small businesses with respect to SR, through the enforcement of regulation and the provision of economic incentives including advice and training. In Nottingham, key informants in the local business community were of the view that the Local Authority played a very limited role in the provision of support to small business start-up and development. These key informants described the authority's involvement as generally limited to sign posting individuals to other sources of business support on their website and felt it was not an active participant in the fostering of small

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<sup>43</sup> The Department for Trade and Industry(DTI) and Department for Business, Enterprise and Regulatory Reform (BERR) are former UK government departments whose structure and label has been replaced by the Department for Business, Innovation and Skill

business start ups or growth in the local area<sup>44</sup>. This perception is illustrated in the following excerpts;

"Nottingham City Council plays a very small role when it comes to business support, I don't think that they have any grants or assistance that they offer small business. I do know that they like to see themselves as helping local business via the contracts that they award but much of the information about how to go about it is not out there in the business community" (Project Co-ordinator, Hyson Green Traders Association, Nottingham, June 2008).

"I have worked for this organisation in Nottingham for a while now say seven to eight years and I have worked with other chaps from several organisations.... the city council? [Pause] only a handful of occasions, they are not really clued up to small business support or maybe they just don't have the resources or manpower to offer that service, take a look at their website and you will get a sense of what I am talking about" (CEO, PATRA incorporating ACDA, Nottingham, May 2008)

The virtual absence of the local authority as an active player in the business support infrastructure in Nottingham meant that African and Caribbean small businesses had very little motivation and fewer opportunities to engage with the local authority and develop robust connections with key informants which are required to foster SR behaviour that extend beyond regulatory requirements. This observation was reinforced by both African and Caribbean business owners/managers in Nottingham who described their relationship with the local authority as largely limited to essential contact linked to the discharge of certain legal responsibilities. These contacts are relatively infrequent and connected to issues that owner/managers find unpleasant, as the following interview excerpts show:

"they [Nottingham City Council] are not useful for anything all they are concerned about is enforcement and penalties".- Jack (Caribbean Man, Retail Food Shop Owner/manager, Nottingham)

"I generally don't want to have anything to do with them [council officials] because when they come around it's always bad news." Barry

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<sup>44</sup> An interview could not be secured with any officer of the city council to discuss the support they provide to small business start-ups and growth. It was however noted that there was no council employee responsible for providing advice and support to small businesses and the officers of the regeneration team indicated that responsibility was outside their remit, referencing their website as the only source of information available.

(Caribbean Man, Retail Food Shop Owner/manager, Nottingham, August, 2008)

“Those guys in the council, especially at the rates office, sometimes act as if they are not human, no matter how much you explain the difficulty one is experiencing in business it doesn’t touch them at all [pause] let’s just forget them .” Asante (African Man, Food retail shop Owner/managers, Nottingham).

Similar comments were made by owner/managers and their employees during the participant observation study when asked about the benefits of associating with the local authority. The data indicated that it was not unusual for respondents in Nottingham to adopt a dismissive and /or dissociative attitude when describing their relationship with the local authority and to be dismissive of any merit that such linkages might portend. The evidence from this study suggest that the reported poor relations between owner/managers and the Nottingham City Council would make it difficult for them to influence the SR behaviour and attitude of African and Caribbean owner/managers in the city. Given that the majority of owner/managers in the Nottingham study area stated that they would if given the choice, not engage with the local authority, it is plausible to suggest that they would not voluntarily take up non-regulatory SR initiatives emanating from or channelled through the local authority.

Analysis of the interview data from key informants and business owner/managers in the London Borough of Lewisham revealed that there was an obvious contrast in the perception of the role played by the local authority in small business networks within its jurisdiction. The majority of respondents in the London area (both key informants and business owners) described the local authority as an important and active participant within business networks and a useful contact for individuals seeking help and advice about a new or existing business. The local authority was directly involved in providing advice and support to small businesses in its area through several dedicated services<sup>45</sup>. The authority also sponsors and engages in several activities that foster linkages between small businesses and with other business support institutions, through business awards events and an updated local business

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<sup>45</sup> These dedicated services include Town Centre Managers, Economic Development Service and a Business Advisory Service which provides training courses and assistance with business plans for new start-ups

directory<sup>46</sup>. The multiple involvement of the local authority is highlighted in the following key informant interview;

“Apart from the work we do with Business Link, we also work very closely with the local council [Lewisham Borough Council], just like us they offer a free business advice service but they frequently refer individuals to our service depending on their needs and the grants that are available. We network with them regularly through meetings and workshop or presentations and we generally share information with them as well as with other service providers like the business chamber” (Assistant Director, Voluntary Action Lewisham, January, 2009)

This, and other comments by key informants and owner/managers alike, underscores the active involvement of the local authority in Lewisham with local businesses. It was also observed that their engagement with the local business community extended to initiatives and programmes that practically involved local businesses in voluntary SR practices that are not statutory in nature.

“We have town centres clean ups, graffiti, fly posting all that sort of things and what we have done as a council is that we pay for the resources, we pay for the rubber gloves, the cleaning fluids, the spray guns and such but the retailers themselves operate them and do the cleaning, so there is a partnership there where we provide the resources and they provide the manpower to do it and they physically do it and um it’s probably out of self interest because it improves the appearance of their shops but also because it improves the area generally” (Area Initiatives Co-ordinator, Economic Development Services, Lewisham Borough Council, October 2008).

Although none of the African and Caribbean owner/managers interviewed reported participating in this ‘clean-up’ programme, this initiative by the council underlines its broad and different roles in developing relations and enabling SR practice within the local business community. It was observed that its multiple involvements in providing and facilitating small business support had created opportunities for local African and Caribbean small business owner/managers to develop informal connections with officers of the

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<sup>46</sup> An group interview was conducted with the head of the regeneration team and two other officers of Lewisham borough council and as such they provided a lot of information about their involvement in the local small business networks

authority. It was also observed that a few of the African and Caribbean small business owner/managers interviewed in the London Borough of Lewisham had links with the local authority beyond those related to statutory issues. According to Henry, a restaurant owner in Lewisham

“they [local authority] have been wonderful, absolutely very helpful, I got advice and some financial assistance from them when we were upgrading our building, there was this guy, [named individual], he helped me get all the things I needed to make sure that this place happened very quickly with no delay, I tell you I was really impressed”. Henry (African Man, Restaurant Owner/manager, London, October 2008)

This positive perception of the local authority was by no means universal but what was clear from the data collected was that its active presence in the local business network made African and Caribbean small owner/manager more amenable to making contact and forming links with the local authority and its affiliates.

Other public and quasi-public institutions are also charged with the responsibility of providing business support in the localities where African and Caribbean small businesses operate. They include a range of national and regional agencies and their affiliates that are tasked with supporting the growth of the small business sector and in some cases the ethnic minority business sub-sector<sup>47</sup>. These organisations provide a variety of free and subsidised services that are to a large extent focused on providing business advice, training and financial support but also incorporate support programmes that enable SR behaviour amongst aspiring entrepreneurs and existing businesses. SR-related support often entails the provision of information, technical and financial support towards meeting statutory obligations<sup>48</sup>, improvements in the environmental efficiency of business processes and the adoption of best practice measures. It can be argued that the uptake of these services presents a rational basis for small businesses to interact with the institutional environment and can serve as starting points for establishing trust and developing network relationships with institutional and other business actors. These interactions have the potential of influencing

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<sup>47</sup>For example, Minority Enterprise East Midlands is a public enterprise set up to promote the ethnic minority small business cluster in the East-Midlands

<sup>48</sup>Information on environmental legislation relevant to business sectors, tax obligations including VAT and filing tax returns and workplace safety

owner/managers' decision making, as they facilitate awareness, learning and capacity to implement certain obligatory and voluntary SR practices. The study results showed that despite the offer of free/incentivised business support services by public and quasi-public organisations, the level of uptake was generally low amongst the study sample as only a few of the participants had used the services of these organisations. There were no significant business sector variations within the sample, rather business owner/managers engagement with these institutions varied across the study areas. In Nottingham participants were knowledgeable about the existence of business support organisations and the services that they provide. However, only a few of the African and Caribbean business owner/managers interviewed in Nottingham had made contact with support providers and even less had actually taken up the services on offer. It was observed that Caribbean owner managers were more likely to acknowledge links with these organisations than their African counterparts and that they both generally described their interaction with service providers as one-off and limited to the procurement of particular services;

"I have spoken to the guys at NDC [Nottingham Development Company] once, it was about a grant that a friend of mine from my church told me about but they just went on and on about a long list of what I have to do to get it, not to mention that I had to put up money first. So I just didn't bother to go back because I didn't think it was worth my while." Joyce (African Woman, Food Caterers Owner/managers, Nottingham, September 2008)

"It was just the one time a while back when [named individual] was at First Enterprise, he helped me with um what's it called now um [pause] business plan that's it. I needed one so I could get some help for my business but that was a long time ago and I haven't done anything with them since." Lee (Caribbean Man, Hair & Beauty Industry, Nottingham, September 2008)

These and other respondents identified three common obstacles to their uptake of publicly funded business support. These include a general aversion for formal and bureaucratic approaches to support delivery, lack of resources to match or fully fund business support service initiatives and negative experiences of support provision. The local business support infrastructure that African and Caribbean business owner/managers have access to in the

London borough of Lewisham is comparatively different to that of Nottingham. In comparative terms, there were significantly more organisations (public and quasi-public) involved in the delivery of business support services in the London Borough of Lewisham, and a greater volume of services were available. The research data shows that African and Caribbean business owner/managers were knowledgeable of at least two sources of business support but were less aware of the majority of different types and sources of business support. It was observed that most of the owner/managers who took part in this study had made contact with at least one of these organisations and the level of uptake of services, which is a good indicator of extended interaction with service providers, was relatively higher in Lewisham than that observed in Nottingham. However, it was noted that only a few of the respondents acknowledged that they had proceeded to use the business support services provided by public agencies after initial contact with officers of these organisations.

The low level of interaction with business support service providers by African and Caribbean business owner managers was corroborated by key informants interviewed, who described the level of interaction between ethnic minority business owners or aspiring entrepreneurs with local business support providers as comparatively lower than mainstream small businesses. The study results indicated that most of the key informants interviewed described the take-up of general support services by the local ethnic minority business community as below average or low. These findings are also congruent with existing empirical evidence which suggests that ethnic minority small businesses are less likely to take up mainstream business support opportunities in comparison to the wider small business community (Curran and Blackburn, 1994; Fadahunsi *et al.*, 2000; Ram and Smallbone, 2003; Dhaliwal, 2006). In this study, the low level of reported interactions with institutional structures for business support is relevant because programmes that enable SR behaviour are ultimately ignored by African and Caribbean owner/managers alongside core support for entrepreneurial development. This assertion is supported by research findings which indicate that owner/managers were unaware of environmentally related business support in their respective localities and that take-up of these services by Black and African and Caribbean businesses interviewed was non-existent even though opportunities existed in the locality where they operated. Data from key informant interviews emphasis the availability of certain SR specific support and the challenges of engaging businesses to use such service;

"We currently have the 'Retail Rights' projects, which involved working with retailers across Greater Nottingham, reviewing their environmental impact and recommending things that they can do and also providing a little bit of money that could help them, for example we were able to get better refrigeration for some people... um uptake is fair, we have dealt with a few BMEs [Black and Minority Enterprise] we are still hoping some of them will take up our services." (Business Programme Leader, Groundwork Greater Nottingham, May 2008.)

"It's difficult to get businesses involved especially the small ones or um the ones we call the hard to reach groups. Issues of the environment are far from these businesses for a variety of reasons. So we actually have to canvass them I mean literally knock on their doors to get them involved in our projects because if you don't go to them they won't come to you but even at that it is still heavy going" (Project Co-ordinator, Groundwork Greater London, October 2008).

These key informants stressed in their interviews that smaller businesses were not aware of, or did not agree with, the business case for improvements in the environmental efficiency of their business, and as such relations with owner/managers had to be initiated and cultivated over time. Although African and Caribbean owner/managers that took part in this research did not have any relations with organisations that provide environmentally-related business support, it was observed that they did engage in pro-environmental activities. Research findings indicate that owner/managers engagement in pro-environmental practice was largely driven by business imperatives of cost reduction and supported by their social network of friends and acquaintances through learning and/or peer pressure, as the following excerpts indicate;

"Well they are good things [environmental actions] for one, they have their own benefit to my business, as in the products I sell them is not that it's free or something [pause] I will say my reason is that they are good for business plain and simple and I believe in things like that, being natural and all." Shola (African Man, Hair Salon /Barbers Shop Owner/Manager, London, November 2008)

"One other thing that we do is to encourage our customers to bring their own carrier bags, so we don't offer everyone a bag for every little thing they buy. A friend of mine mentioned that it was becoming quite common with corner-shops, so I decided to try it at least that can

saves us a few pounds.” Aziz (African, Food retail shop Owner/manager, London, November 2008)

In summary, research findings indicate that institutional support for small businesses in both localities was largely focused on promoting and sustaining entrepreneurial activity. Certain organisations like local business link<sup>49</sup> and environmental charities provide SR based support to small businesses. However, uptake of business support services by African and Caribbean owner/managers interviewed was generally below average and relatively lower for business respondents in Nottingham. Nonetheless, results showed that none of the owner/managers interviewed in either study location was aware of or used the services of organisations that specifically provided environmental business support but rather depended on their social network of friends for environmental information. Their limited inclusion in the business support framework may mean that the SR behaviour of African and Caribbean owner/managers is less likely to be influenced by institutional forces as they fail to take advantage of the learning and resource opportunities available within the institutional support framework which helps to prevent socially irresponsible behaviour and enable participation in non-obligatory social and environmental business practice.

#### **6.4.3 Relationships with Civil Society Institutions**

The relationships that African and Caribbean business owner/managers form within institutional networks are not wholly defined by regulatory or economic motivations. Research findings indicate that small business owner/managers are also connected to civil society institutions that are defined by the shared values and interests of actors and driven by voluntary and collective action. Institutional influences can arise from communal associations that businesses and their owner/managers form within their locality and beyond, as they provide both resources and legitimacy (Johannisson *et al.*, 2002, p300). Membership and participation in voluntary business and social associations can be influential in encouraging social responsibility in business as they are capable of instituting a normative structure that facilitates socially responsible business behaviour among their members, through various avenues of learning and peer pressure (Halinen and Tornroos, 1998; Johannisson *et al.*, 2002). Research findings identified several business and social relationships

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<sup>49</sup> Business Link provides information on social and environmental responsibility of small businesses on its websites and Business Links East-Midlands has carried out several environmental projects that target small businesses

that African and Caribbean owner/managers cultivate within the institutional environment, which stem from their membership of business associations and community groups. In order to articulate the nature of these relationships and their possible effects on the SR behaviour of respondents, the reported connections that owner/managers have with business associations and community groups and associations are discussed in detail in this section.

### ***Linkages with business associations***

There are different types of business associations that small businesses and their owners/managers have a formal connection with, in terms of documented membership. These associations include those that group together the entire business community in a locality e.g. chamber of commerce, and those that restrict membership based on the type of business activity or services that are carried out by a business (trade/professional associations), which may be localised or setup at a national or regional level. None of the business owner/managers that participated in the study belonged to any trade or professional associations, despite most of them being involved in specific trade businesses (e.g. butchers, bakers, hairdressers). These respondents regarded membership of trade/professional associations as unwarranted and of no obvious benefit to their business.

“Oh yes I know that there are a few of these business association but they are not for me, all they do is bombard you with mail and meetings after you have spent good money to register and I don’t have time for that because the business is still trying to find its feet and it needs watching 24/7.” Nicky (Caribbean Woman, Hair & Beauty Industry, London, October 2008)

This view of trade/professional associations was common amongst the study recipients, most of whom generally dismissed business associations as inconsequential with respect to their business goals. Business owner/managers’ membership of generic mainstream business associations in their locality also varied based on the resource commitment involved. Business associations like the local Chambers of Commerce that warranted a financial commitment to register and use their services were largely ignored by the sample of business owner/managers and only one respondent reported being a previous member of his local Chamber of Commerce. Findings from key Informant interviews also support the perception that resource poverty was an important determinant of African and Caribbean owner/ managers

involvement with business associations, as the following key informant interview excerpt indicate;

“You must understand that these businesses [ethnic minority owned businesses] are very small and they are just barely surviving, I don't think they have the resources to meet up with the financial and time commitment that it takes to effectively tap into the benefits of these organisations, most of which are long term and are not um [pause] clear cut in commercial terms” (Business Advisor, Black Business Initiative, London, October 2008).

However, African and Caribbean owner/managers did report affiliations with business associations that represent small groups of businesses in local neighbourhoods. These business associations were largely managed by business owner/managers themselves and required no explicit financial commitment save an informal indication of interest to join. In Nottingham most of the African and Caribbean owner/managers interviewed reported being members of this type of business association compared to a much smaller number in the London Borough of Lewisham. While the reason for this disparity was not obvious from the research findings, it was observed that only a small proportion of the entire sample of business owner/managers were active members of these local business associations, while the majority were dormant as they did not attend meetings or engage with the associations on a regular basis. This lack of active engagement with associations is not unique to EMBs but is linked to the organisational imperatives of the business association, as the following key informant interview excerpt illustrate:

“The association has very few active members right now mainly because things are relatively quiet by that I mean there are no pressing problems or issues that adversely affect businesses in the area but when it does arise, like it has done in the past when [named superstore] wanted to move in here or when we wanted to secure reductions in business rates, all the businesses here generally come around and become really involved and active” (Project Co-ordinator (Hyson Green Traders Association, Nottingham, June 2008).

Analysis of the research data therefore shows that in relation to SR, neighbourhood business associations acted as forums through which African and Caribbean owner/managers got involved in addressing social and

economic issues in their locality. Key informants in the local business community are of the opinion that these neighbourhood business associations are set up and operate like pressure groups to challenge local planning policies and developments that they consider to be against the general interests of the local business community. In effect when there are no local issues of this nature, neighbourhood business associations are less visible and limited to the communication of modest but relevant pieces of information to the business community. This perception of the workings of neighbourhood business associations and their effects on the involvement of their members in their activities was corroborated by the research findings. It was observed that while there was a generally low level of participation in these business associations in both study areas, in one neighbourhood in Nottingham respondent reported being actively involved with their local business association.

“We have got the IBM, the Independent Business Association, I do deal with [named individual] if anything crops up, like we just had to fight [named superstore] the other day stopping them from building an ‘express’ further down the road ... I don’t think it’s fair because all the newsagents, shop keepers are going to be driven out of business.”  
Carmen (Caribbean Woman, Retail Food Shop Owner/manager, Nottingham, July 2008)

“...things are a bit quiet now at the association but I remember a while back when [named superstore] wanted to move into this Hyson Green, they really mobilised us you know, we were signing petitions, meeting our councillors and all sorts of people um [pause] just doing all we can to stop them as a group. Although we didn’t succeed as such but we at the Hyson Green association helped to make sure that [named superstore] didn’t finish our business off then.” Ambrose (Caribbean Man, Retail Food Shop Owner/Manager, Nottingham)

These interview excerpts suggest that the link between neighbourhood business associations and the SR behaviour of African and Caribbean owner/managers is that it provides an enabling communal environment for individual owner/managers to get involved in local issues that are of concern to their business. Findings from the study indicate that neighbourhood business associations empower owner/manages to participate within their local business community albeit infrequently and mainly in relation to

addressing social problems that affect their local business networks. In summary, trade and professional business associations are important elements of the institutional environment, which play a role in shaping the socially responsible behaviour of business owner/managers. Campbell (2007: 960) posits that businesses and their owners "will be more likely to act in socially responsible ways if they belong to trade or employer associations, but only if these associations are organized in ways that promote socially responsible behaviour". It suggests therefore that these organisations can help institutionalise certain socially responsible behaviours by creating opportunities for learning<sup>50</sup> and regulation<sup>51</sup>. African and Caribbean owner/managers, however, have very little contact and interaction with these organisations largely because of the amount of resources that such involvement warrants, as well as a perception that such associations were not favourably disposed to their business goals. They therefore were not exposed to the learning and regulation of socially responsible behaviour that could be present in such business associations and reported very little socially responsible behaviour that was influenced by, or channelled through trade/professional associations. However, there does appear to exist a capacity for engagement with less formal and more local, neighbourhood business associations that have both a social and economic agenda. These business associations, whose memberships were defined by operating a business within a small geographical boundary rather than a particular trade or profession, were less likely to have strong learning and regulatory structures because of their semi-informal constitution. These associations nonetheless, create opportunities for African and Caribbean business owner/managers to interact with their peers and other local actors, as well as get involved in local issues that further embed them in the locality and their business network. Business owner/managers are therefore likely to develop a broader and longer-term view of their social responsibilities and due to this may seek to act in socially responsible ways that are considered appropriate by other actors in their local networks.

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<sup>50</sup> Learning through seminars, workshops, professional publications and one-on-one interaction with peers who share their own experiences

<sup>51</sup> Regulation through professional and trade code of conduct and peer pressure to behave in socially responsible manner.

### ***Linkages with Community Groups/Associations***

The connections that African and Caribbean business owner/managers make with civil society institutions often extend beyond the business community to include links with groups and organisations that define their membership based on socio-cultural attributes and sometimes physical characteristics of actors. These community groups and associations are driven by different and wide ranging societal objectives but all have a common operational framework in that they represent voluntary, non-commercial communal action by people with common values, towards improving the welfare of their group and/or locality. Typical examples encountered in this study include charities, faith-based organisations, local community and diaspora associations. Although they may have less formal and regulatory structures than trade/professional business associations, they still provide their members and affiliates with opportunities for learning about and expressing socially responsible behaviour.

The research results indicate that African and Caribbean owner/managers reported involvement in several types of civil society institutions, the most prominent of which were charitable organisations within and outside their locality. Charities are widely regarded as civil society institutions that seek to “enhance the welfare of a needy other, by providing aid or benefit, usually with little or no commensurate reward in return” (Bendapudi *et al.*, 1996: 34). Voluntary association through service and giving to charitable organisations epitomises what Carroll (1991: 229) describes as “highly desired and prized” socially responsible behaviour. Research results indicate that the majority of the sample of African and Caribbean owner managers in both study areas reported having links with charitable organisations. However, their interaction with these organisations was largely limited to voluntary giving, which was in most cases reactive and irregular in character, although some respondents reported having specific monetary commitments to certain charities, as the following interview excerpts show;

“Like I said earlier on I give to charities ever so often like Barnardos I [pause] give them clothes and money even and um there is this one that I give a regular token sum every month [pause] it’s called WRVS is a charity that takes care of the elderly...” Briana (Caribbean Woman, Hair & Beauty Salon Owner/manager, Nottingham, July 2008)

“Some of them are one-offs and others I give to over and over again, like right now I have like two direct debits, one for the children’s hospital charity, Great Almonds, I don’t know if you have heard of them [pause] and the other is my local church, so they are not one-offs, they are still going on and have been so for a while now” Carol (African Woman, Restaurant Owner/manager, London, November 2008)

Results showed that respondents mainly donated to well-known national and international charities that either have a presence in their locality or made contact via an electronic or print media. The extent of business owner/managers interaction with these organisations precluded any consistent, face-to-face contact or association through volunteering or event participation. Conversely, business owner/managers reported considerably less contact with local charities and community organisations that have a localised agenda, with African business owner/managers reporting significantly less contact with these organisations compared to their Caribbean counterparts. It was observed that only a few of the owner/managers interviewed reported links with community organisation such as local youth and sports clubs but their interaction with these organisations was much more robust as some respondents reported active and ongoing involvement in the activities of local community groups via financial support, volunteerism and event participation;

“I do try to give back to the community by getting involved with things that are happening um like I regularly do stuff at the community centre. I have given several talks to young people about my experience as a businesswoman, how I went about developing my business ideas and such and such. I did that at the Catford Community centre during one of their seminars, I also did that for a Black in Business workshop also um [pause], I am now a youth ambassador with the youth club at Catford, you know sort of like a mentor kind of thing, and over time I have made donations or done something for the club, so I do try to help out in the community.” Latisha (Caribbean Woman, Hair & Beauty Salon Owner/manager, London, February 2009)

Relations with these organisations, as the above extract shows was often described in terms of reciprocity and cooperation through philanthropic giving and participation, which owner/managers report as important expressions of

their socially responsible behaviour. It was observed that while this level of extensive civic engagement was not universal amongst respondents who reported links with local community organisations, they all involved face-to-face interaction with local people with whom business owner/managers were acquainted. Caribbean business owner/managers appear to have a broader network of acquaintances outside their ethnic community and a higher level of civic participation in their local communities than African business owner/managers. This was evident in the fact that they reported being involved with local schools, hospital trusts, local football clubs and community organisations that support the elderly, thus suggesting that they were relatively socially embedded in their local communities. It is this social connection to their localities and the associated expectations that it embodies that were identified by some Caribbean owner/managers as the reason for their involvement with local community groups and organisations.

“We do our best to get into the community and be a part of it, we try our best to be supportive, we contribute to the local police magazine, I give to a number of charities, not a lot but I try. If you look at the check out there you will see a collection box for St Saviours Catholic Church. So we [pause] as I said we do what we can to support the community and I do it because we cannot continue like this I mean we cannot all be thinking of ourselves alone, we have to once in a while be concerned with what goes on around us at least that is what I think. After all this Deptford [an area in Lewisham, London] is where I live, where my family, business, church, you name it a lot of things that are important to me are in this place. So anything that I can contribute to the area no matter how small must be a good thing and if we all did the same this area will be a better place.” Florence (African Woman, Retail Food Shop Owner/manager, London, October 2008)

On the contrary, the majority of African respondents did not report having any links with community-based organisations but rather appeared to be wary of them:

“ I tend not to get involved with these um local organisations, I know what they are trying to do is good but it’s not so straight forward as that, it is either you are the odd one out or what they are doing or how they going about it is totally alien to what I believe in” Obinna (African Man, Retail Food Shop Owner/manager, Nottingham)

" I think people around here are fairly decent you know but sometimes they just don't understand what you are on about, they don't understand you when you speak and I sometimes feel as if they are afraid of you, so sometimes it's just easier to stay on your own" Asante (African Man, Food retail shop Owner/managers, Nottingham).

It was observed that most African business owner/managers that participated in this research were first generation migrants who were more likely to have links with organisations and groups within their co-ethnic network than with mainstream organisations. It is inferred from the research results that African and Caribbean business owner/managers exhibit disproportional levels of embeddedness in localities and that this disparity is reflected in the observed differences in the level of civic engagement beyond co-ethnic networks. According to Tolbert *et al.* (1998) active and consistent participation in voluntary and community organisations in a locality is an expression of connectedness to a place and is largely borne out of mutual trust amongst actors. The findings of this study have so far shown that in comparison to Caribbean business owner/managers, African owner/managers, expressed relatively lower levels of trust in institutions and network actors outside their co-ethnic networks and that this influences the character of their socially responsible behaviour.

### ***Linkages with Faith-Based Organisations***

Religious organisations like other components of civil society institutions provide both a structure and platform for socially responsible behaviour. They are, however, different from most institutions, as they derive their legitimacy and moral authority from a belief system based on a 'divine being' rather than from any conventional societal structures. In this study it was observed that African and Caribbean business owner/managers both reported connections with faith-based organisations, the majority of which were primarily affiliated to the Christian faith<sup>52</sup>. The links that exist between the sample of African and Caribbean respondents and faith-based organisations were more extensive than those with any other institution. Nearly a half of business owner/managers surveyed were members of religious organisations and while there was no significant difference between the study areas, African respondents were more likely to have connections with these organisations than their Caribbean counterparts. These respondents reported their

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<sup>52</sup> Only 1% of the sample of business owner/managers reported themselves as practitioners of the Islamic faith

interaction with faith-based organisations in their locality as sustained and committed, identifying shared religious values, beliefs and commitments as the rationale for their socially responsible behaviour, and describing faith-based organisations as both an outlet and a recipient of their socially responsible actions. As one respondent explains:

“I am a devout Christian and I attend a living church that is all about making a positive difference in the community and is involved in a lot of charity work, and as a member from time to time, I take part in some of its charity work like feeding the homeless every Thursday or helping out in the clothes and books recycle unit, things like that”  
Joyce (African Woman, Food Caterers Owner/managers, Nottingham, September 2008)

These findings are similar to the observations of Worthington *et al.* (2006) whose study of Asian business owner/managers in the UK showed that the religious beliefs and affiliations of some respondents influenced their socially responsible behaviour. They also support the views of some commentators (Putnam, 1995; Irwin *et al.*, 1999) who argue that religious beliefs and obligations are key predictors of volunteerism and civic engagement in local communities. The influence of religiosity extends beyond a call to philanthropic behaviour to a broad philosophical code of conduct that influences both social values and business ethics (Brammer *et al.*, 2007b). Commentators like Webley (1996) assert that a majority of religious denominations espouse the values of social responsibility as they relate to fairness, truthfulness and stewardship. These values are institutionalised through religious teachings, rituals and operational conduct of faith-based organisations, which are intended to shape the life style choices of practitioners. This is illustrated in the following excerpts;

“My own view is this [pause] most of these things we are talking about [social responsibility] is what is expected from any God fearing person, as a Christian, as a human being this is what is expected of us but not all of us do it but as a good Christian I do it because it’s a way of life.”  
Phoebe (African Woman, Hair & Beauty Salon Owner/Manager, London, November 2008)

“Being a Christian is not all about going to church on Sunday, it is much more than that, for me it means that in anything that I do or am involved with I have to make sure it is right with God and his

commandments. So whether it is in dealing with my neighbours or my customers or anybody at all that is always at the back of my mind.”  
Florence (African Woman, Retail Food Shop Owner/manager, London, October 2008)

The religious values and convictions of these and other respondents were reported as important factors that influence their decisions to engage in particular socially responsible ways. In summary, analysis of the research data has shown that religion and religious organisations provide a useful insight into understanding why business owner/managers engage in socially responsible behaviour.

## **6.5 Conclusion**

In this chapter the intention has been to describe the different contexts underpinning the interpretations, attitudes and behaviours towards SR reported by African and Caribbean owner/managers, in terms of the scope and character of their social, business and institutional networks. The above research findings have shown that the social networks of African and Caribbean owner/managers are comparatively different and both groups have access to different levels of support from their network of family, friends and acquaintances. Nonetheless, owner/managers appeared to be embedded in these networks and the norms of obligation and expectation which predominate in these relationships compel owner/managers to assume views and take actions that are deemed socially responsible but also actions that may be regarded as less socially responsible. Likewise, the analysis of research data indicated that there is a robust social component to the stakeholder relationships of African and Caribbean owned/managed businesses as key stakeholders (employees, customers, and suppliers) often include family, friends and co-ethnics. The study results equally showed that the social nature of business-stakeholder relations can influence the SR attitude and behaviour of owner/managers as close ties of kinship and friendship often entail informal obligations and expectation that oblige owner/managers to engage in socially responsible practices and initiatives. Study findings also showed that in general, African and Caribbean owner/managers demonstrated low levels of contact and engagement with bureaucratic networks and institutions in their locality and as a consequence were generally unaware of, and/or ignored advice and support provide by these institutions with respect to SR but rather relied on their social network

for advice and support on such matters. The exception being a few owner/managers with friends and acquaintances within these institutions, thus suggesting that social and informal contact with local institutions was an important means of influencing the SR behaviour of African and Caribbean owner/managers. This assertion is supported by results which showed that owner/managers demonstrated relatively high levels of contact and engagement with less formal civic institutions, which were largely regarded as social spaces and networks by owner/managers, however, their participation in these networks was influenced by norms that impose formal/informal expectations and obligations on owner/managers to act and adopt practices of a socially responsible nature.

To summarise, the study results presented in this chapter suggest that the social network of African and Caribbean owner/managers plays an influential role in shaping their SR behaviour as the socio-cultural norms that regulate these networks are more effective in imposing expectations and obligations on owner/managers to be socially responsible. The different styles of SR behaviour that can emerge as a result of the scope and content of the different social networks in which African and Caribbean owner/managers are embedded is discussed in the next chapter.

# CHAPTER SEVEN

## A HEURISTIC CHARACTERISATION OF OWNER/MANAGERS' SR BEHAVIOUR

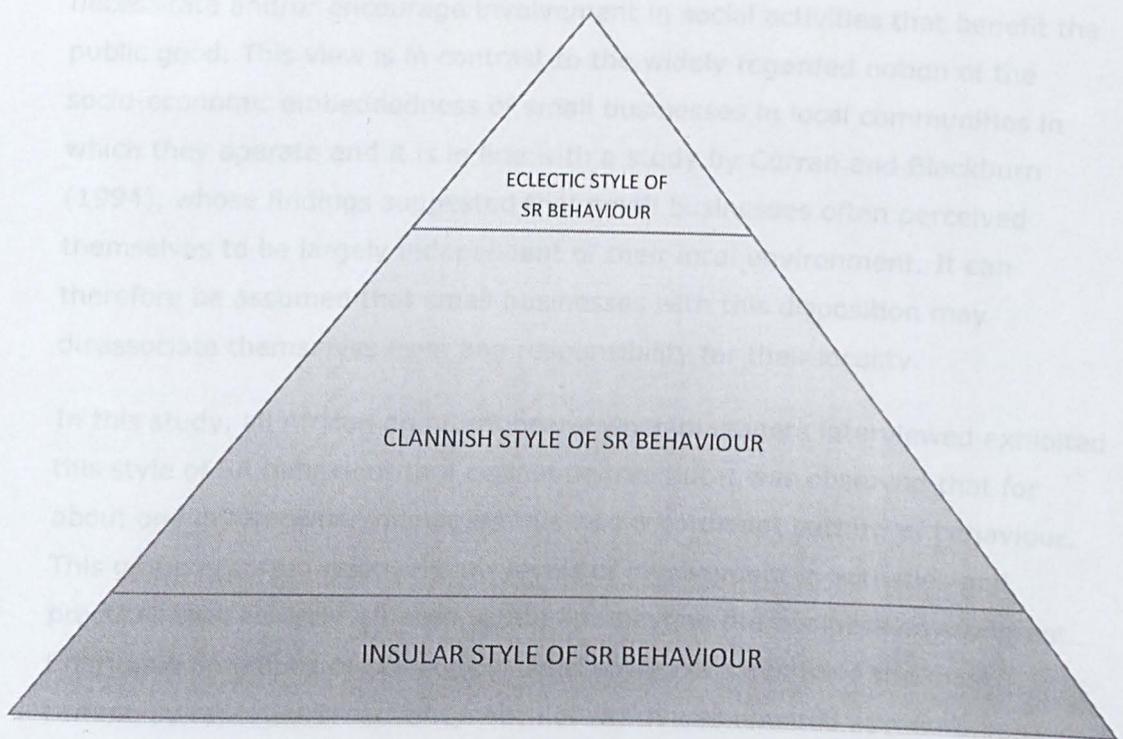
### 7.1 Introduction

Up to this point this thesis has examined how African and Caribbean business owner/managers understand and practice social responsibility, and how their involvement is prompted and/or enabled by their networks of personal and social ties, as well as their links to the institutional environment. The focus of this chapter is to articulate styles of SR behaviour evident amongst African and Caribbean owner/managers based on the nature of their involvement in socially responsible actions within and beyond their business environment. In the literature, empirical studies emphasise the unobtrusive but growing involvement of small business owner/managers in practices that embody socially responsible behaviour (Spence, 1999; BITC *et al.*, 2002; DTI, 2001, 2002; EC and Observatory of European SMEs, 2002). There has however been little attempt to analyse the SR behaviour of small businesses and their owners/managers save for broad descriptions of their involvement in socially responsible actions and initiatives as unsystematic, minimalist and informal with little evidence of a cohesive approach towards institutionalising and/or leveraging commercial gain from its practice (Murillo and Lozano, 2006; Jenkins 2006). Similarly, the only study (Worthington *et al.* 2006a) that specifically addresses SR within the UK Asian ethnic minority community suggest that they generally reflect a disposition to SR analogous to that of the UK small business community. Worthington *et al.* (2006a, 213) found that SR "as practiced in the sample enterprises was frequently ad hoc, informal and reactive". However, it can be argued that this broad characterisation of the SR behaviour of small businesses offers limited insight into how owner/managers engage with the concept, since small businesses (particularly micro businesses) are inherently informal and idiosyncratic in their structure and operation (Curran and Blackburn, 1994; Vyakarnam *et al.*, 1997; Baines and Wheelock, 1998; Spence and Lozano, 2000), it follows therefore that these qualities are likely to be reflected in their engagement with SR. This study then proposes that rather than focus on how owner/managers formalise their social practice, emphasis should be on owner/managers' approaches to managing everyday issues and relationships in the business environment and

the contributions they make to the welfare of individuals and groups in society.

In this chapter, therefore, a stylised model of the SR behaviour of African and Caribbean owner/managers is proposed, to describe the scope and pattern of their involvement in SR activities and initiatives based on the network of individuals and groups to whom SR is perceived to be owed. It therefore entails examining the level of compliance with formal contractual/regulatory obligations and the scale of voluntary engagement in social practices within, and beyond their business settings. In this regard three styles of behaviour have been identified and described using insular, clannish and eclectic metaphors. Figure 7.1 outlines the spectrum of socially responsible behaviour that emerged as a result of the research and serves as a heuristic model for understanding how African and Caribbean owner/managers engage with the concept. The analysis draws on interview data and participant observations to identify behavioural patterns exhibited by the sample of African and Caribbean owner/managers and uses vignette case studies to illustrate the various styles of SR behaviour that emerge. The three different styles of SR behaviour identified in this model are not meant to be interpreted as mutually exclusive typologies but are intended to illustrate the spectrum of SR behaviour amongst the study sample. The metaphors used in the model serve to highlight and exaggerate the differences within the sample but it also acts as a tool for simplifying the complex and often ambiguous boundaries around people and groups to whom a is owed. A detailed discussion on the different styles of SR behaviour is presented in following paragraphs, using a series of vignettes to underline particular characteristics of each individual style of behaviour.

**Figure 7.1 Stylised Model of SR Behaviour**



## **7.2 Insular Style of SR Behaviour**

This style of SR behaviour is characterised by an inward looking approach towards the practice of social responsibility, one that is paradoxically personalised and focussed on contributing to the welfare of persons linked by close familial ties and less concerned with direct contributions to the common good of 'others' in the wider society. The relevance of this style of behaviour is highlighted by Reher (1998: 203) who argues that "the way in which the relationship between the family group and its members manifests itself has implications for the way society itself functions". In this analysis of the insular style of SR behaviour, it is suggested that actions that promote the welfare of family members can be considered as an indirect contribution to the common good as they take on some of the responsibility of society to support individuals experiencing socio-economic deprivation, particularly in social welfare societies like the United Kingdom. It connotes a narrow but basic form of social responsibility that individuals are morally required to fulfil in line with norms of loyalty, co-operation and mutual respect that emanate from strong ties to social networks such as the family (Granovetter, 1985; Portes, 1998; Nahapiet and Ghoshal, 1998). However in its exclusivity, this style of

behaviour is indicative of the absence of social connections to other spatial/relational networks of formal and informal groups and institutions that necessitate and/or encourage involvement in social activities that benefit the public good. This view is in contrast to the widely regarded notion of the socio-economic embeddedness of small businesses in local communities in which they operate and it is in line with a study by Curran and Blackburn (1994), whose findings suggested that small businesses often perceived themselves to be largely independent of their local environment. It can therefore be assumed that small businesses with this disposition may disassociate themselves from any responsibility for their locality.

In this study, all African and Caribbean owner/managers interviewed exhibited this style of SR behaviour to a certain degree but it was observed that for about one in ten owner/managers this was a dominant pattern of behaviour. This group reported relatively low levels of involvement in activities and practices that embody SR both within and beyond the business environment. Charitable donations of cash or business goods/services were the most commonly reported SR actions, much of which was directed at members of their family network both in the UK and in their country of birth. These owner/managers did not engage in any pro-environmental activity, volunteering or any other community-based activity within, or beyond their locality. Although regulatory responsibilities with respect to health and safety of others connected to their business were acknowledged, research data indicated that adherence was inconsistent and not considered a main concern of the business.

It emerged that there are spatial and cultural dimensions to this style of behaviour, as respondents who demonstrated an insular pattern of behaviour were generally African owner/managers in the city of Nottingham. These individuals were relatively recent migrants from Africa who appear not to have integrated into the mainstream institutional and social networks in the city, compared to their Caribbean colleagues who migrated decades ago or were second generation migrants who had lived in the city all their lives. A situation not helped by the low levels of institutional thickness that exist in Nottingham, which offer less opportunities for owner/managers to engage with other actors in their locality - including other co-ethnics- in comparison to London. It was noted that there were clear correlations between the insular style of SR behaviour observed in this group of respondents and the paucity of their social network of formal and informal relationships. These

owner/managers reported having few friends and acquaintances outside their family network and limited contact with other business and institutional actors in their locality and beyond. Although, they generally expressed a positive attitude towards suggestions to expand their involvement in social actions and target groups beyond their family networks, they also articulated concerns about their social and economic capacity to engage in activities that contribute to the welfare of others in society. In order to expand on the character of this 'insular' style of SR behaviour, a vignette drawn from interview data and participant observation of an example case is used to further illustrate this type of behaviour. The ensuing discussion highlights the socio-economic context in which this owner/manager is embedded and its influence on observed and reported SR behaviour.

### **7.2.1 Vignette 1: "Charity begins at home"**

#### ***Background***

Soku, owns and manages a food retail business in Nottingham and is a middle-aged migrant originally from the African nation of Zimbabwe. She is married to another Zimbabwean, has two young kids and has lived in the United Kingdom since 1999, initially as an asylum seeker but currently with indefinite resident status, which she acquired a few years afterwards. Soku describes her experience of living in the UK as "initially very scary and um uncertain being an asylum seeker you know [pause] everything was strange and there was no one I really knew". Soku, who started her food retail business 3 years ago, was particularly proud of the fact that she is the first of the only two shops in Nottingham and surrounding counties that specifically trades in food and associated items from southern African. Soku employs a part-time member of staff and her husband also works in the shop in his spare time. The core of her business is in the retailing of staple foods, delicacies and spices from the southern part of Africa, although she also trades occasionally in general household items, art and audio-visual entertainment (DVDs and CDs) that are of African origin and production. Soku sources most of her trade goods from dealers in London and on occasion directly from suppliers in her home country during personal trips. A significant proportion of the customer base of the business is drawn from migrants from countries in the southern region of Africa (Zimbabwe, Malawi, South Africa etc), although a few individuals from other African nations also patronise the business. Soku admits that she has never managed a business before but owning one now was a way of "making ends meet". She describes the first 3

years in business as “difficult” pointing out that the business is struggling to make a consistent profit and as a result she regularly takes up temporary employment with an agency as a care worker, hence the need for a part-time employee. Although Soku has a degree in political science from a Zimbabwean University, she feels that her academic qualifications are not an asset, according to her “it is useless over here, whatever degree you have is looked down on from the word go and you can’t get anywhere with it if you are looking for a proper job”. Soku persistently insinuated through several similar comments that her setting up in business was a response to perceived disadvantage in paid employment and a strong desire for economic mobility. Subsequently, she regarded practices/actions that do not serve this core business objective as not very important.

It was therefore no great surprise that Soku was unable to give unprompted responses with regards to her understanding of SR as attempts to explore her views on the role owner/managers perform in society revealed little, besides underlining the economic imperatives and contributions of her business. It was therefore necessary to prompt Soku on her obligatory and voluntary responsibilities to customers, employees and other individuals and groups in society not directly connected to her business.

### ***Voluntary SR Practice-Charity begins at home***

An important feature of Soku’s involvement in social responsibility was her attitude to and practice of making voluntary contributions to the welfare of others in society. These social actions which she regarded as “the right thing to do” were perceived by Soku to be desirable but not necessarily expedient given her socio-economic circumstance. Soku stressed during conversations that she believed in “helping other people” if it is within her means but her priority was to those closest to her. According to Soku:

“one has to be practical, charity begins at home, I can’t be helping people outside, people I don’t know when those that are close to me are in need it just doesn’t make sense”.

Soku went on to describe several incidents when she provided assistance to members of her extended family, the most significant of which was the gifting of a bus and its load of household items to relatives back in Zimbabwe. Soku argues that there is a high level of expectation on her to cater for the needs of members of her extended family as her residency in the UK is seen as a sign of affluence and prestige. In her words;

“people think when you live in England, you have arrived [i.e. are successful] and money is no problem for you, so you keep getting phone calls and emails asking for help with one thing or the other and you can’t ignore all of them, especially if they are coming from people like your uncles and grandmothers, you just don’t have a choice”.

Soku admits that she is barely able to keep up with the constant demands for assistance from members of her extended family, some of whom she has strong personal ties with, and so feels unable to accommodate the thought of supporting other people and groups outside her family network. This assertion is underlined by Soku’s reported low level involvement in her local community, as she was not a member of any social or neighbourhood-based group and did not support such groups in anyway, including those whose agenda specifically supported the aspirations of ethnic minority groups. Similarly, Soku had never donated (time and/or money) to any charitable or community organisation, although she hoped to do so in the future. Within the boundaries of her business, Soku reported performing occasional acts of charity towards her customers most of which relate to the gifting of trade goods and impromptu discount and credit sales. She did not engage in any pro-environmental practice or action in her business or residential premises, including recycling which was quite common in the city. It was clear from conversation with Soku that even though she readily accepted these aforementioned actions as worthwhile, she was not ready or able to commit resources towards them.

A different but equally important dimension to Soku’s involvement in SR was her handling of obligatory responsibilities to key stakeholders of her business (customers, employees and suppliers). Soku readily acknowledged her obligations concerning the fulfilling of commercial contracts, describing her relationship with these stakeholders as “good” and “professional”. Contact with her customers was observed to be fairly informal but brief and transaction driven in line with her stated desire to offer efficient customer service, according to Soku “good products, good price and good service that is what they expect and that is what I am trying to give them”. Conversely, Soku’s relationship with her part-time employee was initially described as formal but later revealed in subsequent discussions to be opportunistic as her employee is a distant relative who had no legal rights to work and while this was not investigated further, it was plausible to surmise that formal employee contracts were not in place. She described this particular decision to employ

her relative as "helping her out" and appeared to be unaware of the fact that her actions were contrary to employment laws. In addition to the observed discrepancies between her stated attitude and actual practice towards fulfilling legal obligations, Soku was also oblivious of the duty of care owed to her business stakeholders. She was of the opinion that issues relating to environmental health and safety were often over-exaggerated and all that was required was for her to keep her business premises clean and tidy. However, shortcomings in basic health and safety practice could be observed in her business premises particularly with respect to fire and electrical hazards. Regardless, Soku was of the view that "having a business is just made more complicated with all these things [health and safety regulations]... a small shop like this one does not need to be bothered with all these things". She therefore reported using "common sense" in dealing with issues relating to environmental health and food safety in her business premises, which often meant taking corrective actions after the fact. In general, Soku's attitude towards obligatory responsibilities to other actors was positive<sup>53</sup> but in practice her behaviour in this respect could best be described as inconsistent and sometimes negligent.

### **7.2.2 Vignette 2: "It is everyman for himself"**

#### ***Background***

Another participant in this study whose attitude to and involvement in SR exemplifies the insular style of behaviour is Olu, who is the owner/manager of a food retail business in Lewisham. Olu is originally from the African nation of Benin and has been in the UK for over 10 years and is permanently resident in the country. He started his food retail business 2<sup>1/2</sup> years ago, trading in a variety of food and drink items - generic to the UK as well as products that are of African and Caribbean origin. He sources that bulk of these trade goods from local suppliers in London and occasionally from international suppliers in the Benin Republic. Like most of the African and Caribbean owner/managers who took part in this study, Olu's immediate family play a central role in the operation of his business, with his wife and another family relative being the only employees of the business. However, unlike most other respondent owner/managers, the customer profile of his business was not exclusively African or Caribbean people but included (albeit unevenly) a broader mix of patrons from his local community. Olu attributes this situation to his

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<sup>53</sup> Probably due to social desirability tendencies

progressive outlook on business. According to him "my plan is to try and leave behind the mentality of most African business men in London by offering services and products that appeal to all types of people because that is the only way to make it". Nonetheless, Olu is still engaged in paid employment and describes the local business environment as "harsh" with very high competition and a fickle customer base making it hard for his business to generate returns that he is comfortable with. According to Olu, "there is no loyalty in this business at all, our people go all over the shops from Deptford to Lewisham looking for the cheapest item, even 20pence difference is enough for a customer to go somewhere else and so we have to keep on cutting until there is nothing reasonable left for us as count as gain...it is just so disappointing". Olu repeatedly expressed this concern over the survival of his business during the interview and participant observation, stating that it was a challenge to retain repeat custom simply on the basis of social relationships or co-ethnic association, a situation towards which he openly expressed irritation. It emerged that Olu's perception of the resilience of his business and the level of trust and reciprocity that exist within his local community (particularly within his co-ethnic network) largely underpinned his responses to questions that explore his social role as a business owner/manager. It was observed that these issues were key factors that influenced and shaped his behaviour towards obligatory and voluntary responsibilities to internal and external stakeholders of his business.

### ***Involvement in SR Practice- It is everyman for himself***

Olu's involvement in SR activities and initiatives was largely limited to philanthropic actions that contribute to the welfare of others in society. Nonetheless his attitude to voluntary and obligatory SR was often diffident, and the scope of his participation in such activities was observed to be narrow and inconsistent. Analysis of data collected during interview with Olu indicates that he associated the basic principle of SR with ethical and philanthropic business and initially accepted it has a worthwhile undertaking, as the following interview excerpts indicate:

"Well I think social responsibility has to do with one knowing what is right and wrong in business, you know, um [pause] being charity [sic] and helping people is part of it but more importantly we has to be mindful of how we treat people whether they're customers or workers or just anyone we come across in business."

“Well I think um it [SR] is a good idea, business is about people isn’t it? We need to learn to treat each other as people, as brothers and sisters, and not machines or numbers or whatever [pause] anything that gets us thinking in that direction I feel is a good you know.”

However, when these issues were investigated further during the course of the interview and again during participant observation with Olu, his comments revealed a passive attitude towards SR, particularly voluntary involvement in philanthropy. Olu pointed out during several conversations that participating in SR activities had a business cost- that he couldn’t afford and that while “it is okay for those businesses that are well off, for people like us that are just getting by it is a burden we can do without...I think we should not try to copy others and be what we are not.” This attitude towards expectations of his personal involvement in SR was reflected in the relatively limited scope of his involvement in SR activities and initiatives. Olu reported involvement in SR actions which were entirely confined to a small group of co-ethnics, describing only a few incidents of charity towards close family relatives and friends. He explained that he was compelled to offer assistance in these cases (even when it was inconvenient for his business) because of the close family ties involved and the obligations they entail, a situation he described as “...blood is thicker than water.” He further explained that given his business goals he had very few resources to spare and so has chosen to support only those closest to him as that is the common practice amongst his contemporaries.

“If you have ever been in business here before you will realise that in this city it is every man for himself, no matter what anyone tells you that is the fact of the matter, we are in it for the money, for our children, our families and not for anything or anyone else. Now some people may say that it shouldn’t be like that but for now that is the way it is and donating money or whatever is sweet in the mouth but hard on the pocket.”

Congruent with Olu’s pessimistic attitude towards SR that contributed to the welfare of others outside his network of close family and friends, he subsequently reported that he has not made any voluntary contributions of his time and/or finances to any group, charity or community organisation, and did not envisage doing so in the near future. Similarly, Olu’s participation in the local community and co-ethnic network was largely inconspicuous as he was neither a member of nor participant in any social, cultural or religious

organisation in his locality nor was he linked to any local business association. Thus while philanthropy and community engagement were initially acknowledged by Olu as morally acceptable forms of behaviour for small business owner/managers to adopt, in practice he demonstrated very little engagement with the concept, which the research data suggest was informed by a mindset of SR as a cost and a hindrance to his business success.

Another key aspect of Olu's SR behaviour was his approach to employee and customer relations and obligatory responsibilities to key stakeholders of his business. Olu reported that his relationship with his sole employee [who is also his cousin] was good and quite informal. The extent of the casual nature of their relationship was made clearer during discussions with the employee who stated that there was no formal employment contract nor was there a set date for salary payments. Nonetheless, he didn't regard the situation as problematic, stating that "I understand how things are...when business picks up he will do better". On the contrary, Olu's relationship with his customers was relatively formal. It was observed that most of the customers that came into his shop did not exhibit any familiarity or rapport with him but rather simply made their purchases and left. Olu subsequently explained that it was difficult to build any sort of informal relationship with his customer base as it was continually changing and patronage was not particularly reliable. Furthermore, he also expressed a relaxed attitude to issues that relate to the health and safety of his stakeholders as well as those connected to environmental responsibility. Olu took the view that these matters were not that important and as such did not deserve urgent attention as the following extracts from field notes taken during participant observation indicate:

3:15pm I have been talking to Olu about health and safety in his business premises and operations and it was quite clear from our conversation that he was not convinced about their importance. I mentioned some of the potential fire and trip hazards that I had noticed around the shop but he simply brushed these off as small things that he will eventually get sorted at the end of the day or when they were less busy. When I again brought up the fact that I noticed some of the African products in his shop did not have any production dates, "sell by" or expiration dates, he explained that those products were 'different' and should not be compared with the other UK based products because "they don't spoil as easily you know since they were planted naturally". Olu was obviously not too concerned nor was he

aware of how these issues affected duty of care to the general public. I was therefore not too surprised when he laughed in response to questions about whether he had any plans to make his business more environmentally friendly. It was quite obvious that these issues were far from any agenda he might have planned for his business.

In conclusion, it was surmised from the data that emerged from conversations and participant observations that Olu expressed an attitude of indifference towards issues that connote voluntary or obligatory SR to his (including business) stakeholders. Subsequently he reported very minimal levels of involvement in SR activities and initiatives, the beneficiaries of which were primarily members of his small network of family and friends.

### **7.2.3 Reflections on Insular Dispositions**

The question that then arises is what accounts for the insular dispositions towards SR within the African and Caribbean small business communities. Looking at both Soku's and Olu's background and present circumstances, three key reasons can be deduced to jointly explain her expression of an insular style of behaviour towards SR. Firstly, they are both embedded in small but dense social network of friends and family in the UK. It was observed that these owner/managers had very little contact and/or affiliations with mainstream social groups and institutions and these links where they existed were sometimes transient or even strained. According to Granovetter, (1985) an individual's weak ties diffuse new information and resources more efficiently than strong ties as they are much less connected and so less likely to hold redundant information. It can be inferred from Granovetter's assertion that these owner/managers over reliance on strong family ties and the paucity of weak ties available to them could mean that while redundant information may pre-dominate their knowledge base, access to nascent knowledge and information pertinent to managing their business may be unavailable. This could account for why both Soku and Olu were often oblivious of basic regulatory and contractual requirements that were expected of businesses (irrespective of their size) and on the occasions when they were familiar with these expectations was less than dutiful in implementing them. These owner/managers often regarded generic business protocols as strange and a hindrance to the business process, while holding on to cultural traditions which clash with regulatory practices. Secondly, Soku and Olu are

relatively new to the business environment with little or no previous experience of running a business or operating in the food retail sector. Their involvement in private enterprise is primarily motivated by dissatisfaction with salaried employment and income deprivation rather than any particular expertise or passion for entrepreneurship. They were therefore not enthusiastic and often indifferent to practices or actions they considered not profitable or did not serve to directly enhance her business, particularly community-based volunteering or donations which were regarded as poor uses of business resources. Thirdly, it has been suggested by Nwankwo (2005:129) that African entrepreneurs in the UK who are compelled into business as a result of dissatisfaction with paid work "tend to be financially over-exposed in terms of family [nuclear and extended] commitment both in the UK and home countries". This assertion is echoed in both Soku's and Olu's case, where strong familial ties and commitments that they involve to people and groups outside the localities where they live and/or operate their business, were identified as a major reason for the extent of her involvement and disposition towards SR. It is important to stress that these factors identified are more likely to simultaneously (rather than singly) account for the insular style of behaviour and are best understood in line with the spatial and temporal context in which owner/managers are embedded. In this case it is possible that over time as Soku and Olu become more settled in the UK and broadens her network of friends and family across social groups as well as improving the level of contact with institutions and mainstream organisations, the character of her SR behaviour is likely to evolve.

### **7.3 Clannish Style of SR Behaviour**

This style of SR behaviour describes an agenda for socially responsible practice that moves beyond the family network as the primary recipient of owner/managers social contributions towards a wider group of people defined by their cultural affiliation and/or country of origin. This 'clannish' style is predicated on a strong sense of "community" that marginalises other groups and individuals not linked by familial, ethnic, or diaspora ties and thus instrumentally prioritizes obligations of support for co-ethnic networks above that of other groups in the wider society. The analysis of this style of SR behaviour suggests that both the social network patterns of African and Caribbean owner/managers and the strong ties of friendship and kinship in which they are embedded are profoundly skewed towards other co-ethnics and have substantive influence on their attitude to, and practice of SR. Kao

(2004; 174) suggests that this was not unusual as norms of co-operation, obligation and expectations of reciprocity were often more potent and enforceable amongst co-ethnic immigrants than with other groups in the host community "given the shared experience of migration and the sentimental attachment to one's country of origin". In practical terms this translates to ethnic minority owner/managers and members of their co-ethnic community being dependent on each other for economic, social and emotional support in their private and business endeavours. However, this style of behaviour is still exclusive in nature as it subjectively defines who owner/managers are responsible to along ethnic lines and is therefore symptomatic of a lack of social ties to other networks beyond their ethnic community, which prevents them from developing horizontal links of exchange and reciprocity with other ethnic and mainstream networks. This approach to SR was quite common amongst African and Caribbean owner/managers that took part in this study as it was observed that a majority of interviewees reported a high proportion of social actions and practices that were deliberately or inadvertently targeted at members of their co-ethnic community. They also described frequent engagements in a range of SR-type actions and commitments linked to business and social relationships. Typical examples within the business environment include voluntary participation and support for the social and personal endeavours of customers and employees, in addition to the altruistic giving of cash and trade goods/services to these stakeholders, particularly those patrons considered to be experiencing challenging circumstances e.g. the sick and elderly. Other commitments beyond their business network included voluntary and philanthropic activities towards charities, organisations and mutual-aid groups with whom they were ethnically affiliated. It was observed that owner/managers who expressed a clannish disposition to SR also engaged in basic pro-environmental practice and demonstrated reasonable levels of compliance with regulatory provisions affecting their business operations. They, however, reported relatively low levels of involvement in SR activities beyond their business and co-ethnic network with the most common mainstream influence being their affiliation to religious organisations in their locality. In order to provide further insights into the character of clannish SR behaviour, vignettes based on real-life experiences of owner/managers is used to exemplify two subsets of this style of behaviour. The first of which is a place-based strand, centred on promoting the welfare of co-ethnics in local neighbourhoods and a second trans-local strand concerned with social obligations to co-ethnics in the UK and abroad. These strands

relate to socio-cultural differences with respect to welfare obligations towards co-ethnics in countries of origin and/or in the UK diaspora. The following vignettes specifically underline the spatial nature of co-ethnic networks and its effects on the character of their SR behaviour.

### **7.3.1 Vignette 2: “Black people must learn to unite”**

#### ***Background***

Norman is a Caribbean owner/manager in Nottingham who’s engagement in socially responsible practice is representative of a clannish style of behaviour that overtly favours co-ethnics in the locality where they live and operate their business. Norman is a British citizen of Caribbean ancestry. As a young child he migrated with his parents from the Caribbean nation of Jamaica to the United Kingdom in 1965 and has since lived most of his life in England. Norman is married with adult children and grandchildren and is a well-known and highly regarded member of the Caribbean community in Nottingham<sup>54</sup>. He opened his Hairdressing business in 1987, which he claims was one of the first black-owned shops in Nottingham, so that “black people don’t have to cut them hair themselves at home or go to them shops that don’t know how to cut black hair”. He, however, states that his barbers shop now offers a range of mainstream hairdressing services accessible by all men in the community and not just black men. Similarly, he sources most of the trade products and services for his business from local businesses and suppliers irrespective of their ethnic status. Notwithstanding current efforts to move towards the mainstream of the hairdressing sector, the bulk of his customers are still drawn from the local Caribbean and African community and all three of his employees are of Caribbean ancestry. Norman takes the view that his barbers shop is not just a commercial enterprise but also an important social space for the Caribbean community in his neighbourhood, as it is also a place where co-ethnics meet to socialise or plan social events, discuss local issues and access information about events in the neighbourhood. It is against this background that Norman describes his personal/business involvement in obligatory and voluntary actions aimed at contributing to the welfare of others in society.

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<sup>54</sup> Norman was constantly referred to by other owner/managers and key informants in the Nottingham study as one of the gatekeepers to the Caribbean community in Nottingham.

## ***Involvement in Local Co-ethnic Networks- Black people must learn to unite***

Norman also expresses a positive attitude towards the idea of owner/managers voluntarily engaging in practices that are not necessarily commercially beneficial but improve or sustain the wellbeing of others in society. Norman articulates his understanding of this commitment in terms of philanthropy and building strong ties within his co-ethnic community. He describes SR as a way of "doing ones bit" for society but with specific emphasis on the black community<sup>55</sup>, who he perceives to be at a social and economic disadvantage in his locality. According to Norman, "We [African and Caribbean people] are the poorest in Nottingham, ask anybody, even the Asians are far better off than we are so you see we have to help each other because no one else is going to..." Norman recounts several anecdotes of incidents in which he or other co-ethnics had experienced, or are experiencing discrimination or exclusion with respect to accessing structural opportunities in the business environment as well as in civil society. In his opinion this is a good reason for co-ethnics to build and strengthen their connection with each other. Norman summarises his view accordingly;

"We black people must learn to unite if we want to get ahead as a community, just look at the Asians the way they stand together and support each other [pause] that's what we need to be doing".

Norman's interpretation of SR was observed to be parallel to the scope and nature of his reported involvement, as the majority of practices and initiatives cited were skewed towards individuals and groups from the Caribbean community in Nottingham. He identifies several acts of philanthropy towards employees and customers commonly mentioned by study participants that relate to salary advance, free and subsidized services and deferred sales payment. Additionally, Norman also carries out free call-out hairdressing services for old age pensioners of Caribbean descent known or referred to him by members of the Caribbean community. He describes this gesture as one of the ways of strengthening co-ethnic relations and an important symbol of community cohesion;

"We have to take care of our elders, our parents and grandparents we can't just abandon them as it is common nowadays and that is what I

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<sup>55</sup> Norman made several reference to the "black community" which he interpreted to be people of black skin colour. however he also used the term to make specific reference to people from the Caribbean islands.

tell the young ones that come in here and adults too, we need to stick together, what does it say of us if we can't help our own, if we are always the charity case".

Along these lines, Norman reported voluntarily involvement in several African-Caribbean themed socio-cultural events in Nottingham, such as the Black History month seminars, Nottingham Afro-Caribbean Carnival, and Afro-Caribbean Musical concerts. He regularly offers up his business premises for poster advertising and ticket sales for these and other similar themed events with which he was not directly involved. However Norman regards his paternal role as the most significant social obligation owed to the Caribbean community in his neighbourhood. Norman asserts that his standing in the co-ethnic community and close association with young people through his business and social activities, has meant that he is in a position to act as a role model and mentor in the Caribbean community. He talked about co-ethnics confiding in him on personal matters and that he often obliges them with advice, and sometimes financial support. Norman states that "young people come to me to ask about very personal things, sometimes they are just asking questions or they need help with forms or one thing or the other and it's because they trust me you see, they know whatever they tell me stays with me and that if I can do something for them I will, after all I have done for others in the past". He further adds that he is frequently called upon to mediate on disagreements between members of his co-ethnic network and consulted by key informants from mainstream groups and institutions on issues that affect the Caribbean community in his neighbourhood. These and similar insights that emerged from discussions with Norman and comments from his customers and staff indicate that he is highly regarded in the Caribbean community and that his status as a business owner/manager and a social activist largely obligates him to prioritise socially responsible actions and practice towards co-ethnics in his local neighbourhood.

With respect to regulatory responsibilities, Norman expresses a good knowledge of formal obligations associated with his business and a commitment towards fulfilling these responsibilities as they relate to his customers, employees and suppliers. He stated that customer satisfaction was a priority in his business and to reinforce this objective he put up a written customer service pledge that included refunds in cases of substandard service. It was observed that interaction with customers was very casual as there was always a friendly banter between Norman and his patrons, some of

which was indicative of a longstanding relationship. The same level of social capital was observed between Norman and his employees, with Norman assuming a dominant but paternal role in their interactions; "I always take care of my guys [employees] they know they can come to me for anything and I will try my best to sort it out whether it is to do with the job or outside the job, we tight like that". This relationship pattern was confirmed by one employee who stated that he had benefited from several acts of charity by Norman. He, however, also mentioned that his employment was based on a verbal contract as they all "trust each other all the way". Although Norman's involvement in environmental practices was limited to basic recycling practices, he was very conscious of environmental health and safety issues relating to his business stating that he had been commended by officers from the council for his adherence to all the relevant regulations and best practices.

### **7.3.2 Vignette 3: "We have to be true to your roots"**

#### ***Background***

Henry is an African small business owner/manager in Lewisham whose reported pattern of social commitment embodies a clannish style of behaviour that correlates ethnicity with nationality and thus focuses welfaristic practices towards co-ethnics both in the UK and the birth nations of owner/managers.

Henry is a middle-aged migrant originally from the African nation of Nigeria, he moved to the UK in the 1980s and credits his move from Nigeria to help from his kinfolk, according to him "I came here [UK] through my townsman who was working for the ministry of foreign affairs back in the 80s". Henry, who is married with three teenage children has since lived in the United Kingdom and has dual British and Nigerian citizenship. He has for the past 7years owned and managed a restaurant in the London borough of Lewisham, which offers sit-down table service as well as a fast food counter and events catering services. His restaurant, though dubbed "African", largely serves a menu populated by dishes and drinks local to his home country of Nigeria and has only recently began to include European and other African styled meals. Owing to the nature of his business, Henry only trades with London-based suppliers the majority of whom are from his country of origin. He employs six full-time and two temporary staff all of whom are of Nigerian ancestry, as well as having members of his family occasionally involved in the restaurant. Similarly, a considerable share of the customer base of the business is made up of Nigerian residents and tourists in London and to a smaller extent other

African and non- African nationals. Henry believes that his restaurant is both a business and a social enterprise, stating that its establishment was driven by a perceived lack of social spaces that were receptive to social and cultural needs of African people. According to Henry;

“My restaurant is a home away from home for many of us, not just a place where you come chop [eat] and go, but a kind of um being back home where you are relaxed you don’t have to pretend or speak through your nose, none of the phony stuff that we do out there [pause] the minute you step through the door you can hear the noise can’t you, the different dialects, the African music or people just watching our local football or discussing our politics, you will know immediately that this is different”.

Henry further states that his restaurant (alongside others) acts as a social hub where co-ethnics come to network and socialise with each other, as well as seek information, help and support from other co-ethnics. He therefore regards SR practices and actions as a reflection of these values and important for his personal/business standing in his co-ethnic community.

### ***Involvement in indigenous Co-ethnic Networks- Be true to your roots***

Henry expressed a positive view of the concept of SR, describing his perception in terms of individuals making positive contributions to the lives of other people through acts of altruism and moral support, according to Henry “anything anyone of us can do or say that is positive and brings some sort of relief to your fellowman is always a good thing and should be encouraged”. However subsequent discussions showed that in practice Henry prioritised his involvement in SR- type initiatives and actions to those that were specifically beneficial to a select group of co-ethnics indigenous to his country of birth. He takes the view that shared migrant experience, underprivileged background and communal norms essentially necessitates a commitment to support his indigenous network of co-ethnics living in the UK and his home country. Henry describes several ways in which he supports members of his co-ethnic network, most of which relate to acts of charity towards his employees and customers in the form of interest free loans and salary advances to employees and free/discount services to customers for example. He also reports similar acts of charity towards family and friends, as well as acquaintances that have been referred to him for assistance. Henry is of the opinion that;

"It's all about being your brother's keeper you know, most of us here have been down one time or the other in this country. I know of medical doctors who come and work as cleaners just to survive, me myself I have been broke and hungry here in this London with no job. So I can relate when people come around asking for help whether it is small money for transport or just a bit of food for the belly and I never refuse anyone [pause] honestly because I have been there myself".

Henry's support for other co-ethnics was not limited to those in his locality but extended to co-ethnics in localities in his native nation. Henry claims to be the pioneer of a diaspora association that acts as a support system for co-ethnics from his indigenous hometown of Ijebu in Nigeria. This group operates like a mutual aid society where members make weekly/monthly contributions to a pool which is then offered interest-free to individual member based on a rota system. Henry states that as part of his support for other members in this group he has consistently opted to take the last slot on the rota to afford others the opportunity to access the pooled funds. This group also has a social remit to promote the culture and image of their co-ethnic community through social events that highlight their music, dance and art. Equally they operate a development fund from which they remit funds back to their indigenous locality for specific social projects, some of which include educational scholarships, books for school libraries, road and water projects. Henry strongly defends his priorities in the following statement;

"We have to be true to our roots. My people say no matter how far you travel, you cannot get away from the land that gave birth to you. So I do my best, along with a lot of other Nigerians like myself we have several projects that we are working on in my hometown. We are just trying to make life a little bit easier for those back home because if not for a townsman I may not be here right now and that is something that is well known, so people are looking up to me and are expecting me to do same by helping others".

Henry suggests in the above comments that there exist an informal social contract between himself and indigenous communities in the UK and abroad, which influences the extent and manner of his involvement in SR activities. In relation to formal and contractual obligations linked to his business operations and relationships, Henry expressed an awareness of basic expectations from employees and customers. He stated that all his employees had formal

contracts that included wages above the national minimum, sick and annual leave entitlements. According to Henry "I think that it is only fair that my staff know clearly what the job that they are being hired for involves and what is due to them at the end of the month [pause] and I don't do cash in hand, I transfer straight to their accounts so everything is above board." He states further that these steps are also meant to protect his business and have been put in place as a result of negative experiences and subsequent business advice. With respect to customers, Henry equally claims that his approach to service delivery and food production is geared towards creating value for, and preventing harm to customers. He expressed an awareness of health and food safety standards for restaurants and full compliance with all relevant requirements. It was observed that Henry was often concerned about hygiene standards as written instructions were put up on kitchen walls and reiterated by verbal commands on several occasions. Similarly, his involvement in environmental practices includes the use of energy efficient equipments and recycling of non-food waste, while food remnants are given away.

6:45pm ...Whilst the cleaning was going on I noticed two men standing outside the shop making gestures at us to open the doors and I was told not to open until Henry comes out to attend to them himself. After a few minutes Henry comes out with two cellophane bags, has a brief chat with them and then hands each man one of the bags. I was later told by the staff that the two men were among a number of people in the area he knows that have fallen on hard times, and that they usually come around for the day's left-overs or anything they can get. Not long after talking with Henry, someone else was at the shop window asking if there was any more give-aways.

In Henry's own words "we don't throw away food in this restaurant because I believe it is a sin to bin food when there are so many people that are hungry around us, so it's like a rule of ours to make sure we give out what's left either to staff or customers or just anyone".

### **7.3.3 Reflections on Clannish Dispositions**

Analysis of research data shows that clannish dispositions was the most prevalent style of SR behaviour amongst African and Caribbean

owner/managers, most of whom demonstrated a consistent pattern of involvement in SR practices and initiatives that was generally beneficial to their co-ethnic network of family, friends, and acquaintances. The two vignettes outlined above serve to illustrate two subsets of the Clannish pattern of behaviour. A Comparative review of the case of Norman the hairdresser and Henry the Restaurateur throws up some similarities and differences in their clannish approach to social responsibility.

It was observed that both owner/managers expressed similar positive views on regulatory and contractual obligations to society and their key business stakeholders. Likewise they report fairly comparable levels of compliance with regulations that relate to their business activities as well as good working relations with regulators, built over several years of interaction with representatives of regulatory institutions. These case owner/managers also reported similar actions towards fulfilling formal/informal contractual agreements with other business actors, as well as informal and inter-personal ties with most of their immediate stakeholders. On the contrary the differences observed between both case owner/managers relate to the make-up of their respective co-ethnic networks and the scope of their SR practice. Research data shows that the social networks of the two case owner/managers were dominated by co-ethnic ties that were different in character and scope. It was observed that while Norman described his co-ethnic network as generally consisting of family, friends and acquaintances that are of Caribbean descent and largely bound to particular localities in the UK, Henry's co-ethnic network was largely made up of relatives and associates who shared his Nigerian nationality including those in the diaspora and resident in his home country. According to Nwankwo (2005) African and Caribbean communities in the UK are not homogenous even though they are often treated as such because of racial and cultural similarities. In this study, the most significant difference observed between these groups was in the social priorities that they pursued within their social networks. In the case of Norman the hairdresser, he appeared to be more concerned about social issues in his locality that he perceived to be disproportionately affecting his co-ethnic community. He therefore voluntarily carried out acts of philanthropy and engaged with social organisations in the locality such as day centres for the elderly, youth and sport clubs, black history groups that specifically offer support to African and Caribbean people in his locality. On the contrary, Henry the restaurateur was of the view that addressing issues of socio-economic welfare that affect indigenes of his birth nation living in the UK and elsewhere

was a priority in his decision to engage SR type initiatives. He consequently confined his philanthropic activities to this tightly defined but often spatially dispersed group and was involved with informal co-ethnic associations whose membership and allegiances were even more restricted to indigenes of small towns or clans in his home country. This clannish behaviour exhibited by these owner/managers corroborates the suggestion of commentators like Portes (1998) and Flap (2000) that ethnic minority groups in Britain are often embedded in very dense social networks with strong network ties, which give rise to informal expectations and responsibilities that are made obligatory by the moral influence of such ethnic groups. These vignettes studies show that African and Caribbean owner/managers' approach to SR is strongly influenced by socio-cultural ties and their subsequent actions can be both spatially specific as well as bounded by ethnic ties.

#### **7.4 Eclectic Style of SR Behaviour**

The Eclectic style of SR behaviour portrays a pattern of involvement in relatively wide-ranging socially responsible practices and actions by owner/managers, one whose scope extends beyond their familial and co-ethnic commitments, to include contributions towards the general welfare of others in the wider society. This style of behaviour mirrors the broad and diverse network of social ties that owner managers have within their localities and beyond, and represents an attempt to meet the expectations arising from these diffuse set of social relations. In this study, it was observed that only a few of the African and Caribbean owner/managers interviewed exhibited an eclectic style of SR behaviour. This set of owner/managers reported relatively high levels of involvement in SR activities both within and beyond their co-ethnic community. These activities were often carried out within the framework of mainstream institutions in their locality and entailed repeated voluntary involvement in place-based civic organisations like schools, community centres, youth clubs and religious establishment, where they volunteered their time, services and financial resources. This also included arbitrary philanthropic donations of money or business goods/services to charities, family, friends and acquaintances within and beyond their co-ethnic network. Additionally, owner/managers that demonstrated an eclectic style of SR behaviour also embraced a business case approach to environmental management and reported relatively high levels of involvement in environmental practices that extended beyond the nominal recycling of waste materials. Similarly, it was observed that these owner/managers were not

only well-informed but consistent in their adherence to regulatory responsibilities as indicated by evidence of formalised organisational practices that ensure the welfare and safety of their employees, customers and the general public. Analysis of the research data suggests that the personal characteristic of owner/managers was a more important predictor of eclectic style of SR behaviour than geography or business sector. It was observed that respondents that demonstrated this style of behaviour could not be differentiated by study area or business type, rather all were either second generation ethnic minorities or first generation child migrants from Africa and the Caribbean who had resided in the UK all their lives and appeared to be integrated into mainstream institutional and social networks in their locality. This was evident in the make-up of their social network of family, friends and acquaintances, which was broad, trans-ethnic and cuts across formal and informal institutions in their locality. It was also observed that these respondents reported little or no ties to their ancestral nations and for the most part largely regarded themselves as British.

Although, these respondents like others in the study identified lack of time and resources as a limitation to the scope of their involvement in SR activities, they did however appear to be running relatively larger (and maybe more successful) businesses than others in the study sample suggesting that socio-economic capacity was an equally important predictor of the eclectic style of SR.

#### **7.4.1 Vignette 5: “No man or woman is an island”**

##### ***Background***

This account is based on Joan, who owns and manages a Hair dressing business in the London borough of Lewisham. Joan’s reported behaviour provides an insight into how the breadth and diversity of social network ties can modulate an individual’s engagement with SR. Joan is a British born Jamaican in her late twenties. She grew up in the southeast of London and has most of her family and friends living in the London area and other cities in the UK.

Joan started her hairdressing business 6years ago as a sole trader, before that she was working as a paid employee for a local hairdresser for a few years after leaving school. She has since re-registered the business as a limited liability company and employs four full time staff and one part-time

employee. These employees are not all from her co-ethnic network and no member of her family network participated directly in the business operations. The mainstay of her business enterprise was in the provision of a range of hairdressing services for women, some of which were specific to women of African and Caribbean origin while others were meant to cater for the hairdressing needs of British and European women of non-African or Caribbean origin. There was also a sales component to her business operations, which involved the retailing of hair and beauty products, the bulk of which are supplied by local wholesalers whilst a few are produced by the business itself. Joan reports her customer base as diverse and not limited to the patronage of any one ethnic group, although she did acknowledge in the course of the study that African and Caribbean people represent the larger part of her customer base. Joan describes owning a business as the fulfilment of a personal ambition and a means to independence. According to Joan,

“It was something that I always dreamt about you know, being in control of my life [pause] being my own boss, putting my ideas out there, so as soon as I had my level 4 [National Vocational Qualification in Hairdressing] and enough experience I knew it was time to strike out on my own and I did just that.”

She also stated that her business was not just a path to personal independence but also a means for her to contribute to society, hinting during formal and informal conversations that being the owner of a business was considered prestigious in her local community and amongst her social network and as such there was an expectation for her to act as a role model to others. She therefore regards SR as philanthropic and ethical practices that are prescribed by civil society and in line with her personal beliefs. In practice, Joan’s engagement in SR can be divided into obligatory business responsibilities and voluntary involvement in activities that contribute to the welfare of others in society.

### ***SR Involvement: No man or woman is an island***

Joan’s perception of SR is closely linked to her religious and personal convictions of morality and altruism. She takes the view that she has a moral obligation to be even-handed and contribute to the welfare of others less privileged than herself as she has been a regular recipient of help and support from others in society. According to Joan,

“...no man or woman is an island, a lot of people helped me when I was starting up and many others are still helping me to succeed so ideally I also need to help others, you know, give back because other people are depending on me to succeed”

She explains further that she felt “blessed” to be the owner of a business, given her challenging socio-economic background and as such was committed to “giving something back to society”. According to Joan, she often expresses gratitude for the continual support received from her network of business associates as well as from family and friends, “by doing something special for them” which usually entails taking actions beyond contractual obligations, for instance the giving of her products and services, occasional loan or cash gift to staff and business referrals for suppliers. Joan goes on to describe her involvement in several types of philanthropic activities including monetary donations to individuals and organisations within and beyond her locality, fundraising for charities, volunteering at local events and community initiatives. She also reported occupying formal roles in her local community such as youth mentor in a local charity and a volunteer at her local church, both of which entailed a significant commitment of personal time and resources. While Joan’s reported involvement in some of these SR activities could be described as occasional, there were two areas of interest that mirrored a more consistent pattern of participation. The first of these relates to her commitments to her local church where she reported a multiplicity of actions in support of the church or its sponsored initiatives. Joan reported making weekly and monthly voluntary contributions to the organisation as well as volunteering and raising funds for several of its projects. She is also occupies several voluntary roles in the church’s structure including that of a Sunday school teacher and chief usher. Joan confesses to being a very religious person and regards her local church as a very important channel through which she could directly and indirectly support her local community. In her own words;

“I believe my church provides me with one of the best avenues to give back to the community because it is involved in a lot of things that make the lives of people in this place better. So when I give my money or my time I know it’s for a good cause and that it counts”

Another important area that is indicative of Joan’s consistent involvement in her local community is her relationship with the local school she attended as a

child. Joan mentions that she has an emotional attachment to her local school, stating she had “fun memories” of her time at the school and still keeps in touch with some of the school staff. She reported that for the last three years she has been supporting the school in several ways including regular donations of materials towards the school’s projects including its annual fayre and giving talks to pupils about her profession. She equates her support for the school to contributing to the welfare of children that live in her locality some of whom are her relatives. Joan also engaged in a number of pro-environmental practices that were directly linked to her business operations, these include the sale of organic<sup>56</sup> products and the use of natural<sup>57</sup> hairdressing techniques and treatments, which she described as “...not harmful to the environment in anyway” and of better quality than other conventional products. She also promoted the reuse and recycling of packaging material by her customers and employees, as well as monitors the energy consumption of her business using a real-time meter. Joan acknowledges that there was a business case for the adoption of these practices but also insists that these practices show that her business is environmentally friendly.

In relation to formal and obligatory business responsibilities, Joan articulated a broad knowledge of regulations and standards that relate to employment, consumer protection, public health and safety particularly as they relate to her business operations. She states that much of her information is drawn from her business experience and training as well as from interaction with other owner/managers and regulators. Joan, however, asserts that her religious beliefs is what drives her decision making in these matters as they outline in general terms the rights and wrongs as well as the rewards and punishments of forms of action. According to Joan;

“It’s wrong isn’t it [pause] if you don’t treat people fairly or if you try to undercut them for profit, it’s just morally wrong and as a Christian I can’t do that. So whether I am dealing with a customer or [named employee] over there, I always remember my Christian values [pause] what will Jesus do? you know that is what I ask myself.”

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<sup>56</sup> The term “organic” is used by Joan and other owner/managers to describe products that are prepared by hand and made from plant based material.

<sup>57</sup> The term “natural” is used by Joan and other owner/managers to describe hairdressing styles and treatment that were indigenous and culturally specific to her co-ethnic group

She goes on to report that she is in full compliance with all relevant regulation and contractual responsibilities to customers, employees and suppliers', stating that observance was an important part of her relationship with business stakeholders as it demonstrated that she was a "good person" to deal with. Furthermore, Joan expressed the opinion that there are commercial gains to good relations with stakeholders as it often means that there are no problems down the line and her reputation is enhanced. Likewise she stated that complying with business legislation like those that relate to health and safety as they protect customers and employees from harm. She asserts that "...accidents cost money no matter how you look at it, when you play by the rules everyone is safer and happy and your business is better off".

#### **7.4.2 Vignette 6: "It all depends on one's sense of community"**

##### ***Background***

Another owner/manager who exhibited an eclectic style of SR behaviour is Carmen, who owns and manages a retail food shop in Nottingham. Carmen is a British born Jamaican in her mid forties who grew up in Nottingham and has most of her family and friends living locally as well as few in other regions of the UK and Jamaica. Her reported attitude to and involvement in social actions was indicative of how the scope and depth of social ties in a given locality can influence an individual's engagement in SR behaviour.

Carmen's retail food business was initially started by her father about 30 years ago and still carries his original business name. She only took over the business in 1999 and has since expanded it by adding grocery and frozen food sections as well as extending the business premises in the process. The core of her business activity is the retailing of different food items (e.g. canned, packed, frozen, fresh), the majority of which are indigenous to the Caribbean islands but also food products that are native to the UK and Europe. Carmen reported that her customer base is largely drawn from the local multi-ethnic population of residents and international students and as such was not restricted to African and Caribbean people, although she did concede that they make up the largest proportion of her patrons. The employee structure of the business reveals that the enterprise still remains very much a family business with her partner, siblings and children playing an active part in its everyday operations and management. Carmen explains her proprietorship of the business as not only a means to generate a personal income but also emblematic of a responsibility to carry on a family legacy of service to the

local community and hopes her children will follow in her footsteps. According to Carmen:

“it’s a job, it is work that puts food on the table but also what is work to us is also service that people depend on and having been depending on for the past 30years when there was nothing of its kind in the neighbourhood and while it is not always easy there is some fulfilment in hard work and in helping others and that is what my dad taught me and I am trying to do the same for my boys”

She explains further that the business was initially set up to serve the African and Caribbean communities in Nottingham but over time its role has been increasingly focused on serving the local community within its immediate neighbourhood whilst still maintaining strong ties with the wider network of Africans and Caribbeans in the city. Carmen expresses a perception of her role (and that of her business) in the community as one that is both economic and social, stating that;

“This business has always stood for what is good about Afro-Caribbean people in Nottingham, what um [pause] what we can do if given the chance, so yes it is a business and as such we try to make profit just like any other business but we also represent the Afro-Caribbean community by the way we carry ourselves, the way we treat people that come into our shop and by what we give back to the local community, to show that we can be as good as any other group of people in the country”

From the above and other comments made by Carmen it appears that she perceives SR as both philanthropic and ethical actions that portray her business (and herself) as a good citizen of the local community and the wider UK society. It was subsequently observed that in practice, Carmen’s demonstrated a style of SR behaviour that embodied participation in a relatively wide range of social actions and which targets a broad range of stakeholders in her local community not just beneficiaries within her familial and/or co-ethnic network.

***SR Involvement: It all depends on one’s sense of community”***

Carmen’s involvement in SR actions and practices was much broader than the average owner/manager that took part in this study and her perception of and involvement in SR was very much associated with her personal ethics and

values. Analysis of the data gathered from her interview and conversations during the participant observation show that she held the personal belief that owner/managers have a moral duty to be fair-minded and charitable in their dealings with stakeholders as well as to be actively involved in their local community where they do business. According to Carmen,

“I believe that being socially responsible has to do with who you are as a person, what are your morals, your principles [pause] Are you a responsible person? Can society depend on you to do the right thing always?”

“It all depends on one’s sense of community, I feel that I belong here, this is my home town [Nottingham], my whole life is here... family, work, friends, you name it. So no one has to pressure me to get involved and help out in the community, it just comes naturally. Now if I were the “go it alone type” all these things will mean nothing to me”

“To succeed in this business, in this part of town, one has to have a kind heart, I mean really be warm and welcoming not just to your customers but to everyone... when you consider everyone your sister or your brother or your neighbour and treat them accordingly will you gain respect in the community.”

Like most participants Carmen reported acts of philanthropy towards her employees and customers as well as business practices that relate to her duty of care to customers, employees and the general public. She also reported involvement in several environmental activities (relating to reducing energy consumption, the use and sale of environmentally benign products and the reduction, reuse and recycling of materials). Her involvement in these activities was more robust than other participants, as they were not only sustained but were integrated into her business model (see 5.5.2.3 embedding environmental practice). Similarly, her involvement in SR activities outside the core of her business network was also particularly striking, as Carmen reported that she has repeatedly been involved in charitable giving in support of people and community organisations in her locality. She mentioned several examples of her philanthropy which included monetary support, donation of trade products, as well as volunteering her time and services to a local school, youth clubs, adult day centre, individuals and community based organisations that are involved in charitable initiatives within and outside her locality. Whilst Carmen’s involvement in these philanthropic actions could best

be described as reactive and infrequent she did report a consistent pattern of charitable support to a local youth football club and Saturday school club. She stated that "as far back as I can remember I have been involved with the football club in one way or the other, even before I started heading this business" , mentioning that she pays the bill for the club's football kit and its maintenance as well as making regular donations of food and drinks when they play. Carmen equally stated that as someone who benefitted from Saturday schools when growing up she now makes fortnightly donations of snacks and pop to the Saturday school for the children's' lunch. These cases of philanthropy suggest that an important component of Carmen's SR behaviour is her involvement in her local community. She argues that African and Caribbean owner/managers need to be embedded in the mainstream of local communities and not just their own ethnic niches seeing this as both good for business and also for their social standing within these communities. Carmen regards herself to be an example of her ideal of the locally embedded owner/manager and cites as proof of her connectedness to her local community a range of SR practices and actions which she has been or is involved in, which for the most part entailed taking part and/or volunteering in local organisations and charity initiatives and events. It was observed that although she did not adopt any formal or structured approach to her participation in these SR activities, there was evidence to suggest that she regularly took on a social role in her local community. Notably, she reported that she was presently playing an active role in a local campaign against a superstore development within her locality and that she was working with diverse (mostly mainstream) local organisations and people to address the issue. This particular example gives an indication of Carmen's embeddedness in a broad network of social ties that are not delimited by familial or ethnic boundaries and also highlights the importance of civic participation to Carmen as the following field notes indicate;

2:10pm            Since I finished stacking up the shelves with tins of ginger beer, mango and pomegranate fruit punch twenty-five minutes ago, there has been little else to do except from shadow Carmen as she went about routine admin activities. She had only began taking inventory of what she called "wet stock" [fruit and vegetables] when she answered the phone. I gather from the ensuing conversation that the caller was a friend who owns a business locally as Carmen jokingly berated the caller for not attending the last meeting of the local business association. She went on to give a detailed account of all

that went down during the meeting, including the plans made to block the planning permission for the [named] superstore development, urging the caller to get involved and tell other shop owners about what was going on. It was obvious that Carmen was very excited from the tone of her voice and effusive gesticulations. After the phone conversation which lasted about 15 mins, she came over and continued talking about the subject, firstly, how she was encouraged by the fact that many shop owners and local people were interested in the issue. She also talked about the efforts they at the local business association were making by writing letters and holding meetings with their MP and councillors, and that they were also gathering a petition and planning a protest. When I asked her how she felt about the whole experience, she commented that it made her feel "a part of something good" as she was helping to protect the livelihoods of people in her community."

This and other previous examples of civic participation cited by Carmen demonstrate that she was broadly linked to people, groups and organisations within and beyond the African and Caribbean community. It appears that the values and principles of multiple social networks that she was actively associated with necessitated obligations to contribute to the wellbeing of others and consequently engage in socially responsible behaviour that is beneficial to a broad spectrum of society.

### **7.4.3 Reflections on Eclectic Dispositions**

A closer review of Joan's and Carmen's background and relations with other actors within his business and social networks gives an indication of possible explanations for her expression of an eclectic approach towards SR. Firstly, it was observed that Joan and Carmen had the social capacity to engage in diverse activities and practices within the context of mainstream networks in her locality. It could be inferred from the research data that both owner/manager's network of family, friends and acquaintances were characterised by diverse sets of social relations which was not limited by co-ethnic ties but was enhanced by formal and informal associations with individuals, groups and institutions in her locality. It has been suggested by several commentators (e.g. Pretty and Ward, 2002; Putnam, 1995; Portes, 1998) that distributed patterns of social affiliation is indicative of levels of social capital that is expressed in the form of a propensity for internal morality, social trust, reciprocal action and civic involvement, all of which are

essential elements of socially responsible behaviour. These claims suggest that embeddedness in heterogeneous social networks increases scope and predisposition for multiple involvements in socially responsible actions. It was observed that in both Joan's and Carmen's case, the diversity of their social networks directly influenced the level of participation in SR initiatives as their knowledge of and compliance with particular business regulations and adoption of certain pro-environmental practices was attributed to information and support received through formal contact with business institutions and their informal networks of friends. However, there were some differences in the scope and character of their social networks, as Carmen emphasised her embeddedness in her network of family and friends as well as loose connections to a much broader mainstream network in her local community. On the contrary, Joan gave the impression that she was less reliant on strong family ties to support her business than she was on loose intransitive connections within her social network of friends and acquaintances, nor did she appear to consider family commitments as a priority for engaging in SR.

Secondly, it could be surmised from the research data that both owner/manager's social networks were strongly embedded in the local community where they lived and operated their businesses and this influenced the nature of their SR behaviour. This assertion is supported by fact that they implied during discussions that much of their social affiliations have been formed as a result of shared experiences and everyday interactions in the mainstream of the local community (e.g. local schools, community centres, pubs, clubs, churches etc). Joan and Carmen also expressed an emotive connection to the local community, with Joan describing it as "home" and "a place where I grew hope and have lots of good memories..." and Carmen calling it "my roots" and that "my whole life is here...". They both also at various points identified with the socio-economic challenges and constraints that are experienced in their various localities as Joan explained "things are tough in this area, people are struggling to survive this very minute..." Consequently, much of their involvement in voluntary and philanthropic initiatives appeared to be motivated and guided by their social connection to the local community. According to Spence and his colleagues owner/managers of small businesses are often embedded in social networks, communities and relationships within the locality where they trade and would often sustain these social relationships by engaging with the local community through various forms altruism and volunteerism (Spence *et al.*, 2003 and Spence and Warner 2004). It was observed that in the case of Joan, cultural and ethnic

affiliations appear to have very little influence on her decision to engage in SR initiatives as she repeatedly distanced herself from ethnic minority characterisations preferring to highlight her British identity instead, particularly in relation to her social network, which did not appear to include connections with people, co-ethnics or otherwise, outside the UK. However, with Carmen it was observed that she still maintained strong links with her co-ethnic network and they appeared to be very much a part of her social network. Nonetheless, she did not appear to prioritize her co-ethnic affiliations over other more mainstream connections but rather described both of them as part of her identity. It is therefore suggested that Joan and Carmen are representative of an acculturated group of ethnic minorities that are mostly born in the UK and who have been wholly or partly embedded in the local culture and social network. Owner/managers that fall into this group would normally be detached socially and culturally from their ancestral homelands and as such not influenced by idiosyncratic differences that such cultures may impose on SR behaviour.

#### **7.4 Conclusion**

The intention in this chapter has been to describe a heuristic model of the SR behaviour of African and Caribbean owner/managers, to aid understanding of how and why owner/managers' engage in SR practices and initiatives. The findings of this study have shown that African and Caribbean business owner/managers express different dispositions towards SR and engage in a range of practices to varying degrees, which have been represented as styles of SR behaviour. The three broad styles of SR behaviour namely, insular, clannish and eclectic, identified in this study were described using metaphors that symbolise the nature of owner/managers' network of formal and informal relations and their dispositions towards SR. The insular style of SR behaviour has been described as characterised by below minimum levels of compliance with contractual and legal obligations and relatively low levels of involvement in voluntary and philanthropic activities, which for the most part are generally limited to small networks of close family relatives to whom SR is perceived to be owed. Research findings also showed that that this disposition is likely to be more common amongst a small proportion of owner/managers who for the most part are recently settled migrants living in locations in the UK where their ethnic minority community is poorly established and whose personal experiences of migration may limit their propensity to engage with social networks in their locality. The clannish style of SR behaviour has been

described as the most common behavioural style that denotes a relatively broader scope of involvement in SR practices, characterised by minimum levels of compliance with relevant regulations and a relatively higher level of involvement in philanthropic and voluntary initiatives, much of which is confined within their co-ethnic network. The findings from the research also indicated that the social network patterns of African and Caribbean owner/managers are often different and parallel. Caribbean generally embedded in place-based co-ethnic networks in and around a geographical area, while Africans generally maintain social networks that are spatially dispersed in transnational spaces between co-ethnics in the UK and others in their country of origin and other diaspora communities around the world. The character of the clannish SR behaviour of owner/managers from these two groups was therefore different both in scope and content as it was defined by particularistic commitments to, and expectations of the local and transnational co-ethnic networks in which they are embedded. Finally, the eclectic style of SR behaviour has been described as embodying business behaviour that entail the observance of legal obligations as well as a modest level of involvement in business practices that exceed legal requirements of a business, for example pro-environmental practices. It is also been characterised by a relatively expansive involvement in volunteerism and philanthropy that is not delimited by the dictates of co-ethnic ties or cultural norm, rather it is motivated by personal ethics and social commitments to a broader network of different social actors. It is therefore surmised that an eclectic disposition to SR is representative of the mainstream view of small business engagement in SR, motivated by owner/managers' embeddedness in social networks and relationships within the locality where they operate. Thus, African and Caribbean owner/managers who are embedded in intransitive social networks that are not defined by co-ethnicity but rather dispersed across formal and informal relationships in their locality are more likely to express an eclectic style of SR behaviour.

Although, this study makes no claim to the generalisability of the above stylised model of SR behaviour across the ethnic minority small business community, it however represents a useful heuristic tool that recognises the idiosyncratic and contextual nature of the small business environment and employs social network patterns to analyse owner/managers' behaviour towards SR.

# CHAPTER EIGHT

## DISCUSSION AND CONCLUSION

### 8.1 Introduction

This study set out to investigate how the social responsibility of business understood and practiced by African and Caribbean small business owner/managers in the UK cities of London and Nottingham. The thesis has been guided by four main objectives, namely; to understand and describe owner/managers' perception of and attitudes towards social responsibility; to understand and describe the scope and character of owner/managers' socially responsible actions, practices and initiatives; to understand and describe how networks of formal and informal relationships of African and Caribbean owner/managers influences their engagement in social responsibility; and to identify and describe the different styles of socially responsible behaviour within the African and Caribbean small business community in the UK. The findings of this study as they relate to these objectives have been addressed in detail in the previous three chapters of this report. In this final chapter, key results from the research findings that highlight the study's contribution to academic knowledge will be summarised and discussed with particular attention to the role of geography in grounding the emerging theoretical propositions from the empirical research. Discussions will thus focus on the agency of networks and relationality, as well as the role of socio-cultural embeddedness in evaluating the research findings. The key conclusions drawn from the research findings will also be discussed with respect to emergent theoretical propositions on factors that shape the discourse and practice of social responsibility within the ethnic minority small business context. These factors relate to the significance of small business owner/managers' ethno-cultural values and traditions, their religious beliefs and values and their embeddedness in social and institutional networks. This chapter will conclude with reflections on the research process, highlighting limitations of the study as well as identifying areas requiring further research.

### 8.2 Summary and Discussion of Key Findings

The findings of this research provide important insights into how African and Caribbean small business owner/managers engage with the concept of SR in

terms of their understanding, attitude, motivation and practical involvement. The results of the empirical study particularly highlight owner/managers' perceptions of and attitudes towards SR, the scope and character of their involvement actions and practices that embody SR, the agency of their network relations and heuristic styles of SR behaviour that capture the nature and character of SR behaviour within the African and Caribbean small business community in the UK.

Given the absence of any previous research on how African and/or Caribbean owned businesses in the UK engage with the concept of SR, the findings of this study are in this respect both novel and exploratory in nature. However, it is necessary to reflect on the study results with reference to existing knowledge of small business social responsibility in order to highlight similar and contrasting mindsets, practice and behaviour. In that sense, arguments can be made on the basis of evidence from studies on the SR of mainstream small businesses (Spence, *et al.*, 2000; BITC *et al.*, 2002; Castka *et al.*, 2004) and Asian EMBs in the UK (Worthington *et al.*, 2006), that this thesis' findings indicate that the SR attitudes and behaviour of the sample of African and Caribbean owner/managers are not significantly different from those expressed by other small business owner/managers and organisations in the wider small business sector. The congruence between the findings from these studies and those of this thesis can be summarised into four headline points, namely:

- Small businesses in the UK in general express a positive attitude towards SR.
- Owner/managers generally regard SR as a moral imperative to be altruistic and charitable.
- Owner/managers have reported involvement in different actions, practices and initiatives that improve the welfare of their stakeholders and local communities, similar to the types revealed in this study.
- In general the character of small business SR behaviour is typically inconspicuous, informal, reactive and largely driven by the idiosyncrasies of the owner/manager.

Despite these areas of similarities, it was however also observed that the findings of this study indicate that African and Caribbean owner/managers demonstrate a different (and probably distinctive) approach and disposition towards discussing and practicing SR. These disparities relate to the

character, scope and drivers of their involvement in SR, and highlight the role of owner/managers' ethno-cultural value system, the character of their social and institutional networks as well as their religious beliefs and values in shaping their SR behaviour. Using the the concept of relational and spatial embeddedness of firms as a theoretical framework, a deeper insight can be gleamed from the research findings into the complexities that exist within the business-society interface. The key findings of this thesis will therefore be discussed in relation to the agency of place and space in casting and recasting perceptions, attitudes and behaviours that embody SR in small businesses.

### **8.2.1 SR Perceptions, Attitudes and Relational Networks**

The socio-spatial embeddedness of economic action and actors is a prominent theory of the firm that conceptualises owner/managers and their businesses as being structurally and relationally connected to loosely bonded social networks that act as a framework for facilitating social and economic exchanges (Grabher 1993; Taylor 2000 Barnes, 2001; Bathelt and Gluckler, 2003; Yeung, 1998; Boschma and Frenken, 2006). Central to this theory is the contention that economic actors are inherently enmeshed in social relationships that are characterised by flows of obligation, reciprocity, interdependence, information exchange and disproportionate power relations that further embed them within a given social and spatial context (Zukin and DiMaggio 1990; Yeung, 1998, 2005; Boschma and Frenken, 2006). When this geographic theory of the firm is superimposed on the empirical results emerging from this study, it provides an explanatory insight into the research findings on the nature and character of African and Caribbean small business owner/managers' engagement with the concept of social responsibility.

A key finding of this research is that EMB owner/managers' mental model of their social responsibility as owner/managers of business is influenced by the networks of social relations in which they are embedded. It was observed that both African and Caribbean owner/managers describe their understanding of SR as a combination of economic, philanthropic and ethical actions and practices that contribute towards improving the welfare of others in society. More importantly, research findings show that some African and Caribbean owner/managers frame their understanding of SR exclusively within the context of their experiences as immigrants and/or ethnic minorities, defining it as responsibilities owed to members of their co-ethnic community. Although this rather narrow interpretation of SR was only explicitly expressed by a

minority of African and Caribbean owner/managers, it was implicit in the pattern of reported involvement in SR practices and activities of most of the respondents. A review of the social networks within which African and Caribbean owner/managers are embedded provides an important insight into why they might articulate their understanding of SR in this manner. In this study, it was observed that the majority of owner/managers operated their businesses in niche markets within locations in Nottingham and London with high concentrations of ethnic minority populations and reported very strong social ties with their co-ethnic network. It was also noted that the social relationships that exist within these networks are often transposed into the core transactional aspects of their business, evidence of which was repeatedly demonstrated in terms of their reliance on their kin and other co-ethnics for labour, business patronage, financial support, advice and information. It therefore follows that owner/managers' co-ethnic networks are pivotal to their economic (and social) endeavours and that maintaining and enhancing these relationships would be a priority for them. This suggests that owner/managers' mental model of SR as reciprocal or obligatory actions and practices owed to other co-ethnics is produced within these spaces of loyalty, trust, cooperation, dependence and reciprocity. According to Flap *et al.*, (2000) individuals and organisations will naturally graduate towards investing in relationships that create socio-economic value and resources for them and advance their long-term success.

Having described their understanding of SR from this perspective, it was no surprise that most African and Caribbean owner/managers interviewed expressed positive attitudes towards their involvement in practices that were perceived to be socially responsible. In general, these findings mirror those of several others studies (Castka *et al.*, 2004, Spence *et al.*, 2000; BITC *et al.*, 2002) that have focused on the wider small business community in the UK and confirm that small businesses in general are not averse to the idea of SR. However, given the in-depth qualitative approach of this study, it was possible to probe beyond affirmative responses to discover underlying reasons for owner/managers' stance on SR. The findings of this study therefore go further to separate positive attitudinal responses into two broad dimensions, on the one hand, a strong emphatic positive response based on owner/managers' professed moral /religious commitment to others in society and, on the other hand, a rather more lukewarm, albeit positive outlook tempered by practical concerns over the economic impact of social actions on the business.

### 8.2.2 Space, Place and SR Behaviour

An important objective of this thesis relates to the consideration of whether and how the social network of African and Caribbean owner/managers influences their engagement in social responsibility. This line of inquiry has to some extent been explored by Spence and Schmidpeter (2003) using the social capital theory. They argue that small businesses "do not operate in a vacuum" and as such their behaviour is defined and influenced by "a constant and essential exchange with their economic and social environment" (2003:19) and that this exchange is influenced by the context in which it is rooted as well as institutional arrangements that predominate. This study therefore examined the nature and extent of owner/managers' social, business and institutional relationships. Its findings indicate SR activities and initiatives were generally localised within the social, economic and institutional spaces in which owner/managers were embedded. According to Edmonds and Carroll (1999) the embeddedness of small businesses in social and local networks would cause them to exhibit attitudes and behaviour that reflect the social and economic imperatives of their network. Likewise, research findings show that the co-ethnic and business networks of African and Caribbean owner/managers are often overlapped, such that key stakeholders (employees, customers, and suppliers) are often made up of close family members and other co-ethnics. Social commitments to these groups are consequently transferred into the business setting and prompt owner/managers to engage in SR activities and practices. A similar pattern of behaviour was observed in a similar study on the SR of Asian small businesses in the UK by Worthington *et al.* (2006), where family and co-ethnic influences were identified as a motivation for involvement in SR. Study findings also show that contact (particularly social/informal links) with bureaucratic and civic institutions is another important driver of SR behaviour as these groups act as prompts and provide advice and support with respect to engaging the local small business community with the SR agenda. In particular civic institutions provided African and Caribbean owner/managers with opportunities for communal association with peers, co-ethnics and other individuals in their local community. However such networks also exert pressure on members to behave in a manner beneficial to the groups' welfare. Whilst it was observed that the level of voluntary and sustained contact between African and Caribbean owner/managers and institutions was relatively low and differed across geographical areas and business sectors, in

the cases where such links were found owner/managers also reported relatively high participation in SR activities. It is thus concluded that the SR behaviour of African and Caribbean owner/managers is influenced by the constructive relationships they form with the different institutions in their locality.

My research findings show that African and Caribbean owner/managers appear to be strongly embedded in their individual co-ethnic networks of family, friends and acquaintances (although with considerable variation in the nature and extent of this), and that the norms of obligation and expectation which underpin these relationships oblige owner/managers to assume views and take actions that are illustrative of SR. Furthermore, in a number of cases it was noted that the co-ethnic networks and the influence they exert on the SR behaviour of African and Caribbean owner/managers extended beyond local communities in the UK to the owner/managers' countries of origin. According to a number of commentators (Hsing, 1996; Mitchell, 2000; Olds, 2001) migrants and ethnic minorities have, and maintain strong ties with people and places in their home nations. Similarly, some studies (Yeung, 1997; Sassen, 1998; Faist, 1999, 2000) have shown that exchanges within ethnic minority networks are often across transnational spaces which impose different sets of obligations and expectations on them as owner/managers. In other words, ethnic minority owner/managers have a propensity to act as transnational citizens as they are transnational citizens. It has been suggested by some commentators (Blunt, 2007; Preston et al., 2006; Ehrkamp and Leitner, 2006) that the concept of citizenship and the responsibilities that it implies can be transnational in character and can be defined by both the legislative as well as the participatory component of citizenship (e.g. lived experiences, discourses and identities) that produce and are reproduced by customs and values in the nation of origin and settlement. According to Blunt (2007:5) "transnational citizenship spans legal, regulatory and political geographies alongside social relations and cultural meanings, values and practices".

This also calls to attention the agency of place and locality in shaping the SR behaviour of owner/managers. Place in this study is not alienated from the process of shaping the SR behaviour of small business owner/managers but is instead regarded as a contributory element to the process. In this study it was observed that the different localities provided different opportunities and constraints for owner/managers to engage in socially responsible behaviour.

For example in a particular locality in Nottingham, situations arose that were perceived as posing a threat to the survival of the local small business community, which subsequently triggered owner/managers involvement in their local communities. In another case local institutions in the London borough of Lewisham created social initiatives within specific places (i.e. localities with high socio-economic deprivation), that were focused on encouraging direct civic participation amongst local people and organisations in the area of public health. Opportunities of this type and form were observed not to be available in other localities. Similarly, the results of this research has shown that owner/managers' perceptions and experiences of place acted to either motivate or deter their participation in civic and other SR related activities in a given locality. Research findings indicated that owner/managers who expressed a sense of belonging and attachment to a particular place and narrated a positive lived experiences and memories were more inclined to engage in SR practices and actions within that place than others who held contrary perceptions, experiences and memories.

Using the concept of place as a theoretical lens through which the practice of social responsibility within the ethnic minority small business community can be understood and analysed is particularly useful given that SR is concerned with the contributions firms make to society and that these contributions are not essentially placeless, but rather are often negotiated and instituted in specific places by actors located in a particular place(s). In this regard, place is not simply conceptualised as a physical location but also a humanistic space that is imbued with a blend of congruent and contradictory discourses, memories, values, institutions and meanings (Mayhew, 1997; Butz and Eyles, 1998; Yeung, 1998), all of which are influenced by the movements of people, capital and goods into and out of a particular locality (Massey 2005; Jessop *et al.*, 2008). Thus place can be described as a socio-spatial container of human relations within which opportunities are created and limitations enforced in ways that are specific to a locality. Consequently, the importance of place as it is perceived and experienced by owner/managers is likely to be significant factor in decisions to engage in SR behaviour even as their actions become enmeshed within the minutiae of everyday life.

### 8.2.2 Scope and Character of SR Practices

The findings of this study show that like the wider small business community in the UK, African and Caribbean owner/managers engage in a range of activities, initiatives and practices that are illustrative of SR. Their involvement is characteristically inconspicuous, informal and reactive with no organised internal management structures for managing SR decisions, activities and practices. However, in this study the SR activities and practices reported by African and Caribbean business owners/managers could be broadly divided into the ethical and philanthropic dimensions of SR. Actions taken to managing stakeholder relationships and compliance with minimum health and safety standards were the 'ethical' practices most cited by owner/managers. With respect to efforts made towards managing stakeholder relationships, most interviewees reported localised everyday behaviour that is in keeping with their own interpretation of good customer service and fair treatment of employees. These were usually motivated by the personal values of the small business owner/manager and to some extent influenced by cultural dictates and expectations of acceptable behaviour. Research findings indicate that the level of compliance with minimum health and safety standards differed across business sectors, as owner/managers in the hair and beauty industry reported relatively limited involvement compared to those in the food retail sector as a result of the former's more limited contact with regulatory officers, poor knowledge of their responsibilities and the perception that the nature of their business posed very limited risk of harm. These differences highlight the point that different business sectors embody different types of business activities and culture and typically experience dissimilar levels of institutional regulation and control (Curran and Blackburn, 1994; Tilley, 2000). This suggests that they are likely to have different impacts on society and respond differently to issues of social responsibility. It was however particularly insightful to note that compliance with minimum health and safety standards and regulations was largely regarded by interviewees as SR, given that SR as described from a corporate or large business perspective is often portrayed as going beyond the minimum legal expectations (Blowfield and Frynas, 2005; van Marrewijk, 2003; Dahlsrud, 2008). These findings serve to strengthen the argument that regulatory compliance within the small business environment is often perceived as problematic (see Petts *et al.*, 1999) and that for those who comply it is often regarded as a positive accomplishment that should be celebrated. It equally

supports the premise that SR is perceived differently within the small business context compared to the ways in which it is understood in corporate settings.

Another dimension to the SR practices and activities reported by African and Caribbean small business owner/managers was philanthropy. In this study the extent of participants' involvement in philanthropic activities was quite varied and different in character and motivation. It ranged from very limited and piecemeal responses to requests for charitable donations through to committed and frequent patterns of monetary donation and direct voluntary involvement in social initiatives within their local and co-ethnic communities. The involvement of small business owner/managers in philanthropy has been well documented in a number of research projects on small business social responsibility (BITC *et al.*, 2002; DTI, 2002; Observatory of European SMEs, 2002; Longo *et al.*, 2005; Jenkins, 2006) and has been closely associated with the personal values of the owner/manager. In this study, the same association emerged as one of the explanations of owner/managers' involvement in philanthropy but it also showed owner/managers' religious beliefs to be important drivers of their altruistic behaviour and that religious organisations often provided the forum for them to perform philanthropy. Secondly, beyond personal predispositions, the cultural values and expectations that predominate in the ethnic communities of owner/managers also played a major part in motivating and defining their philanthropic initiatives. It was observed that in practice many of the owner/managers philanthropic activities were centred on stakeholders within their social and business networks, which in most cases were populated by individuals and groups from their own ethnic community. Thus one of the key findings of this research is that the philanthropic actions of African and Caribbean owner/managers are often paternalistic in nature and reflect the influence of social and kinship ties that exist within owner/managers' local and trans-local co-ethnic networks. Thirdly, an implicitly strategic pattern of involvement in philanthropic and voluntary activities also emerged from the study. Although less evident, it was observed that owner/managers both consciously and unconsciously engaged in certain environmental and charitable actions that were potentially beneficial to the business mainly in the areas of good public image, customer and employee loyalty and profits. These different patterns of SR motivation did not however appear to operate in an incongruous manner. Rather it was observed that all or some of them were present in every individual case as complementary motivations that served to shape African

and Caribbean owner/managers' discussion and practice of SR in ways different to that of the wider small business community in the UK.

#### **8.2.4 Heuristic styles of SR behaviour**

A particularly novel and important contribution of this thesis is the identification of different styles of SR behaviour within the African and Caribbean small business community in the UK. Three major patterns of SR behaviour have been identified and, described using "insular", "clannish" and "eclectic" metaphors. These symbolise heuristic differences in the range of individuals or groups to whom social responsibility is perceived to be owed by owner/managers, levels of compliance with formal /regulatory obligations and the extent of involvement in voluntary and philanthropic initiatives. The stylised model of SR behaviour is indicative of a positive graduation in these measures from the insular through to the eclectic style of behaviour.

The *insular* style of SR behaviour is illustrative of a limited involvement in both ethical and philanthropic dimensions of SR practice and the little engagement that was evident was largely concentrated on relatively small kinship and family networks. This style of SR behaviour is noticeably more common amongst a small fraction of African owner/managers in Nottingham, whose introduction to UK society and culture is on the whole relatively recent and who possess limited capacity and propensity to engage with mainstream social networks and SR activities in their locality. The second style of SR behaviour is described as "*clannish*" mainly because it embodies a pattern of involvement in SR activities and practices that are intentionally directed at individuals and groups belonging to the owner/managers' ethnic minority community. This style of SR behaviour was observed to be the most common pattern of behaviour demonstrated by African and Caribbean owner/managers. Research findings also indicate that the co-ethnic networks of African owner/managers are different in scope and character to those of Caribbean participants, and consequently pose different commitments and expectations of the owner/manager to engage in certain types, scales and forms of SR activities that are illustrative of a clannish style of SR behaviour. Lastly, the *eclectic* style of SR behaviour is representative of a pattern of involvement in a more extensive range of ethical and philanthropic practices and activities that are not strategically targeted at beneficiaries in response to the dictates of ethnic ties or cultural norms. Rather involvement is motivated by personal values and social commitments to a broader network of different

social actors and groups. This style of SR behaviour is common amongst a small proportion of second generation Caribbean owner/managers in both Nottingham and London who appear to be rooted in mainstream (rather than ethnic) social networks and relationships within the locality where they live and operate.

In summary, the heuristic model of SR behaviour articulated in this study serves to highlight the influence of the spatial-temporal embeddedness of African and Caribbean owner/managers within ethnic and mainstream social networks on the scope and content of their SR behaviour. Hess (2004:176-178) provides a robust analysis of the concept of embeddedness, describing it as heterogeneous and identifying three prominent dimensions of the concept, namely; societal embeddedness, which relates to the cultural, political and historical background of actors and how they influence and shape their perceptions and actions; network embeddedness, which refers to the character, resilience and constancy of the structure of relationships among a set of actors irrespective of their societal background or connection to particular places; and territorial embeddedness, which deals with the extent to which an actor is 'rooted' in specific localities or places and is imbued and at the same time constrained by the social dynamics and traditions that predominate in such places. Hess (2004) argues using a rhizome metaphor that these dimensions that make up the embeddedness of an actor are not given or static but are rather in a state of flux and would over time experience new connections, developments and changes in their spatial and relational configurations. In this study all three dimensions of embeddedness come into play in the stylised heuristic SR model as owner/managers embodied different societal value systems as a result of the different co-ethnic and mainstream social spaces within which they experience over time the culture, history and institutions of their ethnic and mainstream British societies. The different styles of SR behaviour are also representative of the different formal and informal network infrastructures with which owner/managers were associated and indicative of different stages of trust building and cooperation in which owner/managers were positioned at a point in time. Finally, the behavioural styles show the variable degrees to which small business owner/managers are 'connected' to particular localities and places within and across the UK and their home nations, as well as their commitment to creating value within such places.

The stylised heuristic model paints a picture of the possible evolutionary trajectory of the embeddedness of ethnic minority owner/managers and its influence on scope and content of their SR behaviour. It suggests that owner/managers will move along the spectrum of insular through to eclectic styles of SR behaviour over time in line with their commitment towards trust building, value creation and the discouragement of malfeasance as the panorama of their societal, network and local embeddedness changes in shape and scope over time. Thus the heuristic styles of SR behaviour as outlined in this study are indicative of the agency of space (both physical and relational) and time in casting and recasting the responses of small business owner/managers to issues of social responsibility.

### **8.3 Research Propositions**

The findings of this thesis are intended to complement as well as contribute to extant knowledge on small business SR. In line with this intent three key conclusions have been drawn from the results of the study that are regarded as critical to expanding knowledge and understanding of the nature of SR within the ethnic minority business context. These conclusions relate to owner/managers' ethno-cultural values and traditions, their embeddedness in social and institutional networks as well as their religious beliefs and values, all of which are considered expressions of their connectedness to particular localities and places linked across space by a network of socio-spatial relations.

#### **8.3.1 Ethno-Cultural Values and Traditions**

The discourse and practice of SR is fundamentally a context-specific subject that is influenced by the temporal and social settings within which it is situated (Moon, 2007). In particular, societal cultures are a central component of any spatial or temporal context as they specify how society expects individual/organisations to behave (Blowfield and Frynas, 2005; Visser, 2008; Azmat, 2010). However, since societal cultures differ across space and time, their influence on national, regional and local SR agendas differ in terms of the interpretation and expression of SR. According to Azmat and Samaratunge (2009) different cultural values, traditions and rules of conduct promote different understandings of ethics and social responsibility. For instance, the approaches of Western European and North American cultures to defining and

addressing issues relating to environmental responsibility (e.g. fair trade, organic foods, etc) have little or no resonance in Asian and African countries (Azmat, 2010; Blowfield and Frynas, 2005). Furthermore, societal cultures are often shaped by socio-economic and governance structures that prevail in a given society, both factors that are likely to differ considerably across different nations particularly between developed and developing countries of the world. For example the regulatory framework for managing issues such as health and safety are likely to be very different between a country like Nigeria and UK. Nonetheless, the most dominant and popular approaches to SR from a corporate perspective is largely framed from a western point of view and culture, that fails to appreciate the differences in national culture across societies in continental European, Asian or African societies. It therefore follows, that those small business owner/managers from ethnic minority groups in the UK who originate from non-western cultural backgrounds, will most likely perceive and practice SR differently from mainstream small business owner/managers. According to Azmat (2010:383) ethnic minority small business owner/managers,

“face contrasting values, beliefs, attitudes and business practices due to different socio-cultural factors in the host country. While they try to adjust and integrate to the new host country culture, which might take time, the home country cultural factors are likely to have more influence than host country cultural factors, and are likely to be maintained and reflected in the entrepreneurs’ perceptions of SR.”

In this study evidence emerged to suggest that the cultural values and traditions of African and Caribbean ethnic groups exert substantive influence on their engagement with SR. Research findings indicate that there are cultural connotations in the way SR is interpreted by African and Caribbean owner/managers as responsibility owed to their kith and kin. Furthermore certain SR practices and activities reported by African and Caribbean owner/managers are indicative of the influence of cultural values. For instance several owner/managers reported making voluntary contributions towards communal projects in their local communities back in their country of origin, often citing ethnic norms of expectations and obligations as well as pressure from co-ethnics as the primary motivation for their philanthropy. The impression that participants’ cultural values and traditions had an impact on their expression of SR is reinforced by the clannish style of SR behaviour

observed in the study. Research findings show that the relationship networks (both business and social) in which African and Caribbean owner/managers appear to be embedded are in most cases populated by other co-ethnics and that their SR practices and activities are often situated within these co-ethnic networks some of which are trans-national in scope. In contrast, owner/managers (mostly second generation ethnic minority individuals) that appear to be distanced from cultural and ethnic ties in spatial and temporal terms do not exhibit a similar style of SR behaviour but are more likely to have an eclectic disposition to SR. The cultural values and traditions of African and Caribbean owner/managers do not always have a positive impact on their SR behaviour as it was observed that in a few cases owner/managers struggled in coming to terms with their health and safety responsibilities mainly because of a different regulatory environment to that which they were used to. Consequently, the findings from this thesis suggest that ethno-cultural values, traditions and rules of conduct can positively influence but also constrain the scope and nature of African and Caribbean small business owner/managers' engagements in SR, particularly for first generation migrants.

### **8.3.2 Social and Institutional Ties**

In navigating the highly contextual milieu in which SR is discoursed and practice by small businesses in general and EMB in particular, it is important to realise that societal cultures represents only one dimension of this multifaceted subject. It is therefore suggested that in order to have a wholesome picture of how SR is perceived and practice by ethnic minority small business owner/managers, there is need to explore the extent of their connection to local communities, as well as to mainstream socio-economic and institutional structures beyond their co-ethnic community. According to several commentators (Waldinger *et al.*, 1990; Razin and Light, 1998; Kloosterman *et al.*, 1999; Ram and Smallbone, 2001) a better picture of the way and manner by which EMBs organise, manage and operate their business can be mapped out by examining their internal socio-cultural characteristics alongside their ties to a wider socio-economic and institutional context. Consequently, it is implied that the SR behaviour of ethnic minority owner/manager is best understood from the perspective of the wider societal context in which they are embedded. It also suggests that alongside ethnic culture, factors such as locality, business sector, labour markets and institutional support are also likely to influence their disposition toward SR.

In this study, there is considerable evidence to suggest that the ties that African and Caribbean owner/managers have to wider socio-economic and institutional networks was relatively tenuous. The majority of owner/managers appeared to be embedded in co-ethnic networks evidenced by the fact that they operated in fairly closed markets providing niche products and services. They were also largely dependent on their co-ethnic networks for labour and sometimes finance and other forms of business support. However, research findings also showed that a small proportion of African and Caribbean owner/managers had substantive links with mainstream social, economic and civic networks. This was supported by the fact that their business activity, workforce, market and involvement in SR are relatively well connected to the local indigenous community and institutions, rather than circumscribed around their co-ethnic community. It was observed that these owner/managers were mainly first generation child migrants and second generation migrants who had grown up in the UK and that despite the urban localities in which they resided and operated their business being comparative different, they exhibited similar style of SR behaviour. Thus suggesting that temporal component (along with other contextual factors such as locality, education, parenting, social network and personal experiences etc) was vital to understanding the embedding of ethnic minority owner/managers in mainstream socio-economic and institutional networks. It is therefore proposed that second and third generation ethnic minority small business owner/managers are more likely to engage in SR activities, practices and initiatives that are not delimited within their co-ethnic community than first generation owner/managers

### **8.3.3 Religious Beliefs and Values**

The significance of religion and religiosity on SR discourse and practice has been the subject of a growing body of literature (Longenecker *et al.*, 2004). Religious traditions have historically influenced the culture and governance of societies by articulating ethical standards to define society's sense of morality, as Smith (1976, cited in Conroy and Emerson 2004: 384) argues "religion, even in its rudest form, gave a sanction to the rules of morality, long before the age of artificial reasoning and philosophy...such that the *terrors of religion should thus enforce the natural sense of duty*" (emphasis added by Conroy and Emerson, 2004). The influence of religious beliefs and traditions on

contemporary societies is no less significant today as whole countries, regions and communities are governed by the dictates and beliefs of one religion or another. The influence of religion on societal structures is also evident within the business environment where religious authorities and doctrines have also attempted to define ethical behaviour (Longenecker *et al.*, 2004). This is evident in the writings of several religions (Islam, Judaism, Christianity, etc) that explicitly set out codes of conduct expected in particular economic activities and transactions (Brammer *et al.*, 2006). The literature on the links between religion and business ethics highlights both the specificity of religious norms on business behaviour and culture (e.g. Islamic codes on free interest banking) and the universality of some religious beliefs and norms (e.g. The Ten Commandments across the major religions of Christianity, Judaism, and Islam). According to Brammer *et al.* (2007b) the propositions of the "Golden Rule" by Immanuel Kant - "do to others what you would like to be done to you" - best summarizes universal religious values that are aligned with the principles of social responsibility. However, current understanding of the effect of religious beliefs and values on business ethics appears to be limited. Some researchers such as Longenecker *et al.*, (2004) have suggested that religious values and belief systems steer practitioners towards a robust perception of their social responsibility such that business managers who hold strong religious beliefs are likely to be more receptive of and involved in SR than the non-religious business manager. Others, such as Barro and MacCleary (2003), argue that the socio-economic context and national cultures in which business practitioners are embedded influence the nature and expression of their religious commitments e.g. lower income people and people from third-world countries are likely to express their religious beliefs in a different way from the rich and people from western nations.

This study presents evidence of the influence of owner/managers' religious beliefs and values on their SR attitudes and behaviour. For some owner/managers their positive attitudes towards SR are closely linked to their religious beliefs and norms, which frame philanthropic and ethical dimensions of SR as a 'religious duty'. The effect of their beliefs is also evident in their reported behaviour towards SR as repeated acts of philanthropy and ethical behaviour were attributed to religious values. Another significant aspect of religion and its effect on the SR of African and Caribbean owner/managers is religious commitments. Research findings indicate that certain owner/managers (particularly of African ethnicity) expressed a relatively high

level of religious faith and strong links to particular religious organisations, in the sense that the vast majority of reported volunteerism and philanthropy was channelled through these organisations and acts such as 'tithing' and 'offerings' were reported as commonplace. It is surmised from these findings that African and Caribbean small business owner/managers' embeddedness in religious networks and spaces influences their SR attitude and behaviour in two main ways, first religious embeddedness articulates an ecclesiastical normative framework that defines and regulates socially responsible behaviour and secondly it provides a platform for their practitioners to express socially responsible actions. Nonetheless, the religious networks in which these owner/managers are embedded also appear to broaden their social networks beyond ethnic boundaries and engage owner/managers in a consistent manner in SR activities and practices beneficial to the wider community such that they were more likely to display an eclectic style of SR behaviour.

These findings of this research, suggest that religious beliefs and intensity of religious commitment provide important motivations for small business ethnic minority owner/managers to engage in socially responsible behaviour.

#### **8.4 Reflections on the Research Process**

Having outlined the conclusions drawn from the findings of this study, there is a need to reflect on some issues pertinent to understanding and contextualising the research data, findings and conclusions. In particular, I would like to focus on some of the reflexive issues that emerged out of my experiences during the research process as well as some of the more obvious limitations of the study.

Firstly, it is important to reiterate that the data gathered during the research using semi-structured interviews and participant observational methods was an amalgamation of meanings, impressions and descriptions largely articulated by the research subjects and partly surmised by me through an iterative process of observation, analysis and reflection. A number of issues emerged out of this course of action as having an effect on the research process. In relation to the interview data, issues relating to nervousness, time constraints, the challenges that interruptions, background noise, different intonation and accents pose to effective listening and understanding participants'/researcher's perspectives meant that in some cases certain lines of inquiry and divergent issues were not pursued with the intended depth and

detail. I often felt a sense of frustration during initial reflections on some of these interviews, believing them to be difficult to conduct in terms of getting participants to share their views and experiences on the research subject and questioning my interview skills as a result. Whilst changes and improvements to the process were made to subsequent interviews, some of these issues were beyond my control as a researcher (e.g. eliminating interruptions during interviews, difficulties with coping with the accents of some respondents) and on hindsight less significant as later detailed examination of interview transcripts showed that very useful and insightful data was gathered.

Secondly, another issue of concern was the research design. The initial intent of the study was to examine a sample of small businesses across various size ranges (micro, small and medium), however during the actual process of sampling it was discovered that almost all potential participants identified through secondary sources were micro-businesses. Furthermore, it was very difficult to discern from secondary sources the differentiating sizes of potential participating small business organisations and the few small and medium sized businesses that were contacted declined taking part in this research. As a consequence the study sample was limited to owner/managers of micro businesses and I often felt concerned that I was getting a rather skewed perspective of the research problem that may not be illustrative of the African and Caribbean small business community in the UK. However, further review of the literature and discussions with key informants in the study areas indicated that micro businesses were the most common business type and illustrative of EMBs in each study area. Another important issue that impacted on the information collected during interviews was my positionality and shifting power-relations during the interview process. It was observed that my positionality as a "stranger" (having only spoken to most of the participants over the phone and never having met them in-person) meant that in some cases a good deal of time was spent winning the confidence and trust of participants in order to be able to conduct an in-depth interview. Furthermore it emerged that my added identity as a "student" helped me to gain access as on initial contact with some interviewees, I was given the impression that I should feel grateful for being granted an interview, as one respondent put it "this time I am spending with you I can't really afford it, if not that you are a student I would not have bothered at all". These participants often tried to lead the interview, occasionally raising topics (e.g. racism) enriched the context of the research findings. It was therefore necessary to constantly

negotiate the power relationship between myself and the interviewee in order to generate data of sufficient depth to address the research question and objectives. An equally challenging aspect of interviews and participant observation conducted in this research was the ethical dilemmas they posed to me as a researcher. During the research process I was occasionally privy to evidence of unethical and improper behaviour either inadvertently revealed by respondents during conversations or observed directly by myself. I therefore had to make judgements based on a balance of probabilities that the improper behaviour was not of a type and severity (e.g. risk to life and public health) as to warrant compromising the confidentiality of the research process. In relation to the participant observation process, my central area of concern is the limited time spent gathering data within each case study. The initial plan was to conduct participant observation in one case organisation in each study area over an extended period of time. However, as a result of limited financial resources and difficulties experienced in securing the level of access required for an in-depth and extended study (no potential participant agreed to the research taking place in their organisation over an extended period of time), this approach had to be forgone. In order to address this problem, an alternative approach was therefore adopted that entailed conducting participant observation and shadowing exercises for only one-day with multiple business organisations and their owner/managers. The implication of this approach to the collection of data through participant observation was that there was not enough time to become settled within each case study, participate extensively in routine activities and form robust relationships. It was therefore not possible to gain a very developed picture of each case and the *in-situ* practice of SR and at best what was observed was only a snapshot of everyday behaviour.

## **8.5 Suggestions for Further Research**

This thesis has investigated how the concept of social responsibility is understood and practiced by African and Caribbean small business owner/managers in the cities of London and Nottingham, and has focused on identifying and describing the different styles of SR behaviour common within the African and Caribbean small business community in the UK. However, the study has also identified a number of under-researched themes that are critical to expanding knowledge and understanding of the nature of SR within the small business community in the UK.

Firstly, it is recommended that more research into the SR of African and Caribbean, as well as other ethnic minority business communities in the UK, is needed to further understanding and knowledge of small business SR. This would also enable comparisons of SR attitudes and behaviour to be made across ethnic minority groups in the UK, as well as judgements on the extent to which the findings of this study are indicative of the cultural uniqueness of ethnic minority groups within the UK and beyond. In this context, it is believed that subsequent research in this area should focus on investigating the significance of networks and relationality in shaping and transforming owner/managers' mindset and narratives of the social responsibility of business. Given that this study has shown that there is a transnational component to the relational networks and SR practices of ethnic minority small business owner/managers, subsequent studies should consider investigating further the role and agency of transnational spaces and networks in producing and reproducing of SR attitudes and behaviour amongst small business owner/managers. Examining the geographies of transnationality in relation to social responsibility is of relevance because its analysis would provide useful insights into the tripartite relationship between human agency, social process and spatial location. It would also contribute to academic work on the mobility and practices of migrants and ethnic minorities as well as the flows of social relations, capital and responsibility across nation states. Such research would make substantive contributions towards understanding the social, cultural and political connections between transnationalism, citizenship and social responsibility.

Secondly, further research into the SR of small businesses should explore in greater detail the significance of owner/managers' cultural values and beliefs in modulating their SR behaviour. This would help broaden understanding of their embeddedness in co-ethnic networks as well as how related issues of trust, reciprocity and mutual obligation influence their SR behaviour. Additionally, research in this area should consider how attitudes and behaviours to SR are shaped by the nature and scope of owner/managers' embeddedness in local communities in the UK, so as to provide more insight into the difference between first and second/third generation ethnic minority small business owner/managers. Likewise, the role of local institutions in encouraging and supporting small business (and EMBs in particular) involvement in SR, alongside issues of institutional thickness and culture, should be given attention in subsequent research. Similarly, the impact of

religious institutions and beliefs on the SR attitude and behaviour of the small business owner/managers sector in general is another area of research worth considering in order to discover if it is a peculiarly ethnic minority phenomenon. Finally, given the methodological limitations of this study, it is recommended that ensuing research in this area should consider a methodological strategy and design that enables a large scale qualitative inquiry, incorporating in-depth case studies to be conducted across different geographical and business settings.

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## APPENDIX 1: LETTER OF INTRODUCTION TO POTENTIAL PARTICIPANTS



The University of  
**Nottingham**

Department of Geography  
University of Nottingham  
Nottingham  
NG7 2RD

Dear Sir/Madam,

### REQUEST FOR INTERVIEW

I am a student of the University of Nottingham conducting a study on the social responsibility of small business owner/managers from the African and Caribbean Community in the UK as part of my academic research. As a member of this community, your views and insights on this topic are considered to be important in this research and I would appreciate it if you could grant me an interview to discuss this topic with you.

Please find attached a copy of the information sheet and interview guide for your review to assist you in making a decision whether to participate or not.

I would like to assure you that the information you provide in the interview will be treated confidentially and anonymously and will be used solely for the purpose of this research. If after reviewing these information and you do decide to participate, please indicate (on the interview schedule slip below) your preferred date, time and venue for the interview. Kindly return the slip in the self-addressed and stamped envelope that is enclosed.

Thank you for your assistance.

Anthony Udueni

Phone: 07966022737

E-mail: [lgxaiu@nottingham.co.uk](mailto:lgxaiu@nottingham.co.uk)

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### Interview Schedule Slip

Name: .....Institution:.....

Position:.....Telephone:.....

Preferred Interview Date:.....Time:.....

Venue:.....



### **Study Information Sheet**

You have been invited to participate in a research study on the social responsibility of small businesses. It is however important that you are aware of why the research is being carried out and what it will involve before you make a decision on whether to participate in the study or not. Please read the following information carefully and do not hesitate to contact the undersigned for clarification or further information if you so require. If you decide to participate in this study you may keep this information sheet for your records. Thank you for reading this.

#### **Background**

The aim of this study is to investigate how the notion of corporate social responsibility (CSR) is perceived and practiced by Afro-Caribbean small business owners/managers and to gain an understanding of how the business and social relationships of owner/managers influence their behaviour towards CSR.

#### **What does participation involve?**

Your participation in this study will involve you taking part in an interview with the researcher. The interview will take the form of a conversation during which the researcher will ask a series of question that will allow you to talk freely about your views, experiences and practice of social responsibility. The interview is not formal or an assessment of performance and as such you may raise issues you consider relevant to the topic, ask questions, seek clarification during and after the interview. It will therefore be useful for you to think about what you consider to be socially responsible behaviour, your experience of it and to be prepared to discuss these and other related issues during the interview. This interview is expected to last between 40-60minutes and will ordinary take place in your business premises or any other suitable location that you consider appropriate. The interview will be recorded using a digital equipment unless you decide not to give your permission. The recorded interview will subsequently be transcribed and analysed in order to better understand the issues that arose during the interview.

#### **Why have you been selected?**

You have been chosen selected to help in this study because you are own and/or manage a business in the food retail or hair/beauty business sector; operate your business in Nottingham City or the London borough of Lewisham; are of African/Caribbean heritage. You are one of several small business owner/managers asked to take part in this study.

### **Do you have to participate?**

Your participation in this study is voluntary and entirely your decision. You are not in any way obligated to take part in this study and if you do decide to participate you are still free to pull out at any time and without giving a reason.

### **What are the possible disadvantages and risks of taking part?**

There are not thought to be any disadvantages or risks in taking part in this study. It is however believed that your participation will contribute to knowledge about what kinds of contributions the African/Caribbean small business community in the UK make to the larger society as well as how and why they make such contributions. If, however, you feel that you have been affected by the interview or any of the issues raised you are welcome to discuss these with the researcher or another appropriate person. The study abides by the ethical guidelines of the University of Nottingham.

### **Will my taking part in this study be kept confidential?**

All information which is collected about you during the course of the research will be kept on a password protected database and is strictly confidential. Any information about you which leaves the research unit will have your name and address removed so that you cannot be recognised from it. You may request a copy of your interview transcript if necessary.

### **What will happen to the results of the research study?**

The findings of this study will be used mainly to support a PhD thesis which is expected to end in 2009. The findings of this study may be subsequently published or presented at academic conferences. However, all findings from this study will remain anonymous and participants will not be recognisable in any way.

### **Who is organising and funding the research?**

The study is funded in its entirety by the researcher as part of his academic tuition and training. It has not been commissioned or organised by any media, government or business organisation.

#### Contact for Further Information

Should you require any further information or want to discuss any aspect of this study, please contact the researcher;

Anthony Udueni

Telephone: 07966022737

E-mail: [lgxaiu@nottingham.ac.uk](mailto:lgxaiu@nottingham.ac.uk);

Post: Department of Geography, University of Nottingham, NG7 2RD

### **Thank you once again for offering to help in this study**

**APPENDIX 3a: KEY CHARACTERISTICS OF OWNER/MANAGERS INTERVIEWED**

| <b>Sample Characteristics</b> |                 | <b>Small business Owner/manager Interviews</b> | <b>Participant Observation</b>       |
|-------------------------------|-----------------|--|--------------------------------------|
|                               |                 | <b>Total of 40 Respondents</b>                 | <b>Total of 8 case organisations</b> |
| Ethnicity                     | African         | 21   | 6                                    |
|                               | Caribbean       | 19   | 2                                    |
| Location                      | Nottingham      | 20   | 4                                    |
|                               | Lewisham        | 20   | 4                                    |
| Sector                        | Food and Drink  | 26   | 6                                    |
|                               | Hair and Beauty | 14   | 2                                    |
| Gender                        | Male            | 25   | 4                                    |
|                               | Female          | 15   | 4                                    |

### APPENDIX 3b: KEY INFORMANTS INTERVIEWED

| Key Informant Interview, Total of 20 Respondents |   |   |
|--|---|---|
|  | Interviewee/post  | Type of Organisation  |
| 1  | Manager: Economic Development Department- Lewisham Borough Council, London        | Local Government Authority  |
| 2  | Project Coordinator- Groundwork Greater London                                    | Environmental Charity   |
| 3  | Business Advisor: Black Business initiative, London                               | Business Support Agency with targeted services for ethnic minorities            |
| 4  | Project Coordinator: GLE One London   | Greater London Enterprise Agency  |
| 5  | Regeneration Officer: Action Acton Regeneration Charity, London                   | Community Charity   |
| 6  | CEO: Hunt Consulting, London  | Business support company- Providing target services for ethnic minorities       |
| 7  | CEO: Creative Lewisham Agency, London   | Business Support Agency for the arts  |
| 8  | Business Manager: African Caribbean Business Network, London                      | Business Support Organisation- providing targeted services to ethnic minorities |
| 9  | Business Dev. Manager: Greenwich, Bexley and Lewisham Chamber of Commerce, London | Chamber of Commerce   |
| 10   | Asst. Director Services: Voluntary Action Lewisham, London                        | Community Organisation/Charity  |
| 11   | CEO: First Enterprise Business Agency, Nottingham                                 | Business support Agency - Providing target services for ethnic minorities       |
| 12   | Business Programme Leader: Groundwork Greater Nottingham                          | Environmental Charity   |
| 13   | CEO: Nottingham and Nottinghamshire Race and Equality Council                     | Community Organisation/Charity  |
| 14   | CEO: Minority Enterprise East Midlands, Nottingham                                | Regional Enterprise Agency  |
| 15   | Small Business Support Manager: Nottingham Business Venture                       | Business Support Enterprise   |
| 16   | Minority and Diversity Manager: East Midlands Development Agency, Nottingham      | Regional Enterprise Agency  |
| 17   | CEO: PATRA East Midlands, Nottingham  | Community Enterprise  |
| 18   | Project Coordinators: Hyson Green Traders Association, Nottingham                 | Local Traders Association   |
| 19   | Project/ Community Coordinator: Sneinton Business Forum, Nottingham               | Local Traders Association   |
| 20   | CEO: Manny Business Enterprise, Nottingham  | Business support company- Providing target services for ethnic minorities       |

## **APPENDIX 4: SMALL BUSINESS OWNER/MANAGER INTERVIEW SCHEDULE**

1. How would you describe your business? Prompt for type of business, services and products; number of employees/family employees; ownership structure; main costs of running business.
2. As a businessperson, what do you consider to be the role of business in society? Why do you think these are your responsibilities?
3. Have you heard about the term Corporate Social Responsibility (CSR)? What does it mean to you?
4. What do you think about this idea of businesses having social responsibilities beyond their commercial objectives?
5. Can you describe some of the actions you have taken (past, present, planned) that you consider being socially responsible? Prompt for actions beneficial to key stakeholders.
6. What are some of the things that you do that contribute to the wellbeing of people in society and your local community?
7. What are some of the things you do that can be described as environmentally friendly? Prompt for environmental management measures relating to waste, resource use, energy!
8. From experience are there any barriers you face in trying to get involved in socially responsible practices? Prompt for non-structural barriers e.g. nature of relationships.
9. From experience are there any barriers you face in trying to help your community? Prompt for non-structural barriers that excludes size related issues of time, capital etc
10. Are there any benefits to your business by being socially responsible and/or being environmentally friendly?
11. Can you identify any group of people that have or can help you in business? In what ways have they or can they help your business?
12. Have any of these groups been directly involved in your business in anyway? What has your experience been like?
13. Can you identify any organisation that has or can help or support your business? In what ways have they or can they help your business?
14. Have you had or are having any dealings with any of these organisations? What has your experience been like?
15. Do any of these institutions or social groups help you to be more environmentally friendly? - Prompt for information, advice, funding!

16. Do any of these institutions or social groups assist you or talk to you about the benefits of giving back to the community? Prompt for information, advice, funding!
17. In your experience how much trust and confidence do you have in these institutions or social groups?
18. Is there any other issue relating to how your business contributes to society or the various networks that it is involved with that you would like us to discuss?

## **APPENDIX 5: KEY ACTORS INTERVIEW SCHEDULE**

1. How would you describe the role of small business in society? Do they have non-economic responsibilities? Is this same for ethnic minority businesses?
2. Are you familiar with the term "Corporate Social Responsibility"? How would you describe CSR from a small business perspective?
3. What is your perception of the attitude of small business owners toward social responsibility? Is this same for ethnic minority businesses?
4. In your opinion/experience do small businesses demonstrate socially responsible actions/behaviour? How important are these types of actions in the small business environment? Are these issues the same for the ethnic minority small business community?
5. Do you have an opinion on why small businesses and ethnic minority owned business in particular engage in socially responsible activities, practices?
6. In your experience, how would you describe the extent of small business relationships and networks in this locality? E.g. level of collaboration and joint working, sharing of information and supporting each other in various ways.
7. How would you describe the rapport between small businesses and local business support institutions? E.g. use of services and facilities, utilisation of support,
8. How would you describe the extent of small business relationship with the local community? E.g. participation and support of local community initiatives
9. In your opinion does your organisation or other local organisations in the same sector as yours support/contribute to local small businesses being socially responsible? Can you please explain how? Prompt for various forms of business support e.g. information provision; partnering; financial support
10. How do your organisation and other similar organisations influence small business CSR if at all? Is this same for ethnic minority businesses?
11. If you have no influence, what are the reasons behind your lack of influence over their behaviour?
12. How would you describe the level of trust and confidence that exist between your organisation and the small business community? Is this the same for ethnic minority businesses?
13. Can you describe your organisation's approach to building trust and confidence with small business owners? What informs this approach? Is this same for ethnic minority businesses?
14. In your experience what are the key non-structural factors that hinder or promote small business owners uptake of the opportunities that your organisation provides.

## **APPENDIX 6: EXTRACT OF INTERVIEW TRANSCRIPT WITH ANNOTATIONS**

*Ethnicity: African*

*Age: Late 40s*

*Gender: Male*

*Age of Business: 5-9yrs*

*Type of Business: Food Retail Shop/Restaurant*

*No. of Employees: 3*

*Location of interview: Private office in Respondent's Restaurant*

*Spatial Context: mix-use development area, largely retail and services businesses, large population of multi-ethnic businesses, ground floor shop with flat on top, adjacent to an electronic retail shop and grocer.*

*Date and Time: 17/09/2008: 9:00 am*

*Who was present: Anthony Udueni, ME and one of ME's employee in the vicinity*

*Interview was recorded on a digital recorder*

*Notes: The respondent took part in the ensuing discussions, addressing most of the issues that came up but was cagey about details of his business and his relationship with his suppliers. There was documentary evidence of involvement in the community, thank you cards and certificates*

19: INT: I mean what do you think is the role of your business in the community?

20: ME: [pause] well I don't really know, I haven't really thought about it as in um I am just here trying to make a living like everyone else [pause] let me see, I think my business is providing a service as in I bring African products and things that will otherwise been difficult for African people living here to get. I am a good businessman I pay my taxes and rates, I employ people, I pay them a good salary um [pause] I don't I know I just make people feel good and make their life easier, they can buy food from back home both raw and cooked, there is African native drinks, music, newspaper, home-videos so that is something but then not everybody can appreciate it as not everybody is used to it. So that is what I think like I said I haven't really thought about it.

21: INT: most of the things you mentioned are quite good and are connected to your business directly as in they are the primary linked to a financial benefit for your business, but do you think that your business has any other responsibilities to your local community and to society in general apart from the economic benefit your provide.

22: ME: other responsibilities [pause] um I don't think so, maybe, but I can tell you now because it is not something I have sat down to give a thought, I um just do my business don't bother or obstruct anybody and I think that should be enough.

23: INT: thanks for that I think I have got enough background on your business, so let's move on. I was just wondering if you have heard about the term Corporate Social Responsibility.

24: ME: not really, No

25: INT: ok corporate social responsibility in very general terms talks about the social responsibility of businesses, big and small to contribute to the well being of people in their community and society in general, and causes no harm to people or the planet. So what do you think about businesses like yours being social responsible?

26: ME: I think that is a good idea and it should be what businesses should do, making money is one thing but um making it the right way is very important.

27: INT: so what does social responsibility mean to you?

28: ME: well I think it's generally about being out there in the community isn't it, about contributing to society, being a good citizen and helping others that are less privileged, at least that is what I think.

29: INT: ok then let's talk a little bit about that, you said before that you are a good businessman, what are some of the things that you do that can be said to improve the wellbeing of people within your business chain as in your customers, employees and even your suppliers?

30: ME: hmm let me see [pause] I don't get to answer these kinds of questions everyday [pause] ok this is what I think I try to give my customers the very best products, I um give them good service, I do deliveries free for some of them if the distance is not too far, some even come and request things that I don't sell for one reason or the other but I still go to London and buy it for them at no extra cost so I treat them well and we get on well together.

31: INT: What about your staff?

32: ME: it's the same thing there are lots of things I do for them, free items, salary advance things like that you know I just do them. The guy that work for me at the shop has been with me for um over 2years now, people come and go but try to treat them well, just the same way I will treat my brother or my sister and as far as the guys who supply me goods are concerned both here and in Nigeria I don't think I should do anything for them as such, I get on well with them but am their customer and they are suppose to keep me happy and they do they really do so no problem there as well.

33: INT: we have talked about people connected to your business in some way, what about people in the community do you do anything that could help improve the well being of people in the community?

34: ME: I um don't really understand what you mean

35: INT: What am trying to find out is if you do anything to support people or groups in local community or society in general that are not connected to your business either as customers, staff or suppliers?

35: ME: occasionally we do something where we can [pause] that is if we can at that time.

37: INT: can you tell me about some of the things you have done

38: ME: well um [pause] have um [pause] through this business I have helped some of my brothers and sisters through school, they are not here they are back home, I um give to the work of the church, I am a catholic and it is one of the things that is expected from a Christian, help the poor, give to charity and other things, so I give to charity. I help people when I can financially um friends, relatives [pause] just people but I can't do all that if not for the business.

39: INT: do you do any charity work or support local charities here in the UK?

40: ME: Yes, my church, it is local and it is a registered charity

41:INT: apart from your church do you support any other local charity or organisation?

42: ME: no

43: INT: if you don't mind may I ask why are you not involved other local organisations apart from your church?

44: ME: well I don't know it's not that I don't want to [pause] I just believe that I have to start small and the best way to start is by helping your own you know where it will be appreciated the most. Charity begins at home you know, from there you can now extend it to others.

45: INT: so why do you do these things um why do you help people, give to charities and the likes?

46: ME: I feel that my role is not just business you know, make money and move up, its good I want that but it is not everything [pause] helping people who are down on their luck [pause] helping people who are struggling that is something that I am concerned about and something we all should be concerned about.

47: INT: okay, so in your opinion is there anything that hinders you from supporting or doing things to help other people in the community?

48: ME: money is a big obstacle [pause] time is also a big obstacle um people can also an obstacle because um their behaviour can stop you from helping them um what they say, how they behave can stop one from giving them help and I have experienced it a lot. So that is what I think

49: INT: we have talked a bit about all the positive effect that your business has on people in society but do you think that any part of your business operations has a negative effect on society?

50: ME: No I don't see how we can be negative, we provide a service a good service [pause] jobs, no I don't think we are negative in anyway.

51: INT: let's talk a bit about the environment, do you think your business operations have any good or bad effect on the environment?

52: ME: you mean my surroundings here, this hyson green area?

53: INT: is that what you consider your environment?

54: ME: well it depends what you want me to talk about it can mean different things but yes this area is my local environment.

55: INT: so go on then tell me if your business any effect on your environment.

56: ME: well I will say maybe [pause] I don't really know, its not something I have though about, maybe it has and maybe it hasn't I um can really say for sure.

## APPENDIX 7: EXTRACT FROM FIELD DIARY

Date: 12/02/2009

Business name: **XXXX** Food Catering

Location: The business is located in Nottingham, situated in a densely populated residential area of the city, close to a bus station and a retail park.

Background: The business is owned by **XXXX**. She is an African woman, approximately in her early to mid fifties. The business employs four staff, three women and a man, two of whom are family relatives. Business has been in operation for 4 years. Reported relatively modest involvement in SR activities during interviews

### Field notes

**9.35am:** just got into the business premises, terrible cold and slippery outside as it had snowed for the past couple of days. Let in by one of the members of staff and asked to wait in the tiny reception as **XXXX** is on the phone. Not much has changed since I last visited. The same rack of newspaper and magazines at the corner of the room, a single sofa and a couple of photo portraits and certificates on the walls.

**9.42am:** **XXXX** has been in to receive me, made me a cup of tea (she was very warm and friendly). We had a quick chat in the reception which gave me the opportunity to go over again what I will be doing today. No problems, she seems pretty happy with my explanation and willing to go ahead with the study (relieved!!). **XXXX** took me in to meet her staff (just three today it seems) and I went over why I was there and what I will be doing today and their rights to anonymity and decline participation at any stage. I only received a couple of nods not too sure if they got the gist of my little speech so its fingers crossed hoping it goes well today. There were three staff at work today (I'll call them **A**, **B**, **C**) the last one was on her day off to college for her NVQ course. **A** is approximately in her mid to late thirties; she is African and speaks with an African accent. I would describe her as "matronly" just like the owner/manager. She is also a family relative of the business owner. **B** is approximately in his late twenties, he is about 6ft tall. **B** is the son of **XXXX**, and he is African but speaks with a British accent. **C** is also approximately in her late twenties; she is Africa and speaks with an African accent. She is not in any way related to the **XXXX**. I have been told I have the run of the place as they had just sent off an order and were waiting to get started on another as soon as confirms some changes to a big order they will get started again, so I guess this lull is a good time to take a good look around before the day's work really kicks off.

**9.48am:** just had a look around, the premises appear to have been converted from the ground floor of a residential building. It had a small reception and a tiny toilet – probably the old cloakroom- and two bigger rooms. The first of which doubled an office and some sort of storage area, as I could stacks and bags off all sorts, plastic and paper cups/plates, polyethylene bags, file etc (fire hazard????). There was also a work area complete with a PC, printer and phone. This room lead into a much larger room where the food processing actually takes place. I could see that there were several pieces of equipments (ovens, burners, microwaves, food warmers, deep freezers etc) drawers and cupboard, more like a really big kitchen. There was also a fire extinguisher

and a back door exit. The whole place appeared tidy and ready for the next catering order. I decided to do a "quick and dirty" environmental audit of the place. Good marks for cleanliness –at least for the start of the day- noticed that it seems they have a thing for the old style fluorescent tubes, it seems to be all over the place and still kept on at that. I couldn't see energy saving bulbs, had a quick look at the back of the premises, there doesn't seem to be a recycle or compost bin – must remember to ask **XXXX** or one of the staff why or maybe I missed it. I also noticed that most of the electrical appliances (ovens, hobs, fridges, etc) were quite old but looked clean and well kept. Could see the boiler at the top left corner of the office, don't know much about boilers but this one seems really old – can't be that efficient or can it!!

**9.55am:** the green light has been given the good stuff is about to start.

**10.10am:** I have been given an apron, gloves and a really funny plastic hat since I was going to be in an out of the kitchen. **XXXX** had come in to say the order was confirmed to provide lunch for 50 people at a conference on Derby Road, Lenton. They had a short Christian prayer- which I understand is a custom at the start of every order- and jobs were shared out. I asked to be included and was giving the task of bring out food stuff from the store and any other lifting or fetching errands that needed to be done. As **C** was showing me where to get stuff from I had a quick chat with her about professional qualifications and was surprised to find out that the business has been accredited to run training courses and she was also currently doing her NVQ at the Nottingham City College where she goes to once a week. She appears to be happy working at the business and stated getting on well with everyone "I really like it... I feel comfortable...I can be myself... I don't have to repeat myself half the time". She seems very conscious about her accent and asked me if I was born in Britain because I spoke almost like "them". This is something to reflect on as she gives the impression that she has not been in the country for very long. I am guessing working in this somewhat "familiar" environment makes her quite comfortable.

**10.15am:** someone started singing don't know who but it seems it has cut on as everyone else had joined in. humming because didn't know the words I took a look at the order, which was for a buffet styled lunch with rice of different types -white, red, fried- there was also two types of stews, one was titled 'jollof' which I was told was a spicy stew with a mix of different types of meat products and vegetables. The second stew was a fish stew which was to be made with cat fish and tilapia, as well as some other bits of vegetables. There was also chicken of different types (fried, smoked, peppered) to be prepared. It all seemed like a lot but the team were working rather efficiently and everybody seems to know what to do. **XXXX** told me that they had this particular order several times and her staff were very used to it and would probably get it out of the way in a few hours. I asked her about the fluorescent tubes, she seemed oblivious of their energy consumption but was more concerned about getting the "brightest light" as the natural light was not enough. **B** interjected that the energy efficient bulbs were "not so good" and that they were "not bright enough". **B** obviously has a strong opinion on issues to do with the environment as he brought into the discussion with the issue of credibility of any energy savings program. His view was that there was no proof that energy saving equipments was actually beneficial in terms of helping save money and that the whole save energy program was just a means for businesses to sell their products. This is an interesting perspective taking into consideration that the business owner was his mom, I wonder how much influence he has on her decision making.

**10.35am:** I have just taken to the bin a bag of fish guts and other bits and pieces of chickens that I have no idea what they are. I had asked if there was any particular way of disposing them but was told to dump it in the bin. I asked about the recycling and composting but it appeared that as a business there was no provisions for recycling or composting but **XXXX** mentioned that she did some recycling at home. Stepping back from it all for a bit, I observed that they seems to be a good rapport between them. The actual process of preparing the meal was pretty bog standard from what I can see so far and their factory-styled division of labour approach was in my view pretty impressive. **A** was in charge of getting the rice washed and parboiled. **B** only handled the processing the meat, while **C** was in charge of the fish and the spices they needed for the day. **XXXX** had a more supervisory role, she was the one who measured out all the stock items and looked in on what was being done. However, in-between the washing, cutting and chopping there was a really good banter going on between **XXXX** and her staff, there was jokes, anecdotes and singing and humming. It gave me the impression that this was a close group that were comfortable with each other. Although there was an obvious hierarchy and everyone referred to **XXXX** 'ma' (I am not sure whether it is and abbreviation for madam or mother) but it was also very informal an on two actions jokes were made at her expense which appeared to be quite a common occurrence.