FAMILY BUSINESS CONTRIBUTIONS TO THE COMMUNITY:

A COMPARISON OF COPRENEURS AND OTHER FAMILY BUSINESS OWNERS

ON COMMUNITY SOCIAL REPONSIBILITY

A Thesis
Submitted to the Graduate Faculty
of the
North Dakota State University
of Agriculture and Applied Science

By
Kara Lynae Muske Welk

In Partial Fulfillment of the Requirements
for the Degree of
MASTER OF SCIENCE

Major Department:
Human Development and Family Science

November 2012

Fargo, North Dakota

North Dakota State University

Graduate School

Title

Family Business Contributions to the Community: A Comparison of Copreneurs

and Other Family Business Owners on Community Social Responsibility

By

Kara Lynae Muske Welk

The Supervisory Committee certifies that this ***disquisition*** complies with North Dakota State University's regulations and meets the accepted standards for the degree of

MASTER OF SCIENCE

SUPERVISORY COMMITTEE:

Dr. Margaret A. Fitzgerald
Chair

Dr. Debra Pankow

Dr. Charles Stevens

Dr. Gregory F. Sanders

Approved by Department Chair:

11/5/2012
Date

Dr. James E. Deal
Signature

ABSTRACT

Copreneurs, defined as couples who jointly operate a business and share business-related responsibilities and decisions, represent a growing portion of family business (Fitzgerald & Muske; 2002; Marshack, 1993, 1994). However, knowledge of copreneurs remains limited in the research literature. The uniqueness of copreneurs may be particularly meaningful with respect to community social responsibility, referring to the contributions a business provides to the community beyond the products and services offered (Besser, 1999). This study explores the potential differences between the socially responsible behaviors of copreneurial and noncopreneurial businesses using the Sustainable Family Business Theory as a framework. Analysis focuses on the influence of business owner, business, community, and family characteristics on the community social responsibility of copreneurs and noncopreneurs. Data from the 2000 panel of the National Family Business Survey (NFBS) was used. Findings indicate that certain characteristics and contexts influence community social responsibility, although copreneurship is not a significant predictor.

ACKNOWLEDGMENTS

I am forever indebted to a number of people for helping me throughout my graduate studies and with this thesis. First and foremost, I would like to thank my major advisor, Dr. Margaret Fitzgerald. Without her continual support, guidance, and patience, I know I would not have been able to complete the thesis process. No matter how many times I thank her, it will never suffice for all that she has done for me. I would also like to thank my committee members for their input, feedback, and direction to help strengthen my research and paper.

On a personal note, I would like to express thanks to my parents and my sister. Their love and endless encouragement helped me get to where I am today, and for that I am eternally gratefully. Lastly, I would like to thank my husband for standing by my side, listening to my never-ending worries, and supporting me throughout the entire journey.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF APPENDIX TABLES

CHAPTER 1. INTRODUCTION

Family businesses clearly integrate the business and the family, necessitating that research on family businesses take into consideration the contexts and characteristics of both areas (Danes, Lee, Stafford, & Heck, 2008; Stafford, Duncan, Danes, & Winter, 1999). Past research has demonstrated that the exploration of family businesses would be amiss to stop at that point, however, as family businesses also operate within the context of the community (Danes et al., 2008; Fitzgerald, Haynes, Schrank, & Danes, 2010). The interaction between the family, the business, and the community points to the need to better understand the relationship between these contexts. The relationship between small businesses, such as family businesses, and the community has been shown to include not only the products and services offered to the public but also incorporates activities and behaviors such as monitoring the environmental impact of the business, serving in leadership positions in the community, and providing charitable offerings (Besser, 1999; Besser & Miller, 2001; Korsching & Allen, 2004; Niehm, Swinney, & Miller, 2008). These other forms of support can be framed within the concept of community social responsibility, which Besser (1999) defined as the contributions of a business for the social good of the community that extend beyond the market role of that business.

Community social responsibility has been explored extensively in relation to large, corporate businesses (Besser, 1998; Chrisman & Archer, 1984; Chrisman & Fry, 1982; Lepoutre & Heene, 2006; Niehm et al., 2008; Wilson, 1980). Fewer studies have focused on the socially responsible practices of small businesses (e.g., Besser, 1998; Besser, 1999; Besser & Miller, 2001; Chrisman & Archer, 1984; Chrisman & Fry, 1982; Lepoutre & Heene, 2006; Miller & Besser, 2000; Wilson, 1980), while an extremely limited number have narrowed research on the topic to family businesses (e.g., Fitzgerald et al., 2010; Niehm et al., 2008). This study aims to advance the research on community social responsibility one step further by narrowing the scope of the population to dyads consisting of two individuals in a marriage or marriage-like relationship who jointly operate and share responsibilities of a business – defined as "copreneurs" (Fitzgerald & Muske, 2002; Marshack, 1993; Muske & Fitzgerald, 2006). Although the literature on family business has begun to grow (Sharma, 2004), research on copreneurs remains underdeveloped (Fitzgerald & Muske, 2002; Marshack, 1993; Muske & Fitzgerald, 2006). The lack of empirical information on copreneurs fails to reflect the continually increasing number of these types of family businesses (Fitzgerald & Muske, 2002; Foley & Powell, 1997; Marshack, 1993, 1994; Muske & Fitzgerald, 2006; O'Connor, Hamouda, McKeon, Henry, & Johnston, 2006; Ponthieu & Caudill, 1993; Smith, 2000; Tompson & Tompson, 2000).

One suggested reason for the scarcity of literature on copreneurs is the failure to distinguish copreneurs from other family business owners (Marshack, 1993, 1994). More recent efforts have been made to establish this distinction, focusing specifically on unique characteristics and behaviors of copreneurs (Fitzgerald & Muske, 2002; Marshack, 1994). Nevertheless, the possible distinction has not been examined for all aspects of the family business, including community social responsibility. The possible distinction between copreneurs and other family business owners may be an important one to make as copreneurs may demonstrate a different perspective towards community social responsibility. The perspective of copreneurs rests on the intermingling of not only work and the family life, but takes into account the partnership dynamic as well as the broader community dynamic in which they live and work (Marshack, 1994; Muske & Fitzgerald, 2006).

Recognition of the prevalence of copreneurship along with the lack of empirical knowledge on copreneurs illustrates the need to more fully understand this particular type of family business. In order to advance the copreneurial literature, comparison of copreneurs with other family businesses will reveal the unique challenges and benefits experienced by couples in business. The current study aims to draw such a distinction between copreneurs and noncopreneurs with respect to community social responsibility. The focus on community social responsibility is two-fold in purpose. First, previous research identified characteristics of copreneurs that may relate to the degree of socially responsible practices exhibited by their business (Cox, Moore, & Van Auken, 1984; Fitzgerald & Muske, 2002; Foley & Powell, 1997; Marshack, 1993, 1994; Muske & Fitzgerald, 2006; Ponthieu & Caudill, 1993; Smith, 2000; Thompson, 1990; Tompson & Tompson, 2000). Second, copreneurial businesses and other family businesses function within the community and research has suggested that family businesses have a unique connection with the community (Niehm et al., 2008). Thus, an attempt has not been made to extrapolate the copreneurial business or family business from the community context. Rather, each of the contexts involved in a family business venture – the individual, the business, the community, and the family – drives the analysis, setting forth variables of interest to explore when assessing the socially responsible behaviors of copreneurs and noncopreneurs.

Due to the limited research on community social responsibility and copreneurs versus other family business, the literature review is designed to provide a foundation about each of the relevant concepts. First, the literature on community social responsibility and copreneurs is reviewed. Then, each of the contexts – the business owner, the business, the community, and the family – is addressed as well as the potential connection between variables within each of the contexts and community social responsibility. The Sustainable Family Business Theory is used to inform the research questions and the selection of variables. Community social responsibility is the dependent variable, while the independent variables include characteristics of the business owner, characteristics of the business, characteristics of the community, and characteristics of the family. Analysis of the data involves descriptive statistics, Pearson correlations, comparison of means, and multiple regression analysis.

CHAPTER 2. LITERATURE REVIEW

Community Social Responsibility

Community social responsibility with respect to small family businesses represents an area of literature in the infancy stages of exploration. Niehm and colleagues (2008) offered one of the first looks into the topic by examining possible variables that lead to community social responsibility among family businesses, the dimensions comprising community social responsibility, and the consequence of community social responsibility on the success of family businesses located in small and rural communities. Fitzgerald et al. (2010) advanced the research in the field by focusing on three contexts – the family, the business, and the community – that intertwine in the case of community social responsibility of family businesses. They included socioeconomic community vulnerability, attitude of the business owner toward the community, business success, and family success in the study in order to gauge how these concepts might influence the level of community social responsibility exhibited by a family business. This study draws on both of these studies – utilizing the dimensions of community social responsibility developed by Niehm et al. (2008) as a basis while also further exploring variables within the family, business, and community contexts that could impact community social responsibility.

Copreneurs

Copreneurs have been shown to represent a growing segment of the family business sector (Fitzgerald & Muske, 2002; Foley & Powell, 1997; Marshack, 1993, 1994; Muske & Fitzgerald, 2006; O'Connor et al., 2006; Ponthieu & Caudill, 1993; Smith, 2000; Tompson & Tompson, 2000). Despite the evidence of the increase in copreneurship, estimates of the number of copreneurs remain varied. The United States Small Business Administration identified nearly 500,000 nonfarm sole proprietorships managed by copreneurs (Ponthieu & Caudill, 1993), while expanded estimates that include both copreneurial partnerships and corporations indicate a higher prevalence of 1.5 million copreneurs (Thompson, 1990; Tompson & Tompson, 2000). Fitzgerald and Muske (2002) noted that even the latter figure may underestimate copreneurship because business owners may not always describe the business as jointly owned or managed by the couple, even if both partners share the decision-making tasks and other responsibilities associated with the business.

Copreneurs represent a unique form of family business largely based on the blending of the partnership and the business (Fitzgerald & Muske, 2002; Foley & Powell, 1997; Marshack, 1993, 1994; Muske & Fitzgerald, 2006; Ponthieu & Caudill, 1993; Smith, 2000; Tompson & Tompson, 2000). Previous research has illustrated the positive and negative aspects of the work-partnership combination (Cox et al., 1984). The lack of separation between work, family, and the partnership may lead to role conflict for copreneurs (Marshack, 1993; Smith, 2000) and may create difficulties for copreneurs in isolating issues and problems between the home and the workplace (Cox et al., 1984; Tompson & Tompson, 2000). Furthermore, the work-partnership overlap restricts opportunities for the individual to openly voice thoughts and emotions about work or family problems to an uninvolved, third party (Fitzgerald & Muske, 2002; Tompson & Topmson, 2000).

Despite the possibility of tension and conflict, some evidence of copreneurs developing a stronger partnership has been noted (Cox et al., 1984; Fitzgerald & Muske, 2002; Marshack, 1993, 1994; Muske & Fitzgerald, 2006; Thompson, 1990). Copreneurial businesses benefit from the high level of trust that exists between partners (Ponthieu & Caudill, 1993; Tompson & Tompson, 2000). Couples in business work together as a team, emphasizing equity in the partnership (Cox et al., 1984; Fitzgerald & Muske, 2002; Marshack, 1993, 1994; Muske & Fitzgerald, 2006; Ponthieu & Caudill, 1993; Smith, 2000). Their efforts are focused on achieving a work-family balance unique among other business types (Marshack, 1993; Fitzgerald & Muske 2002; Thompson, 1990; Tompson & Tompson, 2000). Given the copreneur's focus on blending work and family life and creating a balanced work-family relationship, a logical extension of that perspective might include a heightened desire for enhanced community responsibility, bringing another dimension into the balance.

Business Owner Characteristics

Demographic characteristics. Certain demographic characteristics of the business owner have been included in past research on small business and family business social responsibility, such as gender, marital status, and education level (Besser, 1999; Besser & Miller, 2001; Niehm et al., 2008). While age of the business owner has also been examined, the influence of this variable remains unclear. Besser (1999) found that age of the business owner was positively correlated with two aspects of community social responsibility – civic leadership and support – but was not significantly associated with the commitment dimension of business social responsibility. Fitzgerald, Sanders, Philbrick, and Metcalfe (2003) also found that older business owners were more highly satisfied with community support than business owners in midlife. Analysis by Niehm and colleagues (2008) revealed no significant relationship between age of the business owner and three dimensions of community social responsibility described as commitment, support, and sense of community. Research focusing on the connection between the age of the business owner and the performance of the business has highlighted age as a critical variable, but the full implications of the age of the business owner appear difficult to isolate from other variables of interest (Cragg & King, 1988).

The difference in findings in the literature suggests that the age of the business owner may contribute to community social responsibility in multiple ways. In one sense, as the business owner ages, he/she may develop stronger ties to the community and a greater desire to reciprocate any support that the community has shown him/her and the business over the years. On the contrary, the older business owner may also view the community as deteriorated over time and become disillusioned with the community. Given the ambiguous findings associated with age of the business owner, it is of value to explore how the age of copreneurial business owners and noncopreneurs contributes to the community social responsibility of their businesses.

Gender of the business owner has been explored in an indirect, limited capacity in terms of the relationship between gender and community social responsibility. Miller and Besser (2000) found that small business owners with high community values were more likely to be male. Gender has also been explored from the perspective of the potential differences between copreneurs and noncopreneurs, with Fitzgerald and Muske (2002) finding that the member of the couple who was primarily responsible for the management of the business was predominately male in both copreneurial and noncopreneurial family businesses. Gender is included in the current study in order to expand the literature on the copreneurial family businesses and to provide a more comprehensive picture of the role of gender, particularly in respect to community social responsibility.

Discrepancy in results exists in regard to the effect of education level on small business social responsibility. According to some researchers, education level has been established as positively associated with community social responsibility of small businesses (Besser, 1998, 1999; Besser & Miller, 2001; Miller & Besser, 2000). However, research by Niehm et al. (2008) failed to support the previous finding, with nonsignificant results emerging between the education level of the family business operator and community social responsibility. When specifically comparing the education level of copreneurs versus noncopreneurs, past research has not found a significant difference between the groups (Fitzgerald & Muske, 2002). Nevertheless, the varying conclusions about the role of education level of the business owner and the socially responsible behaviors of the businesses suggest that variable should be included in the current exploration of copreneurs and noncopreneurs.

Marital status has also been linked with community social responsibility of small businesses (Besser & Miller, 2001; Miller & Besser, 2000), with business owners exhibiting highest levels of support to the community predominately being married (Miller & Besser, 2000). However, limited research has been done with respect to the role of marital status on community social responsibility, warranting further exploration. Moreover, the marital status of copreneurs and noncopreneurs should be compared to assess whether the groups differ and if the variable plays a role when looking at a specific group of family business owners.

Business Characteristics

Age of the business. The age of the business has been a contributing factor to the level of community social responsibility of small businesses in past research (Besser &

Miller, 2001; Miller & Besser, 2000; Niehm et al., 2008), and will consequently be included in the current exploration of copreneurs and noncopreneurs. Prior research has specifically explored the age of the business within the framework of available resources to the business, with the age of the business representing one factor in the measurement of resources that the business has available to allocate to socially responsible behaviors and actions in the community (Besser, 1999; Besser & Miller, 2001; Miller & Besser, 2000). Utilizing age as a resource, older businesses have been found to experience greater success and behave more responsibly (Besser, 1999; Besser & Miller, 2001; Miller & Besser, 2000; Niehm et al., 2008).

The age of the business may also be considered in terms of the commitment of the business to the community. Assuming that the business remains in the same community over time, the business may become more entrenched in a community and play a more fundamental role within the community as the business grows older. Thus, increasing age of a business could promote increased feelings of commitment among the business owner to the community and associate with greater socially responsible behavior on the part of the business. Even though age of the business was not found to differ significantly between copreneurs and noncopreneurs in a study directly comparing these groups (Fitzgerald & Muske, 2002), the variable could become meaningful when examining the community social responsibility of the family business groups.

Size of the business. Size of the business represents one factor shown to influence the level of community social responsibility, although the specific relationship across studies differs. Early studies noted that small businesses exhibit both awareness and concern regarding their social responsibility in the community (Chrisman & Archer, 1984;

Chrisman & Fry, 1982). In a random telephone survey of 51 small business owners/managers and 65 nonbusiness individuals, Chrisman and Fry (1982) found that small businesses not only understand community social responsibility and the social responsibilities that consumers and the community expect of them, but they hold themselves to higher standards in their socially responsible practices than the general public. Furthermore, respondents felt that small businesses more often fulfilled their social responsibility than large businesses. Small businesses were also ranked as demonstrating a higher level of ethical behavior in comparison to larger businesses by both small business respondents and other professionals, which included individuals who worked at large corporations or public agencies (Brown & King, 1982).

Seemingly contrary to the aforementioned findings suggesting a relationship between small business and community social responsibility, an association has also been found between an increase in the size of the business and greater levels of community social responsibility (Besser & Miller, 2001; Niehm et al., 2008). The discrepancy in results regarding the relationship between business size and community social responsibility may be explained in part by the distinction of size employed in each study. Studies that found small businesses to have higher social responsibility treated size as a categorical variable – comparing small business to large businesses (Chrisman & Archer, 1984; Chrisman & Fry, 1982). More recent studies instead examined size of the business as a continuous variable measured by the number of employees (Besser & Miller, 2001; Niehm et al., 2008). Therefore, the business category (i.e., whether the business met the specifications of a small firm or large corporation) was separated from the actual size of that business. Consequently, the association between growth in the size of the business –

even among businesses that remain within the size limits of the small firm category – and increased business social responsibility does not necessarily refute previous findings, but examines a distinct characteristic of the business.

It should be noted, though, that small business size can present challenges that may deter community social responsibility. Small businesses have fewer resources than larger businesses (Chrisman & Archer, 1984). One such resource is the number of employees (Besser, 1999; Besser & Miller, 2001; Miller & Besser, 2000; Niehm et al., 2008). With a low number of employees, small business owners may feel tied down to the daily operations of the business and have less opportunity to be involved and active in the community (Chrisman & Fry, 1982).

This limitation can be extended to copreneurial businesses, as business size has been shown to differ significantly between copreneurs and noncopreneurs (Fitzgerald & Muske, 2002). Using the total number of employees to measure business size, Fitzgerald and Muske (2002) found that on average, noncopreneurs had greater than nine employees while copreneurs employed less than four. Within the family business category of copreneurs alone, variation in business size exists. For instance, Muske and Fitzgerald (2006) reported results that newly formed copreneurial businesses consist of a significantly greater number of employees (an average of 11.64 employees) than ongoing (3.32 employees) and discontinued (4.95 employees) copreneurial businesses. Despite the variation in copreneurial business size, given the past difference in copreneurs and noncopreneurs and the possible consequence that the total number of employees may hold for a small family business with respect to community social responsibility, the variable will be included in the current analysis.

Community Characteristics

Community size. Aspects of the community may also play a role in influencing family business social responsibility. Community size, as measured by population, could be analyzed for a possible connection. Besser (1999) justified community size as an important factor to consider in reference to business social responsibility due to “free rider” behavior. She described free rider businesses as those that partake in the benefits and resources that the community has to offer without ever assuming any of the associated burdens. The smaller size of rural communities would most likely make free rider behavior more obvious, thereby discouraging such actions and in turn encouraging community social responsibility. In spite of this reasoning, Besser (1999) concluded that community population size was not significantly associated with small business social responsibility. It is critical to point out, though, that Besser explored the influence of community size solely utilizing a sample of small businesses located in Midwestern towns ranging from 500 to 10,000 in population. Given this sample criteria, the small businesses in her study all have been operating in a relatively rural setting. Expansion of the community size analysis to include a balanced sample of small businesses in urban areas and small businesses in rural communities could result in a different finding.

In a comparison of copreneurs and noncopreneurs, the size of the community in which these individuals resided have been reported to differ significantly (Fitzgerald & Muske, 2002). Of the 673 sampled households with a family business in the 1997 panel of the National Family Business Survey (NFBS), nearly half (47.4%) of those classified as copreneurs resided either on a farm or in a rural area other than a farm (Fitzgerald &

Muske, 2002). Among noncopreneurs, the most frequent location of residence (27.5%) was a city with a population over 50,000.

Infrastructure. Satisfaction of the business owner with services and infrastructure in the community may serve as an influential factor affecting community social responsibility. Lacking from previous analysis of family business social responsibility, community satisfaction could affect community social responsibility in opposing ways. For instance, dissatisfaction with community services and infrastructure by the business owner may lead the individual to withdraw him/herself from the community, and thereby limit business activities beyond their role in the consumer market. Alternatively, dissatisfaction felt by the business owner could lead to increased involvement in the community in an attempt to improve the situation. Another possibility is that business owners who offer financial contributions to the community may provide higher satisfaction ratings as a way of justifying their contributions and as a reflection of the self-perceived impact of their contributions to the community. Copreneurs' perception of and satisfaction with the community have not been studied previously, thus supporting the need to include such variables in the present assessment.

Family Characteristics

Family functionality. In terms of the family, family functionality represents a critical variable to analyze. The success of the family business rests in part on the health and well-being of the family (Masuo, Fong, Yanagida, & Cabal, 2001; Olson, Zuiker, Danes, Stafford, Heck, & Duncan, 2003; Sharma, 2004; Stafford, Duncan, Danes, & Winter, 1999). Based on interviews with 673 family business households, Masuo and colleagues (2001) found that perceived family success had a significantly positive influence on perceived business success, but business success did not reciprocally influence family success. Greater business success, in turn, encourages the business owner to become more involved, connected, and supportive of the community (Besser, 1999; Besser & Miller, 2001; Niehm et al., 2008). The work of Niehm and colleagues (2008) revealed an association between financial success of the business and support from the business toward the community. Additionally, an association emerged between perceived success according to the business owner and commitment of the business to the community. Besser (1999) similarly reported a relationship between the subjective measure of business success evaluated by the business owner and business social responsibility, as did Besser and Miller (2001). Family functionality in the case of copreneurs has largely yet to be addressed in the literature, with more attention being given to the dyad partnership itself. While Fitzgerald and Muske (2002) previously compared copreneurs and noncopreneurs on perception of family functionality without any significant results, the limited literature and possible impact of family functionality on community social responsibility warrants further exploration in the current study.

Business to family financial contributions. Success of the business also influences community social responsibility. Within the small business and family business literature, both objective and subjective measures have been used in the past as indicators of business success (Besser, 1999; Masuo et al., 2001). Niehm and colleagues (2008) found both the financial success of the business and perceived success of the business to be related to business social responsibility. In particular, their research indicated an association between financial success of the business and support from the business toward the community. Additionally, an association emerged between perceived success according to the business owner and commitment of the business to the community. Besser (1999) similarly reported a relationship between the subjective measure of business success evaluated by the business owner and business social responsibility, as did Besser and Miller (2001). Both objective and subjective measures of business success differ between copreneurs and noncopreneurs (Fitzgerald & Muske, 2002). Based on national data from 1997, noncopreneurial family businesses achieved significantly higher gross business incomes than copreneurial family businesses and noncopreneurs rated their subjective business success significantly greater than copreneurs (Fitzgerald & Muske, 2002).

The use of both objective and subjective measures of business success calls into question how to most accurately examine and operationalize the concept. Objective measures that relate to the financial performance of the business, while providing a concrete measurement of the concept, have been critiqued as increasing the likelihood of nonresponse from participants due to the sensitive nature of the information (Besser, 1999; Dess & Robinson, 1984). In addition, researchers have argued that financial performance fails to provide a complete and accurate portrayal of business success for small businesses as business success may be a broader, more encompassing concept based on the values, motivation, and perspective of each small business owner (Besser, 1999; Kotey & Meredith, 1997). Despite these limitations, research still encourages the use of objective measures of business success (Dess & Robinson, 1984). Objective financial measures have been shown to strongly correlate with subjective measures of business success, thereby implying that the two may similarly tap into the concept of business success (Dess & Robinson, 1984).

While adhering to the advice emerging from the literature to use objective financial measures when they are available, the unique situation of family businesses may warrant a slightly different approach to business success. For a family business, a more holistic view of business success may be measured by the financial contributions of the business to the family. Family and family business financial resources often mix, with financial earnings of the family business contributing in part to meeting the needs of the family (Olson et al., 2003). If the family and the business have their needs met, a greater amount of time and energy can be spent participating in the community. In comparing copreneurs and noncopreneurs, Fitzgerald and Muske (2002) found that families of noncopreneurs received a larger income from the family business than copreneurial households. This finding suggests that the assurance provided by the higher contributions from the business to the family may allow noncopreneurs to offer more contributions to the community, and consequently have higher levels of community social responsibility, as compared to copreneurs.

Previous research demonstrates the role of business owner characteristics, business characteristics, community characteristics, and family characteristics on the socially responsible behaviors of small businesses (Besser, 1998, 1999; Besser & Miller, 2001; Chrisman & Archer, 1984; Miller & Besser, 2000; Niehm et al., 2008; Olson et al., 2003; Sharma, 2004; Stafford et al., 1999). Copreneurs represent a unique form of family business that differs in many ways from noncopreneurs (Fitzgerald & Muske, 2002). Although some of the characteristics that have been found to differ between copreneurs and noncopreneurs coincide with characteristics that affect community social responsibility, only exploratory work has been completed directly comparing the socially responsible behaviors of copreneurial and noncopreneurial businesses (Fitzgerald, Muske, & Muske, 2008). The current study aims to close that gap in the literature by examining the effect of characteristics of copreneurs and noncopreneurs on community social responsibility for each group.

Theoretical Background

Much of the previous research on the topic of small business social responsibility relies on the enlightened self-interest model (Aram, 1989; Arlow & Gannon, 1982) as a framework (Besser, 1998; Besser, 1999; Besser & Miller, 2001; Niehm et al., 2008). In essence, this model maintains that socially responsible behavior and actions by the business will be reciprocated by the community in a meaningful manner that contributes to the sustainability of the business (Baker, 1999; Besser, 1998; Besser, 1999; Miller & Besser, 2000; Niehm et al., 2008). According to the enlightened self-interest model, socially responsible behavior can lead to increased business success by prompting positive reactions from various entities (Baker, 1999; Besser, 1998; Besser, 1999; Miller & Besser, 2000). Specifically, socially responsible behavior by the business often tends to improve the public image of the business, which in turn may encourage higher patronage from customers, increased cooperation from banks in regard to the form of financial support offered to the business, greater respect from suppliers, heightened morale and commitment to the business among employees, and more interest from prospective business collaborators (Besser, 1998; Besser, 1999; Miller & Besser, 2000).

The enlightened self-interest model also acknowledges the balance that exists between the rewards and costs for a business. Miller and Besser (2000) noted that a business exhibiting socially responsible behaviors may incur financial costs and even social costs, for example by discouraging patronage from individuals and groups who disagree with the actions and/or support expressed by the business within the community. Thus, business owners must make a conscious decision about the degree and type of socially responsible behavior expressed by the business given the associated costs and rewards.

The enlightened self-interest model has proved beneficial in structuring initial investigations of community social responsibility practices by small firms. Concentration on family business, however, requires a theoretical approach that incorporates both the business and the family. The Sustainable Family Business Theory, developed by Stafford and colleagues (1999), offers understanding about the interactive relationship between the family, the family business, and the community context. According to this theory, both the family and the business have resources to offer and constraints that may hinder development. Furthermore, the family and the business each progress in an ebb and flow fashion through periods of stability and periods of change during which material and personal resources are utilized. The theory acknowledges that success can be achieved to a certain extent in both the family and business realm independent of one another. Viability and sustainability of the family business, however, rests on the simultaneous success of both the family and the business.

A more recent revision of the Sustainable Family Business Theory (Danes et al., 2008) expands the previous understanding of family business by exploring the role of the community in greater detail. According to the updated theory, sustainability of the family business, referring to not only the survival but the ability to maintain the vitality and health of the family business over the long-term, requires an integration of the family and the business with the community. A viable family business can acquire a more secure future by contributing to the community. The community, in turn, influences the resources and constraints of the family and the business, as well as helps shape the dynamic between the family and the business. Given that the family, the business, and the community each contribute to a family business situation, attention focuses on the success of the family, the success of the business, the strength of the relationship between these realms to respond to changes in an appropriate manner that preserves the independent and mutual success of both, and the intertwined connection between the family, the business, and the community. The Sustainable Family Business Theory illustrates a multi-stemmed approach to the examination of family businesses: 1) assessment of the family, 2) assessment of the business, 3) assessment of the dynamic between the family and the business, and 4) assessment of the dynamic between the family, the business, and the community, as each of these dimensions contributes to the sustainability of the family business.

The Sustainable Family Business Theory provides the grounding for this study and has been used to frame the analysis. While the Sustainable Family Business Theory does not address copreneurs specifically, the theory can be applied to the copreneurial family business and provide justification as to why these family businesses may differ from other family business owners regarding community social responsibility. Stafford et al. (1999) pointed out that the sustainability of both the family and the business relies on cooperation between the two. In no other family business is cooperation more inherent to the situation than with copreneurial family businesses. Copreneurs have a large overlap between the family and the business spheres given their tendency to focus on a work-family balance (Marshack, 1993; Fitzgerald & Muske 2002; Thompson, 1990; Tompson & Tompson, 2000). With this overlap comes greater necessity for cooperation.

The high degree of overlap between the family and the business in the case of copreneurs also impacts the interplay with the community. Danes et al. (2008) stated that the interaction that a family business has with the community rests on the meaning that the family placed on that interaction. This again suggests that copreneurs may differ from other family business owners. Past literature revealed the emphasis copreneurs place on equity (Cox et al., 1984; Fitzgerald & Muske, 2002; Marshack, 1993, 1994; Muske & Fitzgerald, 2006; Ponthieu & Caudill, 1993; Smith, 2000). The equity copreneurs emphasize in their relationship may extend to a desire for equity between all three contexts – the family, the business, and the community. Thus, if the community contributes positively to the business and supports the family, copreneurs may feel a greater need to reciprocate that support back to the community. In other words, copreneurs may be more conscious of the importance of community social responsibility and may feel a greater obligation to exhibit community social responsibility.

The purpose of the current study is to compare copreneurs and noncopreneurs on the socially responsible behaviors of their businesses. Characteristics of the business owner, characteristics of the business, community characteristics, and characteristics of the family are explored for both types of family business owners in order to determine potential differences in the groups and to analyze how the differences contribute to community social responsibility. Additionally, review of the past literature led to the development of the following hypotheses:

- H1: (a) Copreneurs will exhibit a higher degree of community social responsibility than noncopreneurs and (b) a copreneurial family business will be a positive and significant predictor of dimensions of community social responsibility.

- H2: Connecting family business owners' demographics to community social responsibility, (a) the business owner's age will be a positive and significant predictor of dimensions of community social responsibility, (b) the business owner's education level will be a positive and significant predictor of dimensions of community social responsibility, and (c) marital status, specifically being married or in a marriage-like relationship, will be a positive and significant predictor of dimensions of community social responsibility.
- H3: Regarding the connection between the business characteristics and community social responsibility, (a) the age of the business will be a positive and significant predictor of dimensions of community social responsibility and (b) the size of the business will be a positive and significant predictor of dimensions of community social responsibility.
- H4: In terms of the relationship between community characteristics and community social responsibility, (a) community size will be a negative and significant predictor of dimensions of community social responsibility and (b) satisfaction and perception of the community infrastructure will be a positive and significant predictor of dimensions of community social responsibility.
- H5: Examining the relationship between family characteristics and community social responsibility, (a) perception of family functionality will be a positive and significant predictor of dimensions of community social responsibility and (b) business to family financial contributions will be a positive and significant predictor of dimensions of community social responsibility.

CHAPTER 3. METHOD

Sample

In order to address the abovementioned research questions, data from the 2000 panel of the National Family Business Survey (NFBS) was used. The NFBS is a longitudinal study investigating family businesses. Given that the breadth and depth of the NFBS extends beyond the purpose of the current study, this thesis will provide a brief overview of the methodology utilized in the 1997 and 2000 panels of the NFBS (see Winter, Danes, Koh, Fredericks, & Paul, 2004 and Winter, Fitzgerald, Heck, Haynes, & Danes, 1998 for more extensive explanations of the methodology). Using a household sampling frame, 14,115 U.S. households were screened for the NFBS 1997 panel. After eliminating telephone numbers no longer in service and nonhousehold telephone numbers, a response rate of 82.3% resulted for the screen interviews. Households eligible to participate in the study were set according to the criteria that at least two members of a family live in the same household and at least one member of the family owned or managed a family business. In the NFBS, family owned farms/ranches were considered to be family businesses and those eligible households were included in the study. Further criteria set for eligibility focused on the business owner, requiring that the individual worked a minimum number of either 6 hours per week throughout the entire year or 312 hours per year and he/she was involved in the daily operations of the business. Along with criteria for the business owner, the business had to have been open and in operation for one year or more in order for the household to be within the sample. Of the screened households, 1,116 met the criteria for participation.

Eligible households were contacted for telephone interviews with the household manager – defined as the individual who handles most of the household chores and family responsibilities – and the business owner – defined as the individual involved to the greatest extent in the daily management and operations of the family business. The household manager and business owner were determined during the screening process based on the self-report of the screen respondent. If the household manager and the business owner were found to be the same person in any household, a combined survey instrument was utilized. The overall response rate was high, with 794 households, or 71.1% of the eligible households, completing either the business or household manager interviews. Regarding the specific interviews, 708 households (63.4% of the eligible households) completed the business owner interview, 759 households (68.0% of the eligible households) completed the household manager interview, and 673 households (60.3% of the eligible households) completed both the household manager and business owner interview.

The 2000 data collection involved households who were originally interviewed in the 1997 NFBS. The 2000 panel of the NFBS was selected for this study because it is more current than the 1997 panel and the business social responsibility questions were not included in the 1997 interview. In total, 553 households participated in the second wave of interviews in 2000. Of those interviewed in both panels of data collection, only participants with businesses remaining open at the time of the re-interview in 2000 were included in the present analysis. Furthermore, the focus of the study on the community social responsibility of copreneurial and noncopreneurial businesses necessitates that the business and the family operate in the same community. Using the abovementioned criteria, this study focuses on 280 business owners within the larger data set.

Variables

The dependent variable examined in the current analysis was community social responsibility. Past literature provides a basis for operationalizing this concept. Drawing from the literature base, Niehm et al. (2008) completed a factor analysis of 17 items from the 2000 NFBS that resulted in the identification of three dimensions constituting community social responsibility. The researchers termed these dimensions as "commitment to the community," "community support," and "sense of community." This study utilized the first two dimensions that Niehm et al. (2008) developed along with the corresponding items determined for each dimension. The sense of community dimension that Niehm et al. (2008) developed consisted of two variables, "Community leaders need to consider family needs more carefully when they undertake community planning projects" and "This used to be a better community in which to live." Reliability analysis of the sense of community dimension as Niehm et al. (2008) defined it resulted in a low Cronbach's alpha value. Consequently, the single variable "This used to be a better community in which to live" was determined to be a more appropriate measure of the third dimension of community social responsibility and the dimension was relabeled as perception of community vitality. The conceptual dissimilarity between the two variables further supported the decision to use a single variable to comprise the dimension.

Independent variables included in analysis were possible influences on the level of community social responsibility exhibited by copreneurs and noncopreneurs. In line with the literature, the independent variables examined fall within the categories of characteristics of the business owner, characteristics of the business, characteristics of the community, and characteristics of the family. Demographic variables of the business owner were incorporated into the analysis. One such variable is age, which was measured by the number of years. Gender included two levels – male and female. Marital status, another variable of interest, distinguished between those who are married or in a marriage-like relationship and those who are not. Education level of the business manager may also be influential to the level of community social responsibility and was thus considered. Education level was assessed in the NFBS by asking respondents to provide the highest level of school completed in a numerical fashion.

In regard to the characteristics of the business, the variables of business size and age of the business were used. Business size was measured by the total number of employees working in the business. The year that the business began operation was asked in the NFBS, which was translated into the age of the business by subtracting the indicated start-up year from 2000.

The community context introduces variables such as community size and community satisfaction that may influence community social responsibility. Community size was measured in the NFBS according to the setting of the respondent's residence and the population within that setting. The United States Department of Agriculture's (USDA's) Economic Research Service defines a rural area as a community with a population of less than 2,500 residents, whereas an urbanized area consists of a population of 50,000 residents or more (USDA Economic Research Service, 2007). Rather than delineating between rural and urban, which creates a gap of unclassified communities with populations ranging from 2,500 to 50,000 residents, this study maintained the categorical variables of community size. The six response options provided in the NFBS, including living “on a farm,” “in a rural area but not on a farm,” and “in a small town of less than 2,500 people,” “in a town or city from 2,500 up to 10,000,” “in a city from 10,000 up to 50,000,” and “in a city or urban area of 50,000 or more,” were thus delineated as a measure of the rural nature of the respondent’s community.

Quality of the community infrastructure consisted of an eight-item index in the NFBS that addressed satisfaction with various infrastructure elements and services provided in the community (See Appendix Table A1 for more information on the community infrastructure index and how copreneurs and noncopreneurs compare on the individual items). Specifically, respondents were asked about schools, community facilities and services, recreation and entertainment facilities, roads and transportation, telecommunication services, health care services, public safety services, and adult education and training opportunities. For each item of the index, a 1 to 5 scale was provided with “1” meaning “*very dissatisfied*” and “5” meaning “*very satisfied*.” A reliability analysis was completed for the quality of the community infrastructure index. The eight items comprising the scale produced a Cronbach’s alpha of .79, indicative of acceptable internal consistency.

The family characteristics in the analysis included the family APGAR and income provided from the business to the family. The family APGAR measures a family member’s satisfaction with the overall functionality of the family system in five dimensions: adaptability, partnership, growth, affection, and resolve (Smilkstein, 1978) (See Appendix Table A2 for more information on the items that compose the APGAR and how copreneurs and noncopreneurs compare on the items). Administered to household managers in the

NFBS, the five item tool asked respondents to rate their satisfaction with the ability to depend on the family for help, the communication among family members, the support provided by the family, the affection offered and respect for emotions, and the structure of family time. The response option for each of the items was a five-point Likert scale, where "1" represented a response of "*never*" and "5" represented "*always*." A total family APGAR score was obtained for each respondent by summing the individual item scores, resulting in a composite value ranging from a possible 5 to 25. Previous research has established acceptable reliability and validity for the family APGAR instrument (Muske & Fitzgerald, 2006; Smilkstein, Ashworth, & Montano, 1982). A reliability analysis of the family APGAR was completed as a preliminary step. The Cronbach's alpha for the scale, with five items, was .81, which is an acceptable level of internal consistency. Along with the inclusion of the family APGAR, the income the family earns from the business may be of value in identifying levels of community social responsibility. The NFBS included an item that asked respondents to indicate the dollar amount that the family household received from the business. Responses were rounded to the nearest thousand-dollar amount for all figures over $1,000.

Analysis

Descriptive statistics, reliability analysis, Pearson correlations, comparison of means, and multiple regression analysis were employed in order to address the research questions. Initially, descriptive information of both copreneurs and noncopreneurs was determined. A reliability analysis was conducted on each of the dimensions of community social responsibility that Niehm et al. (2008) developed. The commitment to community dimension consisted of six items. After reverse-scaling the item "The business does not have much to gain by remaining in this community," the commitment to community displayed a Cronbach's alpha of .73. Item analysis was also conducted on the three items of the community support dimension, with the resulting Cronbach's alpha equaling .59. While both of these reliability coefficients are low, the analysis proceeded as this work represents a preliminary exploration into the topic. As previously mentioned, when analyzing the two items comprising the sense of community dimension, discrepancies emerged from the initial work of Niehm et al. (2008) on community social responsibility. It was determined that conceptually, the item "This used to be a better community in which to live" should not be reverse-scaled as Niehm et al. (2008) suggested. Rather, the two items both had similar directions and could be conceptually combined into a scale. After leaving both items in their original form, however, the item analysis indicated an unacceptably low Cronbach's alpha of .43. When reexamining the appropriateness of the items, it was determined that the two items did not fit together in measuring a single dimension. Thus, the third dimension of community social responsibility was revised to include a single item, the "This used to be a better community in which to live" variable, and was renamed perception of community vitality to more accurately reflect the dimension being assessed.

After these preliminary steps, correlations between independent and dependent variables were examined and the relationships between the independent variables were examined to see if there was a potential for multicolinearity before using the independent variables in the regression models. Comparison of means between copreneurs and noncopreneurs on each of the independent and dependent variables indicated differences between the two types of family businesses. The influence of each variable of interest on each dimension of community social responsibility for copreneurs and noncopreneurs was assessed using multiple regression analysis. Specifically, three parallel regression models were run regressing each of the dependent variables measuring community social responsibility on the independent variables, or predictors of CSR. The regression models explored community social responsibility using the following functional equation:

Dimension of CSR = f(copreneurship, age, gender, education level, marital status, age of business, size of business, community size, quality of infrastructure, family functionality, income from business to family)

where CSR = community social responsibility, consisting of commitment to the community, or community support, or perception of community vitality dimensions;

copreneurship = copreneur or noncopreneur;

age of business manager = in years;

gender = male or female;

education level = highest level of school completed;

marital status = business owner in a married or in a marriage-like relationship or not;

age of business = years in operation as business;

business size = number of employees;

community size = categorical variable delineating the size of the community;

quality of infrastructure = index based on satisfaction with schools, community facilities and services, recreation and entertainment facilities, roads and transportation, telecommunication services, health care services, public safety services, and adult education and training opportunities;

family functionality = functionality of the family system in the dimensions of adaptability, partnership, growth, affection, and resolve;

income from business to family = dollar amount that family household received from business in 1999.

CHAPTER 4. RESULTS

Analysis of the demographic variables (Table 1) indicates that the average age of the business owner between copreneurs (n = 116) and noncopreneurs (n = 164) is not significantly different, with the business owner in both groups around 49 years old. Business owners are more often male in the copreneurial couple, 84.50%, as compared to 63.40% among noncopreneurs ($\chi^2(1, N = 280) = 15.01$, $p < .01$). Noncoprenuers have significantly more education, with nearly 15 years (14.70 years), whereas copreneurs have just over 14 years (14.08 years) of education ($t(278) = 2.30$, $p < .05$). Marital status also differs significantly between the two groups, with the entire copreneurial group (100.00%) married or in a marriage-like relationship while only 87.20% of noncopreneurs are married ($\chi^2(1, N = 280) = 16.06$, $p < .01$).

While no significant differences appear between copreneurs and noncopreneurs in the analysis of characteristics of the business (Table 2) or characteristics of the family (Table 4), a significant difference exists when comparing copreneurs and noncopreneurs on the community size in which they live and operate their business (Table 3). Copreneurs live and operate their business in a more rural setting than noncopreneurs ($\chi^2(5, N = 280) = 21.98$, $p = .001$). The majority of copreneurs live on a farm, 32.80%, or in a rural area but not on a farm, 20.70%. In contrast, most noncopreneurs live in a city or urban area of 50,000 or more, 28.00%. The remainder of noncopreneurs fall closely divided among the other categorical variables of community size, ranging from 12.20% living in a small town of less than 2,500 people to 17.70% living in a town or city from 2,500 up to 10,000. Beyond community size, copreneurs and noncopreneurs do not differ significantly in terms of their satisfaction with the quality of the community infrastructure. Exploration of copreneurs and noncopreneurs on the dimensions of community social responsibility resulted in no significant differences (Table 5), and thus does not support the first hypothesis.

Pearson correlation coefficients were computed between the dependent and independent variables, with the results of the correlational analyses shown in Table 6. Although none of the correlations between variables are strong, a few correlations of moderate strength are identified. One dimension of community social responsibility, commitment to the community, is moderately correlated with both of the other dimensions of community social responsibility, with a moderate positive correlation between commitment to the community and community support (r = .39, p < .001) and a moderate negative correlation between commitment to the community and perception of community vitality (r = -.29, p < .001). A moderate positive correlation is also found between age of the business and community support (r = .31, p < .001), community size and education level (r = .36, p < .001), community infrastructure and commitment to the community (r = .28, p , .001), income from the business to the family and community support (r = .24, p < .001), income from the business to the family and education level (r = .25, p < .001), and income from the business to the family and business size (r = .26, p < .001). In addition, a moderately negative correlation exists between community size and age of the business (r = -.28, p < .001) and community infrastructure and perception of community vitality (r = -.30, p < .001).

While not moderate or strong in strength, other correlations are statistically significant. The statistically significant, albeit weak correlations include the relationship between age of the business and commitment to the community (r = .15, p < .05), gender and community support ($r = -.13$, $p < .05$), marital status and community support ($r = .12$, $p < .05$), business size and community support ($r = .15$, $p < .05$), education level and perception of community vitality ($r = -.15$, $p < .05$), age of the business and perception of community vitality ($r = .12$, $p < .05$), business size and perception of community vitality ($r = -.14$, $p < .05$), community size and perception of community vitality ($r = -.17$, $p < .01$), education level and age of the business owner ($r = .17$, $p < .01$), community infrastructure and age of the business owner ($r = .19$, $p = .001$), marital status and gender ($r = -.16$, $p < .01$), age of the business and gender ($r = -.19$, $p = .001$), community size and gender ($r = .19$, $p < .01$), community size and business size ($r = .16$, $p <.01$), community infrastructure and community size ($r = .22$, $p < .001$), income from the business to the family and community size ($r = .18$, $p < .01$), and family functionality and community infrastructure ($r = .16$, $p < .01$).

Parallel multiple regression analyses were conducted to predict each dimension of community social responsibility for copreneurs as compared to noncopreneurs. Noncopreneurs are the reference category in the regression analysis (Table 7). In regard to commitment to the community, age of the business and community infrastructure are significant and positive predictor variables. The age of the business has an unstandardized beta or b value of .03, $p < .01$, and community infrastructure has a b value of .19, $p < .001$. Three predictor variables are found to be positive and significant when analyzing community support, including being married or in a marriage-like relationship ($b = 1.15$, $p < .05$), age of the business ($b = .03$, $p < .001$), and income from the business to the family ($b = 1.50\text{E-}5$, $p = .001$). The analysis of perception of community vitality results in two statistically significant predictor variables. Age of the business manager ($b = .01$, $p < .05$)

has a positive influence on the business manager's perception of community vitality. In contrast, quality of community infrastructure ($b = -.06$, $p < .001$) has a negative influence on perception of community vitality.

In the final model for commitment to the community, the regression equation is significant, $F(11, 268) = 3.52$, $p < .001$ with an adjusted $r^2 = .09$. The regression equation for community support is also significant, $F(11, 268) = 5.88$, $p < .001$ with an adjusted $r^2 = .16$. Lastly, the regression equation for perception of community vitality is significant, $F(11, 268) = 4.35$, $p < .001$ with an adjusted $r^2 = .12$.

CHAPTER 5. DISCUSSION

Given that this study is designed to be exploratory in nature and is the first attempt to investigate community social responsibility among copreneurs, the results should be viewed in that framework. Characteristics of the business owner, characteristics of the business, the community context, and characteristics of the family were posited to differ between copreneurs and noncopreneurs and contribute significantly to the degree of the three dimensions of community social responsibility (commitment to the community, community support, and perception of community vitality) exhibited by the two types of family businesses. Copreneurs were expected to overall behave more socially responsible in their communities than noncopreneurs. The first hypothesis (H1), which focused on the copreneurial family business and community social responsibility, is not supported by the results. The comparison of means indicates that copreneurs and noncopreneurs do not differ significantly as to the level of community social responsibility they exhibit. As shown in the regression analysis, copreneurship does not serve as a significant predictor in any of the three dimensions of community responsibility as anticipated. Despite these findings, research on copreneurs and community social responsibility remains in the infancy stages. Further research is warranted before any definitive conclusions are drawn.

The other hypotheses, H2 to H5, are only supported in part by the results. The age of the business owner is a positive and significant predictor of perception of community vitality. Keeping in mind that the perception of community vitality dimension is based on a negatively worded item ("This used to be a better community in which to live."), the finding points to the previously mentioned concept that a business owner may become more disillusioned with the community as they age. Yet, this finding appears contrary to past research that denotes that older family business owners are more likely to support the community (Besser, 1999; Fitzgerald et al., 2003). The overall implications of the connection between age of the business owner and the perception of community vitality that emerged in this study may be indicative of a more global, accurate picture of the age variable – the age of the business owner may play a varying role based on the dimension of community social responsibility being explored and the other factors taken into consideration. Additional research to determine the complex interplay between age of the business owner and dimensions of community social responsibility is absolutely necessary, not only to further clarify the relationship, but also as a result of the aging population, which includes family businesses. Communities may become increasingly reliant on older family business owners and their perceptions of the community and engagement in the community will matter.

Another demographic variable, marital status – referring to being married or in a marriage-like relationship – is a positive and significant predictor of community support. This finding corresponds with past literature, and yet, an explanation for this finding has not been offered. It could be possible that the partnership established in a marriage translates into a sharing of responsibilities. When the household responsibilities are shared, it frees up each spouse to have more time and possibly more disposable income to share with the community. What is particularly interesting, however, is that the influence of marital status on community support does not extend to copreneurship – which can be viewed as an even greater work-family blend.

The age of the business is the only variable to predict more than one dimension of community social responsibility in a positive direction, being both a positive and significant predictor of commitment to the community as well as a positive and significant predictor of community support. A mature business becomes more rooted in the community, which may lead to great commitment and support for the community.

The results regarding satisfaction and perception of the community infrastructure are two-fold. The quality of community infrastructure is a positive and significant predictor of commitment to the community, while it is a negative and significant predictor of perception of community vitality. If a business owner is satisfied and perceives a high quality of community infrastructure, he/she may feel more apt to engage in the community. Consequently, satisfaction and perception of the available community resources and quality of those resources aligns with the level of commitment to the community. Quality of the infrastructure in the community also aligns with perception of community vitality as expected, noting again that the dimension of perception of community vitality is based on a negatively worded item. A business owner satisfied with the quality of the community infrastructure may not agree with the statement “This used to be a better community in which to live,” rather feeling that the community has improved. Not surprisingly, business owners dissatisfied with the quality of the community infrastructure may assert that the community has declined over time and offers less for residents and businesses. In light of these findings regarding the community infrastructure, it may be beneficial to explore the community context further in the future. Specifically, future research could focus on how the community has changed over time and how this might impact the level of community social responsibility exhibited by a family business.

Income from the business to the family is a positive and significant predictor of community support. As suggested by the literature, a greater amount of income brought in from the business and shared with the family may provide the business owner greater freedom and ability to support, either in the form of time or money, community endeavors. Further research is needed in order to more fully flesh out the connection.

This last finding provides the strongest connection back to the Sustainable Family Business Theory in which this study was grounded. Income from the business to the family was used as a holistic view of family business success. According to the theory, business success can in turn help support and sustain the family, thereby leading to family success (Stafford et al., 1999). With both the business and the family successful, the family business can offer greater community support, just as the finding above indicates. Moreover, the Sustainable Family Business Theory asserts that family business success requires the business to be in harmony with the community (Danes et al., 2008). Thus, the harmony between the business and the community leads to business success, which in turn contributes toward family success and eventually results in support reciprocated to the community. Consequently, the mutual connection that exists between the family, the business, and the community directs in part the community social responsibility of family businesses. Additional connections between predictors of community social responsibility and the Sustainable Family Business Theory should be examined in future research.

Limitations

Despite furthering understanding of an underdeveloped area in the family business literature, limitations exist in this study. Data used for analysis was collected in 2000, thus introducing a gap in time from the data collection point and the present day. The current economic situation within the nation raises questions as to the applicability and accuracy of findings based on data from 2000.

The operational definition of business success in the study represents another potential limitation. Although the study corresponds with the majority of past research addressing business success that relies on an objective measure of the concept (Masuo et al., 2001; Niehm et al., 2008), the use of a subjective measure of business success has grown (Masuo et al., 2001). A subjective measure of business success has been set forward as a method in which to tap into a more general view of the concept (Besser, 1999; Dess & Robinson, 1984). However, the similarity in the two measures often prevents the inclusion of both in an analysis. Given the long-standing support for objective measures of business success (Dess & Robinson, 1984), the current study purposefully employs such a measure.

The dimensions of community social responsibility used in this study need to be examined further, in particular to determine the validity of the measures. The alphas for the commitment to the community and community support indices, in particular, remain lower than desired, suggesting that more reliable measures may be able to be developed.

Strengths and Significance of the Study

One noteworthy strength of this study is the data set which was utilized. The 1997 panel of the National Family Business Survey data consists of a nationally representative and large sample and in the 2000 panel, researchers attempted to follow those same individuals and included variables related to community social responsibility. An index previously used in the literature with established reliability and validity, the family APGAR, is employed in the study, representing another strength.

The primary significance of the present study results from the addition it will provide to the family business literature. Specifically, knowledge of the socially responsible behaviors of copreneurs and noncopreneurs helps to fill a gap in the literature regarding the perspective of copreneurs and the contributions they make to communities. In addition, this study will help direct future research efforts on copreneurs by generating questions and issues to explore further. Furthermore, this study serves as a stepping stone in which the impact of the aging copreneurial family business on community can be explored.

In conclusion, this exploratory study provides a first step towards understanding the community social responsibility behaviors exhibited by copreneurial family businesses. Preliminary findings in this study highlight many potential areas for future research. In particular, research efforts may turn to analyzing copreneurs over time to better understand how community socially responsible behaviors may change as the couples age. Along with pointing to future research, this study demonstrates the value of considering characteristics of the business owner, business, community, and family when investigating the behaviors of family businesses. Family businesses, just like any individual person, do not operate in a vacuum. Consequently, analysis of family businesses should seek to include these possible influencers and strive to determine the role each context surrounding the business plays.

REFERENCES

Aram, J. D. (1989). The paradox of interdependent relations in the field of social issues in management. *Academy of Management Review, 14*, 266-283.

Arlow, P., & Gannon, M. J. (1982). Social responsiveness, corporate structure, and economic performance. *Academy of Management Review, 7*, 235-241.

Baker, S. (1999). Five baselines for justification in persuasion. *Journal of Mass Media Ethics, 14*, 69-81.

Besser, T. L. (1998). The significance of community to business social responsibility. *Rural Sociology, 63*, 412-431.

Besser, T. L. (1999). Community involvement and the perception of success among small business operators in small towns. *Journal of Small Business Management*, *37*(4), 16-29.

Besser, T. L., & Miller, N. (2001). Is the good corporation dead? The community social responsibility of small business operators. *Journal of Socio-Economics, 33*, 221-241.

Brown, D. J., & King, J. B. (1982). Small business ethics: Influences and perceptions. *Journal of Small Business Management*, *20*(1), 11-18.

Chrisman, J. J., & Archer, R. W. (1984). Small business social responsibility: Some perceptions and insights. *American Journal of Small Business, 9*(2), 46-58.

Chrisman, J. J., & Fry, F. L. (1982). Public versus business expectations: Two views on social responsibility for small business. *Journal of Small Business Management, 20*(1), 19-26.

Cragg, P. B., & King, M. (1988). Organizational characteristics and small firms' performance revisited. *Entrepreneurship Theory and Practice, 13*(2), 49-64.

Cox, J. A., Moore, K. K., & Van Auken, P. M. (1984). Working couples in small business. *Journal of Small Business Management, 22*(4), 24-30.

Danes, S. M., Lee, J., Stafford, K., Heck, R. K. Z. (2008). The effects of ethnicity, families and culture on entrepreneurial experience: An extension of sustainable family business theory. *Journal of Developmental Entrepreneurship, 13*, 229-268.

Dess, G. G., & Robinson, R. B., Jr. (1984). Measuring organizational performance in the absence of objective measures: The case of the privately-held firm and conglomerate business unit. *Strategic Management Journal, 5*, 265-273.

Fitzgerald, M. A., Haynes, G. W., Schrank, H. L., & Danes, S. M. (2010). Socially responsible processes of small family business owners: Exploratory evidence from the National Family Business Survey. *Journal of Small Business Management, 48,* 524-551.

Fitzgerald, M. A., & Muske, G. (2002). Copreneurs: An exploration and comparison to other family businesses. *Family Business Review, 15*, 1-16.

Fitzgerald, M. A., Muske, G., & Muske, K. L. (2008). Copreneurs and business social responsibility within the context of community vulnerability [Abstract]. *Proceedings from the International Council for Small Business (ICSB) 2008 World Conference*, 101.

Fitzgerald, M. A., Sanders, G. F., Philbrick, C. A., & Metcalfe, W. (2003). Senior business leaders: Experiences and satisfactions. In P. Poutziouris & L. P. Steier (Eds.), *Family Business Network World Conference Research Forum Proceedings: New*

Frontiers in Family Business Research and the Leadership Challenge (pp. 378-389). Manchester Business School and the University of Alberta School of Business.

Foley, S., & Powell, G. N. (1997). Reconceptualizing work-family conflict for business/marriage partners: A theoretical model. *Journal of Small Business Management, 35*(4), 36-47.

Korsching, P. F., & Allen, J. C. (2004). Locality based entrepreneurship: A strategy for community economic vitality. *Community Development Journal, 39*, 385-400.

Kotey, B., & Meredith, G. G. (1997). Relationships among owner/manager personal values, business strategies, and enterprise performance. *Journal of Small Business Management*, *35*(2), 37-64.

Lepoutre, J., & Heene, A. (2006). Investigating the impact of firm size on small business social responsibility: A critical review. *Journal of Business Ethics, 67,* 257-273.

Marshack, K. J. (1993). Coentrepreneurial couples: A literature review on boundaries and transitions among copreneurs. *Family Business Review, 6*, 355-369.

Marshack, K. J. (1994). Copreneurs and dual-career couples: Are they different? *Entrepreneurship Theory and Practice, 19*(1), 49-69.

Masuo, D., Fong, G., Yanagida, J., & Cabal, C. (2001). Factors associated with business and family success: A comparison of single manager and dual manager family business households. *Journal of Family and Economic Issues, 22*, 55-73.

Miller, N. J., & Besser, T. L. (2000). The importance of community values in small business strategy formation: Evidence from rural Iowa. *Journal of Small Business Management, 38*(1), 68-85.

Muske, G., & Fitzgerald, M. A. (2006). A panel study of copreneurs in business: Who enters, continues, and exits? *Family Business Review*, *19*, 193-205.

Niehm, L. S., Swinney, J., & Miller, N. J. (2008). Community social responsibility and its consequences for family business performance. *Journal of Small Business Management, 46*, 331-350.

O'Connor, V., Hamouda, A., McKeon, H., Henry, C., & Johnston, K. (2006). Co-entrepreneurial ventures: A study of mixed gender founders of ICT companies in Ireland. *Journal of Small Business and Enterprise Development, 13,* 600-619.

Olson, P. D., Zuiker, V. S., Danes, S. M., Stafford, K., Heck, R. K. Z., & Duncan, K. A. (2003). The impact of the family and the business on family business sustainability. *Journal of Business Venturing, 18*, 639-666.

Ponthieu, L. D., & Caudill, H. L. (1993). Who's the boss? Responsibility and decision making in copreneurial ventures. *Family Business Review, 6,* 3-17.

Sharma, P. (2004). An overview of the field of family business studies: Current status and directions for the future. *Family Business Review, 17,* 1-36.

Smilkstein, G. (1978). The family APGAR: A proposal for a family function test and its use by physicians. *Journal of Family Practice, 6*, 1231-1239.

Smilkstein, G., Ashworth, C., & Montano, D. (1982). Validity and reliability of the family APGAR as a test of family function. *Journal of Family Practice, 15*, 303-311.

Smith, C. R. (2000). Managing work and family in small "copreneurial" business: An Australian study. *Women in Management Review, 15,* 283-289.

Stafford, K., Duncan, K. A., Danes, S. & Winter, M. (1999). A research model of sustainable family businesses. *Family Business Review*, *12*, 197-208.

Thompson, K. D. (1990). Married…with business. *Black Enterprise, 20*(9), 46-54.

Tompson, G. H., & Tompson, H. B. (2000). *Determinants of successful co-preneurship*. Paper presented at the ICSB World Conference, Brisbane, Australia

USDA Economic Research Service. (2007). *Measuring rurality: What is rural*? Retrieved December 5, 2008, from http://www.ers.usda.gov/Briefing/Rurality/WhatisRural/

Wilson, E. (1980). Social responsibility of business: What are the small business perspectives? *Journal of Small Business Management, 18*(3), 17-24.

Winter, M., Danes, S. M., Koh, S.-K., Fredericks, K., & Paul, J. J. (2004). Tracking family businesses and their owners over time: Panel attrition, manager departure and business demise. *Journal of Business Venturing, 19*, 535-559.

Winter, M., Fitzgerald, M. A., Heck, R. K. Z., Haynes, G. W., & Danes, S. M. (1998). Revisiting the study of family businesses: Methodological challenges, dilemmas, and alternative approaches. *Family Business Review, 11*, 239-252.

Table 1

Demographic Characteristics and Comparison of Means of Copreneurs (n = 116) and Noncopreneurs (n= 164)

	Copreneurs (n = 116)		Noncopreneurs (n = 164)			
	%	Mean	%	Mean	T-Test or Chi-Square	*p*
Age (in years)		49.04		49.55	0.40	0.69
Gender						
Male	84.50		63.40			
Female	15.50		36.60		15.01	0.00
Education level (in years)		14.08		14.70	2.30	0.02
Marital status						
Married	100.00		87.20			
Not married	0.00		12.80		16.06	0.00

Table 2

Business Characteristics and Comparison of Means of Copreneurs (n = 116) and Noncopreneurs (n= 164)

	Copreneurs (n = 116)		Noncopreneurs (n = 164)			
	%	Mean	%	Mean	T-Test or Chi-Square	*p*
Age of business (in years)		24.25		23.76	-0.18	0.86
Business size		4.97		6.31	0.51	0.61

Table 3

Community Context and Comparison of Means of Copreneurs (n = 116) and Noncopreneurs (n= 164)

	Copreneurs (n = 116)		Noncopreneurs (n = 164)			
	%	Mean	%	Mean	T-Test or Chi-Square	*p*
Community size						
On a farm	32.80		12.80			
In a rural area but not on a farm	20.70		16.50			
In a small town of less than 2,500	9.50		12.20			
In a town or city from 2,5000 up to 10,000	8.60		17.70			
In a city from 10,000 up to 50,000	12.10		12.80			
In a city or urban area of 50,000 or more	16.40		28.00		21.98	0.001
Community infrastructure		28.64		29.37	1.08	0.28

Table 4

Family Characteristics and Comparison of Means of Copreneurs (n = 116) and Noncopreneurs (n= 164)

	Copreneurs (n = 116)		Noncopreneurs (n = 164)			
	%	Mean	%	Mean	T-Test or Chi-Square	*p*
Family functionality		20.62		20.63	0.02	0.99
Income from business to family		33,919.88		36,301.93	0.59	0.56

Table 5

Community Social Responsibility and Comparison of Means of Copreneurs (n = 116) and Noncopreneurs (n= 164)

	Copreneurs (n = 116)		Noncopreneurs (n = 164)			
	%	Mean	%	Mean	T-Test or Chi-Square	*p*
Commitment to the community		21.47		21.77	0.65	0.52
Community support		8.65		8.13	-1.67	0.10
Perception of community vitality		2.73		2.51	-1.57	0.12

Table 6

Correlation Matrix of Community Social Responsibility, Business Owner Characteristics, Business Characteristics, Community Context, and Family Characteristics

	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.
Community Social Responsibility													
1. Commitment to community	1.00												
2. Community support	0.39***	1.00											
3. Perception of community vitality	-0.29***	-0.10	1.00										
Business Manager Characteristics													
4. Age (in years)	0.08	0.11	0.06	1.00									
5. Gender	-0.10	-0.13*	-0.06	-0.10	1.00								
6. Education level (in years)	0.02	0.07	-0.15*	0.17**	0.11	1.00							
7. Marital status	-0.05	0.12*	-0.05	-0.02	-0.16**	-0.05	1.00						
Business Characteristics													
8. Age of business (in years)	0.15*	0.31***	0.12*	0.09	-0.19***	-0.03	-0.09	1.00					
9. Business size	0.05	0.15*	-0.14*	-0.04	-0.03	0.08	0.04	0.03	1.00				
Community Context													
10. Community size	0.07	-0.04	-0.17**	0.02	0.19**	0.36***	-0.10	-0.28**	0.16**	1.00			
11. Community infrastructure	0.28***	-0.00	-0.30***	0.19***	0.01	0.09	-0.00	-0.09	-0.01	0.22***	1.00		
Family Characteristics													
12. Family functionality	0.08	0.09	-0.08	0.04	0.08	0.04	0.02	0.02	0.04	0.11	0.16**	1.00	
13. Income from business to family	0.07	0.24***	-0.08	-0.04	-0.05	0.25***	0.04	0.04	0.26***	0.18**	-0.08	0.07	1.00

*** $p < .001$, ** $p < .01$, * $p < .05$

Table 7

Multiple Regression Analysis of Copreneurs and Community Social Responsibility

	Commitment to Community		Community Support		Perception of Community Vitality	
	b	*p*	*b*	*p*	*b*	*p*
Copreneurs	-0.15	0.75	0.41	0.18	0.15	0.28
Business Manager Characteristics						
Age (in years)	0.01	0.83	0.02	0.15	**0.01**	**0.04**
Gender	-0.68	0.19	-0.15	0.65	-0.04	0.78
Education level (in years)	-0.07	0.52	0.03	0.72	-0.06	0.08
Marital status	-0.64	0.45	**1.15**	**0.04**	-0.27	0.29
Business Characteristics						
Age of business (in years)	**0.03**	**0.01**	**0.03**	**0.00**	0.00	0.26
Business size	0.00	0.69	0.01	0.14	-0.01	0.07
Community Context						
Community size	0.11	0.43	0.01	0.92	-0.01	0.84
Community infrastructure	**0.19**	**0.00**	0.01	0.77	**-0.06**	**0.00**
Family Characteristics						
Family functionality	0.04	0.60	0.05	0.26	-0.01	0.70
Income from business to family	8.55E-6	0.22	**1.50E-5**	**0.00**	-1.35E-6	0.52
Model Statistics	$F = 3.52$, $p = 0.00$		$F = 5.88$, $p = 0.00$		$F = 4.35$, $p = 0.00$	
Adjusted r^2	0.09		0.16		0.12	
Degrees of Freedom	279		279		279	

APPENDIX

Table A1

Community Infrastructure Index and Comparison of Means of Copreneurs (n = 116) and Noncopreneurs (n= 164)

	Copreneurs (n = 116)		Noncopreneurs (n = 164)			
	%	Mean	%	Mean	T-Test or Chi-Square	*p*
Community infrastructure						
Local schools		3.65		3.66	0.13	0.90
Community facilities and services		3.86		3.91	0.43	0.67
Recreation facilities		3.24		3.54	2.03	0.04
Roads and transportation		3.42		3.31	-0.82	0.42
Telecommun-ication services		3.65		3.62	-0.23	0.82
Health care services		3.32		3.80	3.69	0.000
Public safety		3.80		3.82	0.19	0.85
Opportunities for adult education		3.70		3.70	-0.02	0.98

Table A2

Family Functionality Index and Comparison of Means of Copreneurs (n = 116) and Noncopreneurs (n= 164)

	Copreneurs (n = 116)		Noncopreneurs (n = 164)			
	%	Mean	%	Mean	T-Test or Chi-Square	*p*
Family functionality						
Can turn to family		4.47		4.34	-1.24	0.22
Family talks		3.97		4.01	0.43	0.67
Family supports		4.16		4.15	-0.15	0.88
Family expresses affection		4.16		4.18	0.14	0.89
Family shares time		3.86		3.95	0.84	0.40

Table A3

Community Social Responsibility Indices and Comparison of Means of Copreneurs (n = 116) and Noncopreneurs (n= 164)

	Copreneurs (n = 116)		Noncopreneurs (n = 164)			
	%	Mean	%	Mean	T-Test or Chi-Square	*p*
Commitment to the community						
People care about the business		3.09		3.01	-0.59	0.56
Not much to gain by remaining		2.61		2.34	-2.06	0.04
Brag about community		3.62		3.66	0.35	0.73
Willing to expend resources		3.77		3.73	-0.36	0.72
Can find someone to talk with		3.90		4.05	1.63	0.11
Satisfied with support from community		3.71		3.64	-0.68	0.50
Community support						
Contact with local economic development		2.96		2.90	-0.39	0.70
Provided assistance in community		2.33		2.15	-1.33	0.19
Provided donations to school		3.36		3.08	-2.00	0.05
Perception of community vitality						
Used to be better community		2.73		2.51	-1.57	0.12