

# Exploring Corporate Social Responsibility in the U.K. Asian Small Business Community

Ian Worthington - Monder Ram - Trevor Jones

Summarised by  
**Mousuf Chowdhury**  
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**Monder Ram** is Professor of Small Business and Coordinator of the Small Business and Enterprise

**Trevor Jones** is Visiting Professor at Leicester Business School, De Montfort University, Leicester.

**Ian Worthington** is Professor at Leicester Business School, De Montfort University, Leicester.

**Mousuf Chowdhury** is the founder of British Young Asian Entrepreneurs network. He has researched young entrepreneurs and business start-ups who are focusing on emerging industries in the global market place.

## Research Finding

This study of Asian owned and/or managed small firms has provided a valuable insight into the **Corporate Social Responsibility** which considers the ethical attitudes, behaviour and motivations of an important but largely neglected element of the business community (Ede et al., 2000).

The research has revealed that **social responsibility** is regarded as an important business issue within the U.K. Asian small business community, irrespective of the size, age, sector, primary purpose or location of the enterprise.

**Virtually all the organisations questioned demonstrated a positive commitment to socially responsible behaviour**, engaged in a variety of socially responsible actions and did so **notwithstanding any benefits that such actions might bring to the organisation**.

In the U.K. for instance, small and medium-sized enterprises (SMEs) constitute over 99% of all businesses and make significant contributions to employment, wealth creation, investment, innovation and overseas trade.

Within the SME sector, **ethnic minority businesses represent around 10% of the total business stock** (Barclays Bank, 2005). According to the 2001/02 Annual Local Area Labour Force Survey the level of self-employment for all ethnic groups mirrors that of the white community at around 11%, although rates of self-employment among some ethnic groups (e.g. Pakistani and Chinese) are considerably higher (Barclays Bank, 2005).

Much of this activity tended to be **low key and informal**, with firms quietly and unobtrusively engaged in a variety of actions in the local community and beyond that provided opportunities for creating and/or sustaining both bridging and bonding social capital for the organisation.

CSR is seen predominantly as a “social” imperative, exemplified by the view that social responsibility was concerned with “giving something back to the local community” by supporting local individuals, causes and organisations and by helping employees to solve their personal and emotional problems.

A large part of the activity in this latter area reflected a **paternalistic and morally based approach** by employers to the well-being and happiness of their staff. Such an approach had the concomitant effect of engendering employee loyalty and commitment, thereby creating value for the organisation in the longer term.

While there was recognition that behaving in a socially responsible manner could provide both demand and supply side benefits, this does not appear to have been a significant factor in explaining why the sample firms invested in social capital via CSR.

Nor could we find any substantial evidence that their behaviour was shaped by external influences or was designed to be strategic (see e.g. Burke and Logsdon, 1996; Lantos, 2001). Organisational and individual involvement in social, ethical or environmental initiatives appears to have been relatively ad hoc and driven **predominantly by the personal attitudes, values and beliefs of the individuals owning and/or managing the respondent organisations**. These attitudinal predispositions were frequently shaped in turn by **religious, cultural and/or moral influences within the individual’s environment**.

How can we interpret the attitudes and actions of small Asian firms to the social responsibility agenda?

On the one hand it can be argued that the evidence presented here indicates that the behaviour and predispositions of the respondent organisations **mirror those of the U.K. small business community** generally, as indicated by recent research into CSR and smaller enterprises (BCC, 2000; BITC et al., 2002).

What the extant literature shows is that U.K. small firms largely express a **positive attitude towards the idea of social responsibility and many appear to engage in a variety of actions in the local community** of the type revealed by this study.

For the most part this activity takes place on an ad hoc, informal and unstructured basis and is predominantly driven by the philanthropic wishes of the owners and senior managers rather than by an attempt to leverage organisational gain. Such engagement is normally characterised as “giving back to the local community”, underlining the moral basis of organisational decisions and responses.

On the other hand it seems reasonable to argue that what is perhaps distinctive about some of the small firms in this sample is that their **attitudes and behaviour have a religious rather than a secular basis that is rooted in the ethnic and cultural background of individual entrepreneurs**. As the analysis has demonstrated, for a **significant number of the case study firms religious motives** had a high priority and underpinned the notion of acting in a socially responsible manner. Though there is no direct evidence from the present survey, it seems unlikely that religious faith would be cited by many non-Asian British small firms as a motivation for CSR.