

**Indigenous Rural Entrepreneurialism and Social Venturing Within Native  
Alaskan and Canadian Aboriginal Communities: An Empirical  
Analysis of Critical Success Factors and Socio-Economic  
Benefits of Alaska Native Corporations**

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*This research examines the correlation between Alaskan Native Corporations' corporate social responsibility investment strategies and their impact on effectively creating entrepreneurial opportunities for Alaskan Native communities. Our analysis begins by examining factors affecting the alignment of Alaska Native Corporation values with indigenous cultural values (Anders & Anders, 1987). It then builds off further from previous research into social entrepreneurship and indigenous people (Curry, Donker, & Michel, 2016). We reviewed existing literature addressing connections between indigenous culture and entrepreneurial opportunities (Bardy, Drew, & Kennedy, 2011) and then adapted Donker, et. al.'s (2008) research model for assessing the relationship between corporate values and firm performance to establish a method for data collection and analysis.*

*We hypothesize that there is a significantly positive and strong correlation between economic community development and corporate financial performance when Alaska Native cultural values are integrated into Alaska Native Corporations, when gender diversity is promoted in leadership roles within the corporations and within entrepreneurial businesses within Alaska Native communities, and when serious reasonable efforts are made to promote social well-being, economic, and educational development. In our assessment of cultural values and their impact on firm performance in Alaska Native Corporations, we used H. Donker, et. al.'s (2008) research model for assessing the relationship between corporate values and firm performance to provide a method for data collection and analysis.*

*We also examined publicly available data regarding socio-economic factors to gauge labor participation including unemployment rates, high school Indigenous Rural Entrepreneurialism and Social Venturing in Alaska graduation rates, and student performance. This data was correlated with Alaska Native Corporation community investment programs to evaluate connections and test our hypothesis. We examined the gender diversity of Alaska Native Corporations Board of Directors to identify any impacts on firm performance, specifically how the gender diversity of corporate executive boards impacts investments in communities. Our data sample focused on the twelve regional Alaska Native Corporations, their respective non-profit foundations, and their affiliated communities.*

*Keywords: indigenous, aboriginal, ethics, corporate social responsibility, entrepreneurship, cultural, gender diversity, gender specific decision-makers, matriarchal and patriarchal culture, Alaska native corporations*

## **INTRODUCTION AND OVERVIEW**

Alaska Native Corporations may have a direct impact on the social and economic well-being of Alaska Native communities. Their organizational culture, ethics, and economic performance are influenced by Alaska Native cultural values. In turn, corporate management practices and values, gender roles, and acceptance of gender diversity in business leadership, and social responsibility investments impact the financial performance of those corporations and influence the entrepreneurial opportunities of the communities to which they are connected. Assumptions with respect to Alaska Native Corporations and Communities are based on existing academic literature which identifies evidence of such connections in other regions with indigenous cultures, as well as the data we collected and presented herein. Some research has studied the indigenous communities and corporations in Australia, Canada, New Zealand, and sub-Saharan Africa. Research specific to the developing regions of sub-Saharan Africa provided a measuring stick for our assessment of Alaska Native community development because of similarities in tribal community makeup and lack of infrastructure. The authors identified evidence of a correlation between community development and market participation, and long-term positive economic impacts on communities in developing regions that receive direct investment (Bardy, et. al., 2011). Corporations have benefited from the integration of indigenous culture into the firm.

Curry and his colleagues identified a connection between values and beliefs of indigenous people, Development Corporations, social entrepreneurship, and labor participation rates (Curry et al., 2016). Their

research provides tangible evidence of the socio-economic linkages that exist between Alaska Native Corporations and their affiliated communities. Curry's research further opined that entrepreneurship can be measured by examining the percentage of individuals who work for themselves compared to those that work for other people (Curry et al., 2016). Coupled together, these researchers offer tools to measure indigenous community development and the cultural values impact on that development.

Research has also revealed that there are many challenges faced by indigenous entrepreneurs because of the isolated nature of many Alaska Native communities, as well as challenges integrating Alaska Native culture into western-style corporate management structures (Anders & Anders, 1987). Some of these challenges include promotion of gender diversity in traditionally patriarchal cultural structures. Our study also explores gender gaps in corporate leadership in Alaska Native communities and related themes and research theses. Other challenges include barriers to entrepreneurial success for students seeking higher education (Morley, 2014). This research paper will answer the question: "How can Alaska Native Corporations enhance entrepreneurial opportunities within their communities?"

## LITERATURE REVIEW

### **Culture and Corporate Value Alignment & Labor Participation**

Understanding the unique structure of Alaska Native Corporations, its impact on corporate activities, and the effect of indigenous culture on the aforementioned components is foundational to understanding how management strategy impacts entrepreneurial opportunities. In this section we identify supposed conflicts between traditional Alaska Native cultural values and westernized corporate business practices, and the challenges of aligning the two as they are defined, by aged, but still relevant research observations of Anders & Anders (1987). Some of these barriers include a conflict between the valuation of business and subsistence practices, and a lack of business education and experience among Alaska Native stakeholders.

We also explore how the investments into indigenous Canadian corporations and a community's shared cultural values are linked to labor participation rates by reviewing empirical findings from Curry and colleagues (2016) of such connections in Canadian First Nations communities and corporations. We discuss the framework designed by Curry's colleague H. Donker for measuring cultural value impact on firm performance.

#### *Alignment of Alaska Native Corporations and Their Cultural Values*

Alaska Native Corporations are under the control and ownership of Alaska Natives. In Chapter 7 of "Developing America's Northern Frontier", Anders & Anders (1987) stated the focus is on the values of Alaska Native organizations and how they have become conflicted with the culture of the Alaska Native communities (Anders & Anders, 1987). Much of the identity held by Alaska Native Corporations is central to maintaining land preservations and upholding culture, but bringing the corporate culture to the Alaska Native community culture has led to conflicting values. An important consideration is determining whether corporate culture is overpowering the community culture that Alaska Natives are accustomed to. Culture and value ties are very important to Alaska Native people, so it is often something they bring with them to reflect upon themselves when assuming new roles in Alaska Native Corporations. Unfortunately, there are doubts of the capabilities of traditional Alaska Natives and that corporate culture is too drastic a change for them to adapt to (Anders & Anders, 1987). Some Alaska Natives consider living off the land in rural communities a better way to live and maintain their values rather than adapting to Westernized culture. These communities are beginning to fear their own Native Corporations are pulling them away from their culture (Anders & Anders, 1987). A balance of profits and cultural value conservation is what Alaska Native Corporations need to focus on for their shareholders (Robinson, 2016). Providing employment to Alaska Natives that will allow them to maintain and live by their cultural values is vital to ensuring that employment rates rise rather than stagger (Anders & Anders, 1987). In 1980, the labor force participation rates were under 50% for Alaska Natives, and in 2018 it is still under 60% (for both genders) (Anders & Anders, 1987). Alaska Native Corporations have changed in positive ways since 1980 but continue to struggle to

focus on the most effective strategies to give their shareholders employment and educational experiences they need to be successful in the workplace (Robinson, 2016).

Managerial talent among Native Alaska people has been identified as primarily centralized in the large corporations. Sometimes corporations must turn to outside consultants for help rather than bringing in shareholders due to the lack of education and skills held by their internal employees (Anders & Anders, 1987; BLS, 2019). This does not help identify the internal competencies that the employed shareholders may already have. An additional issue faced in the initial stages of forming Alaska Native Corporations was many of the shareholders that were going to be employed by them were not educated in business nor were they familiar with corporate models and the concepts surrounding them (Anders & Anders, 1987). This caused an abundance of confusion with roles that needed to be filled and what could realistically be accomplished with shareholders. Alaska Native Corporations were created in 1971, and at that time, 66% of Alaska Natives over the age of 25 had been in school for less than eight years (Lane & Thomas, 1987). As mentioned by Anders & Anders (1987), the lack of education among Alaska Natives was hurting the development of these corporations.

The professional education and experience levels held by Alaska Natives are lower than non-indigenous people in Alaska (BLS, 2019). With the Alaska Native community becoming more involved with business opportunities through assistance of Alaska Native Corporation efforts, they are finding the current Alaska Native leadership pool very limited (Anders & Anders, 1987). The for-profit structure of Alaska Native Corporations does not appear to be focusing on what matters most to its typical Native shareholders, which are their values and cultures (Robinson, 2016).

### *Labor Participation*

Labor participation is a byproduct of community investment. Community investment is a byproduct of community's shared values. In their respective research, Social entrepreneurship and indigenous people, Curry and his colleagues traced a link between values and beliefs of indigenous people, Development Corporations, social entrepreneurship, and labor participation rates (Curry et al., 2016). These findings are valuable to researchers and practitioners because they identify variables that can be used to access entrepreneurship opportunities and indigenous people.

Curry et al.'s (2016) findings implore the question – do Alaska Native Corporations with development subsidiaries with purpose driven social missions have enhanced labor participation? Curry's research studied Canadian First Nation indigenous people, their cultural values, quasi- corporate structure (Development Corporations), and impacts of those variables on labor participation. First Nations people are aboriginal people. Aboriginal people is “the collective name for the original people of North America;” this research is therefore relevant to Alaska Natives.

Community Development corporations “are community-owned corporations that manage local businesses” (Curry et al., 2016). In this context they are specifically First Nation territorial bodies set up by the Canadian government “to serve the needs and goals of the First Nations people and provide financial support to the community” (Curry et al., 2016). Alaska Native Corporations are different from Community Development corporations. As stated in the previous section, they are for-profit corporations (Robinson, 2016). As for-profit corporations their legal obligation is to maximize dividends and shareholder value. There is a stark difference between the primary purpose of Alaska Native Corporations and Development Corporations; however, Alaska Native Corporations are also unique from traditional for-profit corporations because their shareholders are restricted to indigenous people with specific Alaska native lineage (Robinson, 2016). Given the unique makeup of shareholders being limited to indigenous people they share common cultural values. This results in for-profit corporations that are community capitalists, a “blend between profit-making and community wellbeing” (Curry et al., 2016). This finding is counter to Anders & Anders (1987), as was cited above, but important because it offers an avenue to further explore the cultural values impact on economic development.

Curry and his fellow researchers (2016) refer to Wuttunee (2010) and Wood (1999) when describing community capitalists. Research affirms that “indigenous communities engage in capitalistic activities for the benefit of society.” During a 2005 Alaska Initiative for Community Engagement study among Alaskan

natives “sharing, loyalty, helping other people, and generosity” were identified as common values. These common values correlate with societal benefit.

As stated above, Alaska Native Corporations’ for-profit structure naturally directs the corporate focus to maximizing profit. Currently, Alaska Native Corporations are not required to commit funds to their respective communities; albeit many do. (Robinson, 2016) Furthermore, Curry’s data identified that the number of self-employed First Nations equated to the number that worked for someone else thereby implying “an entrepreneurial spirit [exists] amongst First Nations communities.” Given the cultural connectedness of Alaska Native Corporation shareholders and Curry’s observations of “entrepreneurial spirit” (Curry et al., 2016), it is reasonable to use Curry’s research on community Development Corporations as a baseline to theorize whether Alaska Native Corporations have corporate social responsibility initiatives similar to community Development Corporations and whether a correlation with “entrepreneurial spirit” exists and is nurtured.

When the mission of entrepreneurship is integrated into Development Corporations labor participation is positively impacted. In fact, “implementation of Development Corporations with a social mission is key to the success of First Nation communities.” (Curry et al., 2016). Capitalist activities that benefit society have a loose connection to social entrepreneurship. Entrepreneurship is defined as “the pursuit of opportunity beyond resources controlled” (Eisenmann, 2013). There are two subsets of entrepreneurship: traditional and social (Gandhi, 2018). Social entrepreneurship intentionally includes elements of traditional culture with an intent of “social, economic, and environmental innovation, change, and evolution” (Curry et al., 2016). This important finding creates a baseline that allows for application of entrepreneurship frameworks on indigenous people’s corporate structures.

Curry and his colleagues’ (2016) findings offer valuable insights that can be used when analyzing Alaska Native Corporations. Their secondary observations should also be taken into consideration when attempting to build off of their research. Those observations include “remoteness and smallness of the population base of aboriginal communities inhibited successful economic development,” business failure was due to a lack of available funding, and the surprising finding of a negative correlation between economic development officers and labor force participation (Curry warns this unexpected finding may be a byproduct of remoteness and successful economic development albeit further research is required) (Curry et al., 2016).

Analyzing relationships between values and beliefs and corporations’ community investment requires qualitative data to be transformed into quantitative data. In their research *Corporate Values, Codes of Ethics, and Firm Performance: A Look at the Canadian Context* researchers Hans Donker, Deborah Poff, and Saif Zahi designed then tested two frameworks to measure correlation: culture-value index (CV-Index) and a market-to-book value formula (MTB) (Donker et al., 2008).

The CV-Index uses Schwartz’s 2005 universal moral values as a baseline: trustworthiness, respect, responsibility, fairness, caring, and citizenship. Donker deduced ten terms from these moral values: accountability, courage, excellence, fairness, honesty, honor, respect, trust, integrity, and responsibility. Each term was provided a value of one. Subjects’ publicly available information was scoured to identify whether a code of ethics existed; if so, the CV-Index was applied. Subjects without a code of ethics had a CV-Index value of zero. (Donker et al., 2008)

The CV-Index finding was included in the MTB value calculation. The MTB calculation included the log of total assets, percentage of total book debt over total assets, percentage of net earnings over market capitalization, and CV-Index finding. The data was combined to obtain the MTB ratio. An OLS regression was completed. (Donker et al., 2008)

Their findings found “statistically significant evidence that corporate values positively correlate with firm performance.” Further their “empirical findings suggest corporate ethics is vital for management, employees, shareholders, stakeholders, and the community at large.” (Donker et al., 2008) Donker’s findings align with Curry’s findings while offering a blueprint for measuring corporate values with financial performance.

## Concepts in Indigenous Entrepreneurship & Education

Curry and his colleagues used a broad definition of social entrepreneurship within their research. They loosely measured entrepreneurship presence in a community as the number of individuals that worked for themselves compared to those that worked for other people. They called this the “entrepreneurial spirit”. Researcher Noel Lindsey used the narrower definition of indigenous entrepreneurship when identifying factors of success for indigenous entrepreneurs: Indigenous entrepreneurship is defined as the creation management and development of new ventures by Indigenous people for the benefit of Indigenous people (Lindsay, 2005).

### *Critical Success Factors*

In 2014, the Australian Institute of Health and Welfare conducted a study to identify success factors amongst indigenous entrepreneurs (Morley, 2014). The study found a gap in research with evaluation data and documentation needed to determine the number of indigenous businesses and their products or services being offered (Morley, 2014). The commonality between indigenous entrepreneurs and community-based enterprises identified is that both attempt to avoid hardships that arise with poverty for themselves, their families, or their communities (Morley, 2014).

According to a 2011 census, the Australian Bureau of Statistics found most popular business industries amongst indigenous entrepreneurial business owners or managers are construction, retail trade and rental, and hiring and real estate services (Morley, 2014). The Australian study found six success factors important for determining the potential longevity of the indigenous entrepreneurship: The first factor is proper access to adequate financial capital. A challenge within this factor is indigenous entrepreneurs often face the stereotype of being high-risk clients as indigenous entrepreneurs do not receive inheritance from previous generations (Morley, 2014). The second factor is successful indigenous entrepreneurs need access to sound financial and business advice and support networks (Morley, 2014). The third factor for a successful entrepreneurial venture is the ability to test the business plan. A belief is many indigenous entrepreneurs fail because they fail to test their business plan on a realistic assessment of their target market. Indigenous entrepreneurs should plan and prepare ahead for their target market and not to assume that the business will just work itself out in the long run (Morley, 2014). Factor one aligns with Curry’s findings and factors two and three address Curry’s concern regarding his unexpected finding of a negative correlation between economic development officers and labor force participation; albeit Curry suggested this finding may be due to the scope of his participants (Curry et al., 2016).

The fourth factor identified is the utilization of financial literacy. Indigenous entrepreneurs should attend financial literacy training events to educate themselves so they can determine the viability of their business ideas and make a plan for their next stages of business accordingly (Morley, 2014). The fifth factor is heavily correlated to the second; successful indigenous entrepreneurs develop partnerships and access business networks for seeking business-related advice and creating connections to potential suppliers and customer pools (Morley, 2014). The sixth and potentially most important factor of successful indigenous entrepreneurship is the embeddedness of the culture into the business (Morley, 2014). Embedding culture into the indigenous business including creating the business structure in such a way that it promotes, preserves, and protects indigenous culture. One example of this is to build a structure that is consistent with the tribes’ traditional governance, whereby an Elder represents each family group (Morley, 2014). This example is consistent with Curry’s findings outlined above and aligns with research linking cultural values to business.

The seventh factor among successful indigenous entrepreneurs is maintaining good governance and proactively taking steps to ensure poor governance does not happen (Morley, 2014). The final factor of successful indigenous entrepreneurship is strong community involvement. There are a multitude of benefits that can come from indigenous businesses involving their community. When communities are involved, the business receives more support, expanded knowledge and experience base, and increased accountability from the community (Morley, 2014). While Curry’s findings opined a measurement of community “entrepreneurial spirit” Morley identified factors that nurture that spirit to achieve entrepreneurship.

### *Impact of Attitude & Cultural Dimensions*

More critical to success than the eight factors is the attitude of the entrepreneur. This framework is valuable for assessing entrepreneurial success. The Entrepreneurial Attitude Orientation (EAO) scale was designed to measure entrepreneurial attitude specific to an attitude task. Positive entrepreneurial attitude often leads to new venture creation and professional behavior development. Negative entrepreneurial attitude often leads to failed business ventures. It is the predisposition of response of a favorable or unfavorable nature. (Lindsay, 2005)

The EAO uses a three-part model: affect, cognition, and conation. Entrepreneurial attitude can change based on influential thoughts, feelings, and intentions towards innovation, achievement, self-esteem, and personal control factors. Ultimately, it is not clear whether a person has an entrepreneurial attitude prior to becoming entrepreneurs or if it is developed as a result of becoming an entrepreneur. Key variables to consider when attempting to understand indigenous entrepreneurial attitudes are cultural dimensions. (Lindsay, 2005).

Cultural dimensions are most commonly measured with Hofstede's Cultural Value Dimensions: power distance, individualism/collectivism, uncertainty avoidance, masculinity/ femininity, and Confucian dynamism (Lindsay, 2005). According to a 1992 study of entrepreneurial cultural values, researchers McGrath, MacMillan, & Scheinberg (1992) found common entrepreneurial values to be low collectivism with high individualism (Lindsay, 2005). Alternatively, in a 1997 study of indigenous cultural values using these measures, Redpath and Nelson identified high collectivism with low individualism, low power distance, low uncertainty avoidance, high femininity with low masculinity, and found the Confucian dynamism to difficult to apply to indigenous cultural values (Lindsay, 2005). The gap in research is a lack of indigenous entrepreneurial cultural values. However, because of strong indigenous cultural influences on indigenous entrepreneurs, one could expect there is no significant difference between indigenous cultural values and indigenous entrepreneurial values (Lindsay, 2005).

### *The Influence of Entrepreneurial and Educational Assistance on Potential Opportunities for Indigenous People*

In the state of Alaska, members of the Alaska Native population live in remote areas therefore face unique challenges finding the same quality of employment and entrepreneurial opportunities as individuals in urban settings. Because they are faced with these types of challenges, Alaska Natives often do not have the same outcomes as non-indigenous people who are working towards the same entrepreneurial goals. This is also the case for educational advancements, such as high school graduation rates or pursuing a higher level of education.

Programs available throughout Alaska are evolving to better support Alaska Native educational goals, but according to the National Center for Educational Statistics (McFarland, Cui, & Stark 2016), the graduation rate of American Indian/Alaska Natives in 2017 was only 72%, which is the lowest rate for any reported group. American Indian/Alaska Native males were also cited as having the highest dropout rates in comparison to females.

In the OECD Reviews on Local Job Creation Indigenous Employment and Skills Strategies in Canada, the concepts of indigenous people and the roadblocks they face finding entrepreneurial and educational opportunities are thoroughly discussed. It defines the key strategic areas for success as: developing the skills of indigenous people to better link those to jobs, boosting the job creation potential of indigenous people, better designing programs that both reinforce indigenous employment and economic development, and getting local governance right (OECD, 2018). OECD notes that oftentimes the overall educational attainment of indigenous people is behind the non-indigenous population. Ability to obtain needed employment skills are generally the key to getting into the labor market. Bringing investments into indigenous communities to provide business development support services encourages entrepreneurship and community growth and doing this can reinforce indigenous employment and economic development (OECD, 2018). The correct framework and coordination must also be in place prior to determining the most effective method to interpret, and eventually plan for encouraging indigenous employment and economic development.

While the indigenous population of Canada is growing at a faster rate than the nonindigenous population, the indigenous individuals generally face poorer outcomes in both the employment and unemployment rates than non-indigenous groups (OECD, 2018). It is noted that while indigenous women are seeing a gradual improvement in the labor market, both genders of indigenous people are struggling with the lowest unemployment rates (OECD, 2018). The gap in wages among indigenous people has been closely tied to the industries and occupations that they are employed in. Indigenous people have been found to be more often in areas of employment that require lower levels of educational requirements, such as retail, trade, public administration, and construction (OECD, 2018).

Approximately \$292 million CAD is allocated to Indigenous Skills and Employment Strategy (ISETS) in Canada every year (OECD, 2018). This program supports the employment programs and services for indigenous people in Canada. Its purpose is to ensure indigenous people of Canada are engaged in sustainable and meaningful employment (OECD, 2018). ISETS assists them with job searches, skills, wage subsidies to encourage employers to hire indigenous workers, financial subsidies to help individuals access the education they need to gain certain skills for work, entrepreneurial skills training, and childcare for parents who are completing training (OECD, 2018). Since 2011, over 121,000 indigenous people have become employed through the program (OECD, 2018).

Another method Canada uses to ensure indigenous people are given the resources needed to maintain a sustainable life is through the Strategic Partnerships Initiative (SPI). This program addresses Canadian socio-economic gaps between non-indigenous and indigenous people. In order to do this, the education of individuals must be considered the key issue that is creating a barrier for indigenous people (OECD, 2018). Starting with the indigenous youth, concentrating efforts to support and develop educational goals will be important for ensuring that they are getting the skills they need to maintain and lead a sustainable quality of life (OECD, 2018).

There were several critical success factors identified in this study; these include emphasis on indigenous people managing more employment programs and gathering a strong set of leadership and partnerships for a successful labor market, including an increase in indigenous people (OECD, 2018). Ensuring program flexibility and current information on the actual labor market, so adjustments may be made by business leaders to better serve the indigenous community. These are steps that the Alaska Native corporations can take to ensure the success of the Alaska Native communities.

### *Student Career Barriers and Challenges of Indigenous People*

When pursuing higher education, both American Indians and Alaska Natives face a variety of barriers that must often be overcome. Identifying the barriers and being able to assist these groups contributes to higher graduation rates, college degrees attainment, and overall academic success. Those who are able to complete higher education are more likely to become active members of society and business leaders. Skills learned during educational endeavors can assist individuals in starting their own businesses or help support businesses in their own communities.

In 2016, only 0.9% of the U.S population consisted of American Indians and Alaska Natives (Keith, Stastny, & Brunt, 2016). While this is a small amount, these individuals bring culture, values, and knowledge to both universities and businesses. In Alaska, this is especially important for Alaska Native Corporations, as the talent pool is limited due to low graduation rates and skill levels of Alaska Native people (Keith, Stastny, & Brunt, 2016). Dropout rates in the U.S are trending downwards for both American Indian and Alaska Native students; the retention rates for first few years of college enrollment participation overall is the lowest (Keith, Stastny, & Brunt, 2016). The National Center for Educational Statistics states the graduation rates for American Indian/Alaska Native students attending four-year institutions for the first time are the lowest; the same is true for two-year institutions (Keith, Stastny, & Brunt, 2016). While graduation rates are still low, the enrollment totals are increasing for students enrolled at accredited tribal colleges and universities. The graduation rates of American Indian/Alaska Natives at tribal colleges are much higher than regular colleges.

Based on this information, it is not surprising only 15% of American Indians/Alaska Natives have a bachelor's degree (Keith, Stastny, & Brunt, 2016). It is known that having a complete college degree is an



influential variable to secure a stable career/job along with obtaining a higher income against those without a post-secondary degree. The College Board Advocacy and Policy states the poverty rate for those without a degree is 12% and those without a high school degree is 26%. The importance of American Indians and Alaska Natives completing high school is foundational for career exploration and influences consideration of a post-secondary education to meet their professional goals.

Common challenges that American Indians and Alaska Natives face when attending postsecondary school include trouble adjusting to new academic environments, family problems, cultural differences, and financial issues (Keith, Stastny, & Brunt, 2016). It is important to identify the strategies needed for educational success so barriers may be overcome. Ensuring the differences in experiences and abilities found in the Native Americans/Alaska Natives are incorporated into promoting academic success at colleges is going to be a motive for retaining these students (Keith, Stastny, & Brunt, 2016). Showing that other Native Americans/Alaska Natives have been successful with completing their post-secondary education and used it to complete business endeavors in the workplace will encourage others to apply and mirror.

### **Social, Behavioral, and Business Ethics**

Ethics in business is a topic that is receiving increased attention. It is becoming apparent that with the incredible degree to which all peoples, businesses and governments are interconnected, an organization's social responsibility is no longer merely to use its resources to increase profits within the confines of the rules and regulations of the market. Organizations must now consider the vast external impacts of their actions and learn to recognize opportunities to improve social and economic conditions. Social responsibility therefore is becoming integrated into organizational ethics and culture. In this section we review literature addressing the benefits of and practical strategies for integrating traditional values into organizational culture, and the economic and social benefits to engaging in social responsibility initiatives.

#### *Integrating Cultural Values into Business Practices*

Robinson raised a relevant conflict between Alaska Native cultural values and Alaska Native Corporation values and goals, namely that the two may not be adequately aligned to provide the greatest benefit to Alaska Native shareholders. Many firms are using cultural values to incorporate social responsibility into their organizations. These activities have been found to encourage stakeholders to purchase more from these companies and generally tends to improve corporate reputation. With this new strategic direction, corporations must focus on a "triple bottom line" that encompasses economic, social, and environmental factors (Rigby, Mueller, & Baker, 2011). It is no longer enough for corporations to simply generate economic value; they must create societal value as well.

Organizational culture is a connective force between a firm and its stakeholders. It is the basic assumptions within a group of people that define the beliefs, values, and behaviors of that group (Rigby, Mueller, & Baker, 2011). Most organizations around the world follow a westernized format of organizational culture, but for organizations with ties to indigenous populations seeking to differentiate themselves and integrate social responsibility into their core values, an integration of indigenous values may be an effective strategy. The Integration of Maori Indigenous Culture into Corporate Social Responsibility Strategies at Air New Zealand, an article in 2011 written by authors Colleen Rigby, Jens Mueller, and Andrew Baker that was published in the Journal of Marketing Development and Competitiveness, describes how Air New Zealand successfully integrated Maori cultural values into their organizational culture. This integration has led to a successful marketing differentiation strategy that has also unified the organization, and their success offers some key insights for Alaska Native Corporations.

Corporations that are successful at creating societal value tend to have four key characteristics: value-based transformational leadership, cross-boundary learning, stakeholder linkages, and performance levers (Rigby, Mueller, & Baker, 2011). Organizational culture acts to establish and strengthen stakeholder linkages, and it is implemented through value-based transformational leadership. Traditional organizations from western culture are very hierarchical, systematic, and compartmentalized. Flat organizations, in contrast, tend to be more adaptive, innovative and creative. For Air New Zealand, integrating indigenous

values and flattening the organization's hierarchical structure led to better team interactions, more adaptive and efficient decision making, and an increased flow of new ideas because of new perspectives that indigenous people brought to the organization (Rigby, Muller, & Baker, 2011). As a result, stakeholder linkages between employees and the firm's organizational culture were strengthened.

This raises the question of which cultural values should an organization adopt. For example, Air New Zealand first had to define and redefine who they were as an organization. Outside of their home country, employees saw themselves as cultural ambassadors for New Zealand, so any integration of cultural values needed to define what it means to be a "Kiwi", a native of New Zealand. A Cultural and Customer Ambassador (CCA) role was created to help integrate Maori culture into business life, with the goal of raising awareness and understanding within the organization. The CCA identified four key characteristics of New Zealander behavior and explained how these traits had been influenced by traditional Maori cultural values. The organization then enacted an intensive and thorough educational process for all organizational members, teaching them these four key behaviors and associated Maori cultural values. Annual reinforcement through leadership training has helped to solidify the integration among corporate management. The result of this integration is that a significant number of employees now take pride in the Maori culture of their nation and view it as a unique differentiation point for the organization. This integration strategy provided Air New Zealand with a differentiated competitive advantage that Alaska Native Corporations could possibly adapt in order to close the gap between Alaska Native cultural values and the values of the organization.

The introduction of Maori culture into Air New Zealand's organizational culture was a gradual process that followed Kotter's Eight Step Strategy for Implementing Organizational Change. Other organizations have also had success in integrating indigenous culture into their organization.

In the 1996 article *Organizational Transformation: A Case Study of Two Aboriginal Organizations*, authors David Newhouse and Ian Chapman analyzed two Canadian aboriginal organizations that experienced success and failure at integrating Native cultural values into their non-profit organizations. They focused on successful strategies for implementing organizational transformation. Newhouse & Chapman (1996) posited that organizational transformation requires change in core processes, mission and culture. In the case of these two organizations, the transformation required a change in fundamental beliefs of the members, which in turn would change attitudes, perceptions and behaviors (Newhouse & Chapman, 1996). Newhouse and Chapman focused on two organizations that attempted this organizational transformation during the 1980's. They conducted structured interviews with board members, executives and staff of each organization over a three-month period, with interviews ranging from one to three hours in length. The focus of the interviews was on the strategic methodology that was implemented and the factors affecting the change process.

In the first organization, dissatisfaction with western management practices led the president and board members to develop a vision of running the organization with practices in line with more traditional aboriginal values and beliefs. They began by establishing a code of ethics to define standards of interaction between member agencies and individuals. The code emphasized adoption of aboriginal cultural values, showing respect and honoring all Native beliefs and customs. The Elders and spiritual leaders were asked to suggest how traditional values and customs could be integrated into their business practices. The Executive Director, who led the organizational change, emphasized changing behavior with the support of cultural symbolism. Cultural symbols used during monthly staff and board meetings were selected to emphasize an equal voice among all members and unity of purpose. As a result, the board began to make decisions through consensus instead of arguing over resources as they had in the past. For organizational leaders, a key component of the change was their personal embracing and reaffirmation of their Native values. Much like Air New Zealand's approach to incorporating Maori cultural values, the organizational leaders recognized they needed to understand personally what it meant to be a member of their culture, so they could then impart that understanding to other members of the organization, becoming agents of change themselves. This shift in behavior and beliefs gradually filtered down into other agencies within the organization, becoming less hierarchical, more team oriented, and more open to sharing values of honesty, caring and sharing, which were key components of their Native culture (Newhouse & Chapman, 1996).

In contrast, the second organization that was evaluated took a very different approach. This organization was also frustrated with structure, decision-making and general management policies and sought to integrate more traditional, aboriginal values. However, one of the key differences was a lack of leadership in the organizational change initiative. A respected Elder and his apprentice were asked to guide discussions on how to implement the change. After a year, the committee recommended a new constitution, a new organizational structure, and a new decision-making process based on traditional values of caring, sharing, honesty, strength, and decision by consensus. The organization, however, not only failed to provide adequate training to organizational members on the changes that were required, but they attempted to make too many radical changes too rapidly. As a result, the change effort was abandoned after two years.

In these cases, a successful change management approach involved a dictatorial transformation which evolved into a charismatic transformation as leaders adapted new behaviors and became agents of change themselves. Behavior and symbolic meaning were used to create a new culture for organizational members. The experience of this organization and that of Air New Zealand both provide examples of effective strategy to implement Native culture into organizational culture.

#### *The Impact of Corporate Social Responsibility and Social Principles on Investors and Society*

Why should corporations be concerned with contributing capital to the social development of the communities in which they work? In the 2011 article *Foreign Investment and Ethics: How to Contribute to Social Responsibility by Doing Business in Less-Developed Countries*, authors Roland Bardy, Stephen Drew, and Tumenta F. Kennedy explore how investments in economically depressed regions, specifically foreign investment in sub-Saharan African countries, contribute greatly not only to the social and economic well-being of the residents therein, but also provide long-term financial benefit to the investment companies themselves. Bardy et. al (2011) investigate the evidence supporting foreign investment and international business benefits to improve social conditions in less-developed countries, and how those improvements are linked to corporate social responsibility and ethical business practices. While it is nearly impossible to directly link economic benefit to social responsibility efforts in all cases, there is evidence to support positive spill-over effects in developing areas that may be applicable to the economic development of rural Alaskan communities.

The authors found that multinational enterprise strategies involving corporate social responsibility and ethical business practices do lead to social benefit in developing regions (Bardy, et. al. 2011). Corporate social responsibility takes many forms. Most often it refers to issues of corruption, human rights, or environmental concerns. It can also refer to corporations' responsibility to act "morally" and not injure the interests of all stakeholders. This is in line with Curry's definition of social entrepreneurship as the pursuit of opportunity beyond resources controlled for social, economic, and environmental innovation, change, and evolution. The authors define ethical management as respect for the rights and concerns of all affected stakeholders (Bardy, et al. 2011). This places corporations in a unique position to affect not only how employment contracts are executed in these regions, but also how the needs of the local community are met. In sub-Saharan Africa, for example, Chinese investors are making efforts to improve roads, telecommunications, and educational institutions in exchange for oil and mineral rights.

Corporations cannot, however, simply implant social order into a region without some form of receptacle in society. Corporate social responsibility can thus be defined as an investment in social cooperation for mutual advantage (Bardy, et al. 2011).

What are the benefits then for investors and the developing society? The authors point to several economic factors, the first and foremost of which is alleviation of poverty in undeveloped regions. When properly implemented, without corruption, markets are a way to self-sufficiency for the people in a society and a way to improve living conditions for all peoples (Bardy, et al. 2011). While some may believe that providing subsidies and providing aid continuously serves people in undeveloped areas just as well, the authors make a point that this only serves to further distance people from the market and market economics. They state that the poor should not be victimized, but recognized as resilient, creative entrepreneurs that need to be empowered.

Investing in undeveloped regions can also open up new opportunities for resource development (both natural and human resources), economies of scale, and production.

According to their research, Bardy, et. al. (2011) found certain elements in the community itself are necessary in order for social responsibility investments of this nature to have the greatest benefit. First, there must be a threshold level of human capital to absorb the new ideas. Training and education are paramount for new technologies and ideas to fully develop into entrepreneurial possibilities, which may require members of society to “unlearn” old ideas and beliefs about education (Bardy, et. al., 2011). For example, the authors concluded that new ideas regarding financial systems and business norms, such as making financial payments on time, is critical knowledge that must be incorporated into an indigenous society. Otherwise, financial investment in undeveloped regions becomes impossible due to a lack of investors willing to accept uncertain levels of risk. Second, infrastructure is necessary to provide the means for members of society to freely exchange goods and services within and outside the community (Bardy, et. al., 2011). This includes roads for transportation and access to affordable goods, hospitals to provide health services, and improved telecommunications to facilitate business exchanges. Finally, indigenous knowledge from the region is the best resource for identifying and exploiting business opportunities for members in those communities (Bardy et. al., 2011). Alaska Native Corporations are in a unique position to benefit from this development because of their intimate knowledge of the people and the region, knowledge which is necessary to realize the entrepreneurial potential of rural Alaskan communities. Investment into these areas can introduce new technologies, production processes and techniques, enhance managerial skills, and help to foster new ideas.

One of the barriers for corporations is the relatively low return on investment in the short run. However, it is necessary for investors to understand the non-tangible benefits in the long-run; a more stable community with educated human capital, new ideas and greater entrepreneurial potential (Bardy, et. al., 2011). Having a short-term view can obscure the possibility of greater long-term profits for the investor and society as a whole.

It should also be noted that many successful industries are recently focusing their product and marketing efforts not on the super-rich, but on a growing global middle-class and underserved poverty class. Cell phone usage in developing countries has increased tremendously with low-cost providers and manufacturers entering those markets. This contributes to social progress and economic markets by increasing communications in rural areas. Corporate social responsibility strategies need to focus on adding business value and long-term social and economic benefits to remain competitive in a changing global economy.

### **The Gender Makeup of Indigenous Boards and Its Impact on Financial Performance and Community Investments**

In this section we'll explore whether or not the gender diversity of a company's board of directors has an impact on the financial performance of the firm. If such an impact exists, we will attempt to identify a correlation for Alaska Native Corporations. When considering the cultural influence in gender roles and relationships between Alaska Native tribal entities, (some being more matriarchal and some more patriarchal) we wonder if those differences play out at leadership levels and if they have a proportionate effect on financial outcomes vs nonnative owned and operated corporations.

#### *Impact of Gender Diversity on Company Boards*

Boards of directors play an important role in firm's strategic decision making, control the internal mechanism of governance and monitoring of company management. A Board will help the firm to achieve better performance with good corporate governance practices (Kemp, 2006). The key factors of success are transparency, ownership, diversity and active participation in strategic decision making (Bathula, 2008).

A diversified board would be in a better position to understand societal needs and thereby create a positive image about the firm which could help enhance the wealth of stakeholders and stimulate a firm's awareness of social responsibility to the community in which it operates (Nordberg, 2008).

In a 2015 study, according to Isabelle Solal and Kaisa Snellman, the stock market may react negatively to increases in board diversity. The researchers found that it is not because companies perform worse after they appoint female directors: “We find that companies are not any less profitable after appointing female directors to the board than they were prior to the appointment. Nor are they any more profitable, for that matter.” This aligns with numerous academic studies that have found little to no evidence supporting the idea that board diversity leads to better financial performance. (Solal & Snellman, 2015)

One suggested explanation for this puzzling finding is that the stock market is biased and believes that women are not as competent when making business decisions. If this was the case, board diversity could have no effect on operating performance but still have a negative effect on market returns. (Solal & Snellman, 2015)

Another explanation is investors react to what they perceive to be a change in firm preferences. Increases in board diversity may signal to investors that the firm is motivated by social goals and cares less about maximizing shareholder value. And to the extent that investors care about shareholder value, they will penalize those companies they suspect are putting other goals first.

### *Board Diversity and Firm Performance*

There are conflicting ideas about whether diversity, including gender, on boards of directors has an impact on performance, including financial performance, or the way the firm is viewed.

A gender diverse board has more alternatives to base its decisions on (Singh & Vinnicombe, 2004). It may also improve the image of the firm, which can affect the customers’ view of the firm in a positive way, leading to better performance results. Furthermore, a board with more gender diverse members may lead towards quality decision-making (Smith, Smith, & Verner, 2006). Heterogeneity in the gender leads to more constructive processes in a group (Kochan et al., 2003). According to Adler (2001), more female oriented firms affect the performance positively. Carter, Simkins, & Simpson (2003) supported these findings; their results show there is a positive relationship between gender diversity and a firm’s value.

A study of 2500 Danish firms identified a positive effect of women in the CEO position and firm performance, but with boards of directors the results are ambiguous and insignificant (Smith et al., 2006). Greater gender diversity that leads to frequent differing opinions as well as critical questions. This can be time consuming, which inhibits the firm, especially if the firm is competing in a business environment that is turbulent and requires rapid decisions (Smith et al., 2006). There is also a greater risk for conflicts, which slows down the decision making process (Hambrick, Cho, & Chen, 1996).

Hambrick et al. (1996) conducted a study of the 200 largest firms in the United States. The outcome of that study does not show any positive relationship between gender diversity in boards of directors and firm performance. A similar study by Kochan et al. (2003) supports this outcome, showing no positive relationship between gender diversity and performance.

There are also considerations as to whether the culture of the Board has more effect than gender. There is a positive and significant relationship between the presence of women at board and firms’ performance as measured by return on asset-ROA (Ismail et al., 2013). Lückerrath Rovers & De Bos (2011) found that in the Netherlands, women have distinctive managerial styles and firms with women on their Boards have better performance in relation to return on equity (ROE) than firms without women on their boards. However, in Malaysia researchers found no significant relationship between the female gender and firm financial performance. This could be due to differences in country and corporate cultures of organizations (Mohamad, Abdullah, Mokhtar, & Kamil, 2010; Ramli & Esa, 2012; Shukeri, Shin, & Shaari, 2012). A study from Pakistan, the result of this study found that there is no significant relationship between board gender diversity and firm performance measured by (EVA) economic value added (Yasser, 2012).

The research that has been done on gender suggests that diversity has either a positive or negative effect depending on organizational strategies, culture context and human resource practices & policies. Diversity is helpful for organizations in certain conditions (Pugh, Dietz, Brief, & Wiley, 2008).

## **Research Methodology**

In this next section we describe our selected methodology and data collection processes. This includes review of the problem statement, discussion of variables of interest and explanation of terms utilized, the six identified hypotheses, the research model and its design of how each hypothesis will be tested.

### *Problem Statement*

Our intent is to answer the question how Alaska Native Corporations can enhance entrepreneurial opportunities within their communities. We hypothesize a positive correlation exists between economic community development and corporate financial performance when Alaska Native cultural values are integrated into Alaska Native Corporations, gender diversity is promoted in leadership roles within the corporation and in entrepreneurial businesses within Alaska Native communities, and efforts are made to promote social well being and economic development of the communities to which the Alaska Native corporations are connected.

### *Variables of Interest*

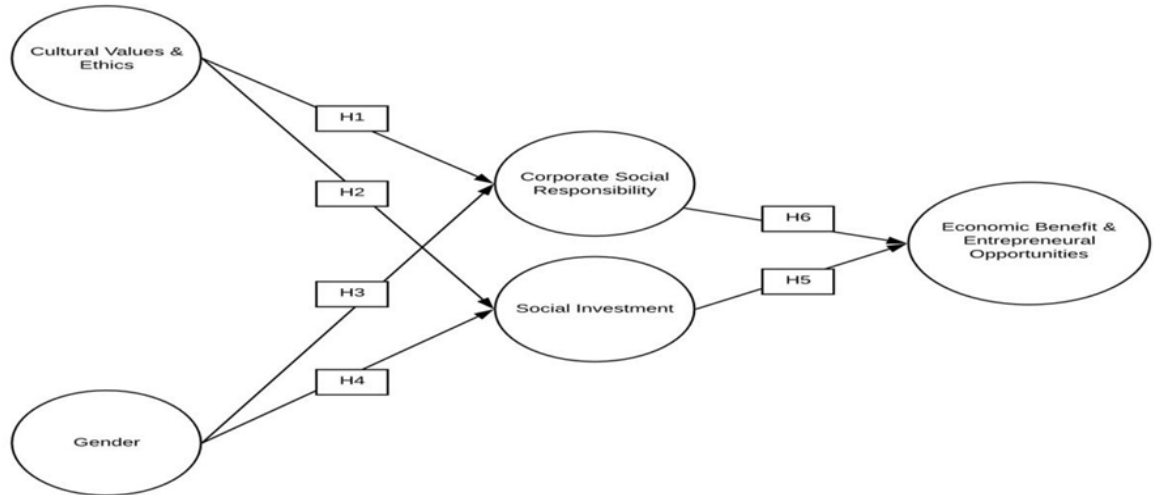
We developed a research framework with six interconnected hypotheses. At the core of these hypotheses are cultural values, corporate ethics, and gender diversity. We explore the circumstances in which these variables are intentionally integrated into corporations, and identify their influence on corporate social responsibility and social investment. As stated above, we hypothesize that the interplay between these variables impacts economic community development, specifically the level of entrepreneurship inferred through the lens of graduation and employment rates.

### *Definitions of Research Variables, Terms and Phrases*

For purposes of this study, we define cultural values broadly. That definition encompasses the explicit common values among Alaska Natives as defined by the 2005 Alaska Initiative for Community Engagement: sharing, loyalty, helping other people, and generosity and as outlined by the University of Alaska-Fairbanks Alaska Native Knowledge Network: show respect for others, share what you have, know who you are, accept what life brings, have patience, live carefully, take care of others, honor your elders, pray for guidance, and see connections (ANKN, 2020). Ethics is embedded in the cultural values. Gender is narrowly focused within this study. Gender is specific to male or female only. Only the gender of regional corporation board members is considered.

Corporate social responsibility refers to issues of corruption, human rights, or environmental concerns. Corporations cannot simply implant social order into a region, however without some form of receptacle in society. Receptacles include attitudes of the local people towards business and education, and infrastructure to support investments. For purposes of this research, social responsibility includes a corporations' responsibility to take initiative and support the values of its shareholders by investing in social cooperation efforts for mutual advantage. Therefore, the Corporate Social Responsibility variable examines investments related to cultural values and social investments to improve economic development.

## Rationale and Explanation Hypotheses



The hypotheses are depicted in the research model diagram above and specifically outlined below.

**H1:** Alaska Native Corporations' defined cultural values and ethics positively influence their corporate social responsibility. This is reflected in their corporate mission statements, codes of ethics and moral principles, and vision statements.

**H2:** Alaska Native Corporations with defined cultural values and ethics contribute a higher percentage of their earnings to social investments. This is reflected in their corporate investments in social development programs and in their businesses with a strong focus on community advancement in Alaska Native communities.

**H3:** Alaska Native Corporations with gender diverse boards of directors and higher female employees in general demonstrate higher levels of corporate social responsibility. This is reflected in a variety of scientific comparison studies of gender diversity involving social development and community participation programs within Native Alaska Communities.

**H4:** Gender diversity positively impacts the social investment activities of Alaska Native Corporations. This is reflected in a variety of scientific comparison studies of gender diversity involving financial investments and economic commitments within Native Alaska Communities and within the varying successes of Alaska Native Corporations.

**H5:** Social investment leads to higher social and economic stability of Alaska Native Communities. This is reflected in increased graduation rates and labor participation rates.

**H6:** Alaska Native Corporations who contribute to more and effective social corporate responsibility activities procreate a higher level of entrepreneurial opportunities within the community, which also leads to higher firm performance and economic benefits.

### Research Design

For our hypothesis testing, we selected the twelve regional Alaska Native Corporations. These were selected on the basis of data availability and population. For hypothesis one, we evaluated each corporation by assigning one point to each of the indigenous cultural values identified in the CV-Index; if that value was incorporated into the corporate mission statement, vision statement and codes of ethics and/or statement

of purpose. For hypothesis two, we identified the level of corporate social investment by comparing each corporation's social development programs, the amounts invested, and their percentage of total investments through the lens of their respective non-profit foundations.

To assess (H3 & H4) the gender impacts of social investment and how those social investments lead to increased entrepreneurial opportunities, we analyzed the gender diversity makeup of each regional corporation's board of directors as defined in the data collection process below and compared this data with the level of investment from hypothesis two to determine if correlations exist.

To understand (H5) how social investment leads to the increased social and economic stability of Alaska Native communities, we analyzed socioeconomic metrics such as graduation rates, dropout rates, and labor participation rates in communities served by each corporation. This data was compared with the level of social investments made by each corporation in (H2) to find correlations. For (H6), we intended to compare that data from (H5) with corporate financial performance, however we were unable to obtain financial statements for the Alaska Native Corporations. Thus, this hypothesis will require further research to determine the connections between corporate social responsibility investments and firm financial performance.

### **Data Collection**

We used the formulas designed by H. Donker and his colleagues in their scholarly work *Corporate Values, Codes of Ethics, and Firm Performance: A Look at the Canadian Context* and *Woman on Boards of Malaysian Firms: Impact on Market and Accounting Performance* to examine our hypotheses. Alaska Native values were substituted into the Culture-Value Index (CV Index) described in the literature review. The corporations were then ranked and their community investment analyzed through both a corporate social responsibility and social investment lens. The results demonstrate any relationships between financial performance and the intentional integration of cultural values and ethics.

The presence of women on Alaska Native Corporation boards is also examined. A modified version of the framework created by Ismail and colleagues in *Women on Boards of Malaysian Firms: Impact on Market and Accounting Performance* was used. Rather than creating only one dummy variable with boards with one or more females receiving one point and the others receiving zero, a percentage of female board members was calculated and then converted into a number. To reach this number, the total number of board members was calculated. Then the total number of females on boards was calculated. The number of females was used as the numerator and the total number of board members as the denominator. The output percentage was converted to a whole two-digit number. The data output was ranked, and the findings were analyzed individually and with social investment and corporate social responsibility data.

Support of entrepreneurship was examined through entrepreneurial potential and economic stability using graduation rates, employment rates, and PEAK scores by region. That data was then reviewed alongside corporate social responsibility data.

### **Data Analysis**

As stated above, the problem we are trying to solve is "How can Alaska Native corporations enhance entrepreneurial opportunities within their communities?" After reviewing prior research we hypothesized there is a positive correlation between economic community development and corporate financial performance when Alaska Native cultural values are integrated into Alaska Native Corporations, gender diversity is promoted in leadership roles within the corporation and in entrepreneurial businesses within Alaska Native communities, and efforts are made to promote social well-being, economic, and educational development. To test this hypothesis we parceled it the hypotheses six progressive hypotheses outlined in the research model as explained in the methodology above. The below section outlines the specific steps used to explore the data relevant to each hypothesis.

### **Culture Value & Ethics (H1)**

To test hypothesis one we collected data on the following variables:



1. How many times native corporations used the terms accountability, courage, excellence, fairness, honesty, honor, respect, trust, integrity, responsibility in their mission statement, value statement, and/or core principles; and
2. How many social responsibility programs the regional corporation listed as programs it supports on its corporate website.

For the purposes of this paper, corporate social responsibility refers to issues of corruption, human rights, or environmental concerns.

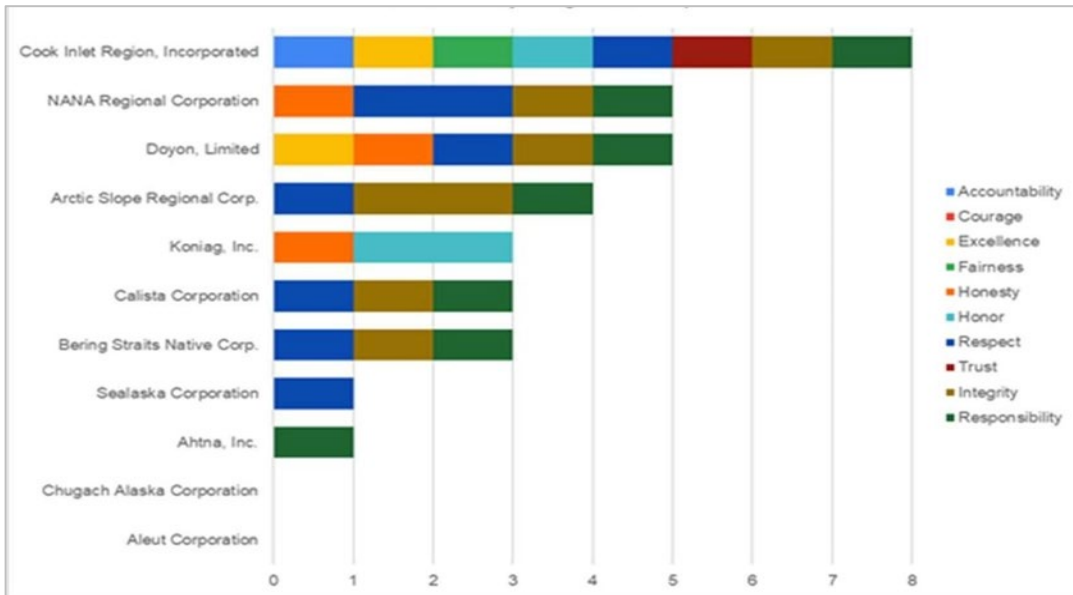
The below figure lists each native corporation and their associated non-profit foundations.

**FIGURE 1  
DESCRIPTOR 1**

Alaska Native Corporation	Foundation
Ahtna, Inc.	Ahtna Heritage Foundation
Aleut Corporation	Aleut Foundation
Arctic Slope Regional Corporation	Arctic Slope Community Foundation
Bering Strait Native Corporation	Bering Straits Foundation
Bristol Bay Native Corporation	Bristol Bay Health Corporation
Calista Corporation	Calista Education and Culture, Inc.
Chugach Alaska Corporation	Chugach Heritage Foundation
Cook Inlet Regional, Inc.	Cook Inlet Tribal Council
Doyon, Limited	Doyon Foundation
Koniag, Inc.	Koniag Educational Foundation
NANA Regional Corporation	Manillaq Association
Sealaska Corporation	Sealaska Heritage Institute

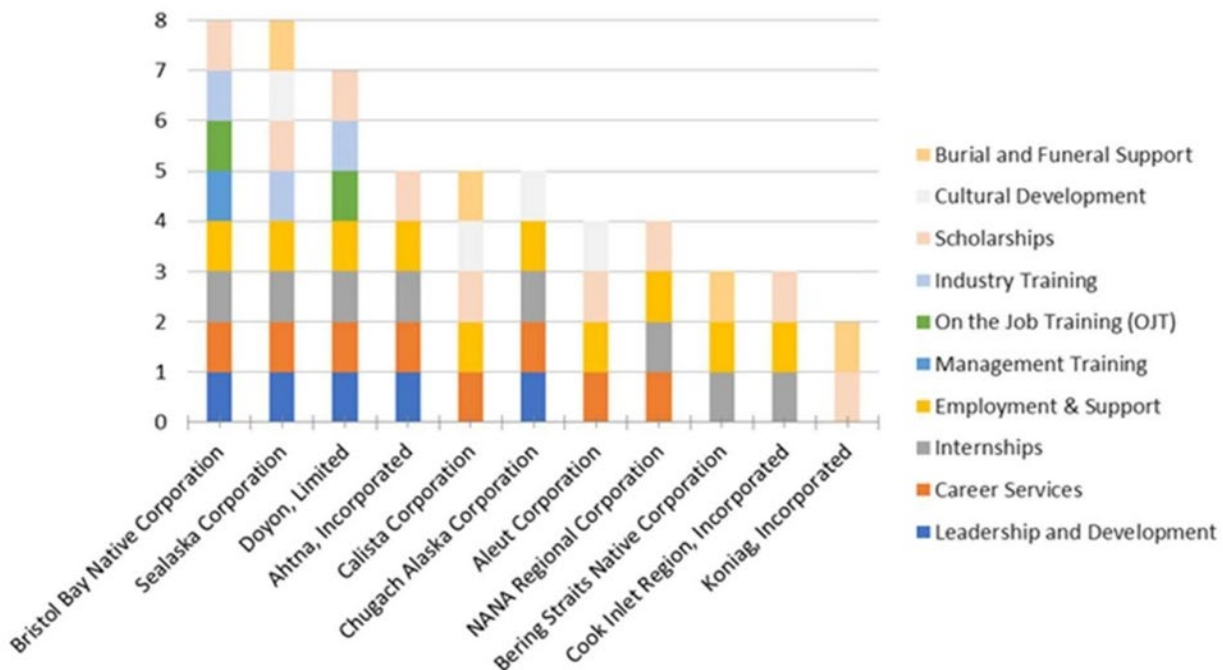
For our first variable, we followed Donker’s Culture Value Index (CV-Index) methodology. We identified the ten terms used to assess culture: accountability, courage, excellence, fairness, honesty, honor, respect, trust, integrity, responsibility. Although not required by Donker’s process, we verified the terms are synonyms with the four Alaska Native Values identified in the Alaska Initiative for Community Engagement Study. This step was taken to enhance the confidence of phrasing relationships. Synonyms of Donker’s ten terms were not awarded points. We then compiled the mission statement, value statement, code of ethics and/or principles that were publicly available on the Alaska Regional Corporation’s websites. Data was gathered from public sources to avoid the introduction of subjectivity. A point was assigned each time one of Donker’s ten terms was used. The total number of points is the Cultural Index Value. The regional corporations were also ranked. Figure 2, “Cultural Values by Regional Corporation”, depicts the total number of times the cultural value words were used by each regional corporation.

**FIGURE 2  
CULTURAL VALUES BY REGIONAL CORPORATION**



For our second variable, we identified how, and how frequently, each corporation invests in their communities. To do this we collected from each regional corporation’s website. We identified the type of individual community programs and benefits offered. We then summarized these program offerings into nine categories based on the type of program or benefit. Figure 3, “Community Programs and Benefits”, depicts the total number of programs or benefits offered by each regional corporation.

**FIGURE 3  
CULTURAL PROGRAMS AND BENEFITS**



After compiling and analyzing this data independently we analyzed it comparatively. The CV-Index and offered community programs were jointly analyzed. The results of this analysis demonstrate whether a correlation exists between inclusion of cultural values within the mission, vision, and codes of ethics and social responsibility investments and corporate social responsibility. The findings are outlined in the Empirical Results section.

## Alaska Native Cultures With Defined Cultural Values & Ethics Have Increased Social Investment (H2)

To test hypotheses one and two, we collected data on the following variables:

1. The Cultural Value Index data from hypothesis one; and
2. Whether the regional corporation had a non-profit foundation. How much money was contributed to the foundation and of those funds, what percentage was contributed as grants to social investment.

Social investment is defined as the funds intentionally invested into the community through the Alaska regional corporations' foundations. The foundations were listed in Figure 1 above. Our first variable was discussed in hypothesis one. For our second variable, we collected the annual non-profit tax disclosure forms of each regional corporation's non-profit foundation<sup>1</sup>. Non-profit organizations have the option to file 990 or 990-PF forms. Eight of the foundations filed 990 forms. Four of the foundations filed 990-PF forms. The forms specify different details, but all include the total contributions, gifts, grants, etc. received and total grants given. Figure 4 depicts the form type completed by each regional corporation's foundation, the total contributions received, and grants given, percentage of grants given compared to incoming contributions, and each foundation's rank listed from highest distribution percentage to lowest distribution percentage.

**FIGURE 4  
DESCRIPTOR 2**

Regional Corporation	Foundation Name	Document Type	Contributions & Grants Rec'd	Total Grants Given	% of Funds Distributed	Rank
Ahtna, Inc.	Ahtna Heritage Foundation	990	\$ 137,594	\$ 166,000	121%	2
Arctic Slope Regional Corp.	Arctic Slope Community Foundation	990	\$ 1,390,134	\$ 1,412,166	102%	3
Bering Straits Native Corp.	Bering Straits Foundation	990	\$ 140,105	\$ 292,850	209%	1
Bristol Bay Native Corp.	Bristol Bay Health Corporation	990	\$ 44,355,792	\$ -	0%	12
Calista Corporation	Calista Education and Culture, Inc.	990	\$ 2,016,901	\$ 276,710	14%	9
Cook Inlet Region, Inc.	Cook Inlet Tribal Council	990	\$ 37,687,899	\$ 10,738,578	28%	8
NANA Regional Corporation	Manillaq Association	990	\$ 64,566,497	\$ 2,822,229	4%	11
Sealaska Corporation	Sealaska Heritage Institute	990	\$ 6,296,048	\$ 325,768	5%	10
Aleut Corporation	Aleut Foundation	990-PF	\$ 1,324,800	\$ 830,988	63%	4
Chugach Alaska Corporation	Chugach Heritage Foundation	990-PF	\$ 1,286,303	\$ 736,751	57%	6
Doyon, Limited	Doyon Foundation	990-PF	\$ 2,774,966	\$ 805,019	29%	7
Koniag, Inc.	Koniag Educational Foundation	990-PF	\$ 889,246	\$ 541,107	61%	5

After compiling and analyzing this data independently we analyzed it comparatively. The CV-Index and 990 contributions data were jointly analyzed. The results of this analysis show whether a correlation exists between inclusion of cultural values within the mission, vision, and codes of ethics and social investments. The findings are outlined in the Empirical Results section.

## Gender Impacts on Corporate Social Responsibility (H3)

To test hypothesis three, we collected data on the following variables:

3. Whether the regional corporation had a non-profit foundation and how much money was contributed to the foundation and of those funds;

4. What percentage was contributed as grants to social investment;
5. What was the gender makeup for the Board of Directors for each regional corporation; and
6. What was the spend of grants by regional corporations, based on gender.

Our first and second variables were discussed in hypothesis one and two. After compiling and analyzing this data, we analyzed it comparatively to look for trends within gender makeup versus spending. We also looked at cultural value tie in for the corporate social responsibility metric by gender proportion.

The results of this analysis show whether a correlation exists between corporate social responsibility types, amount of money invested, and gender of board of directors of regional corporations. The findings from this hypothesis analysis are outlined in the Empirical Results section.

#### **Gender Impacts on Social Investment (H4)**

To test hypothesis four, we collected data on the following variables:

1. Whether the regional corporation had a non-profit foundation and how much money was contributed to the foundation and of those funds,
2. What percentage was contributed as grants to social investment.
3. What was the gender makeup for the Board of Directors for each regional corporation
4. What was the spend of grants by regional corporations, based on gender
5. Whether there is a correlation by purpose of spend by gender makeup of board of directors.

Our first and second variable were discussed in hypothesis one and two. The third and fourth variables are discussed in hypothesis three. The fifth variable will be discussed in hypothesis four. After compiling and analyzing this data, we analyzed it comparatively to look for trends within gender makeup, spending, and now adding in purposes of the spend and impact on social investment.

The results of this analysis show whether a correlation exists between social investment types, amount of money invested, and gender of board of directors of regional corporations. The findings from this hypothesis analysis are also outlined in the Empirical Results section.

#### **Current and Future Social Investments Leads to Higher Entrepreneurial Opportunities (H5) and Alaska Native Corps With Corporate Social Responsibility Have Higher Entrepreneurial Opportunities (H6)**

To test hypotheses five and six, we analyzed each corporation's 990 contribution data with the following variables:

1. Unemployment rates for each native corporation's region of influence (identified as the U.S. census boroughs and municipalities within each native corporation's region); and
2. Graduation and PEAK scores for the school districts located within each native corporation's region.

Unemployment rates were used as a measure of economic activity within each region. Graduation rates were used as a measure of entrepreneurial potential and economic stability of the region. To obtain this data, we first needed to match unemployment and graduation rates with the associated Alaska Native Corporation region. The following table lists each native corporation and their associated census boroughs and school districts. Those boroughs and school districts which overlap more than one Alaska Native Corporation region are noted.

**FIGURE 5  
DESCRIPTOR 3**

Alaska Native Corporation	Census Borough	School District
Ahtna*	Denali Borough Valdez-Cordova Census Borough	Denali Borough School District Copper River School District
Aleut	Aleutians East Borough Aleutians West Borough	Aleutians East Borough School District Unalaska City School District Aleutian Region School District Pribilof School District
Arctic Slope	North Slope Borough	North Slope Borough School District
Bering Strait	Nome Census Area	Bering Strait School District Nome Public Schools
Bristol Bay	Lake and Peninsula Borough Dillingham Census Area Bristol Bay	Lake and Peninsula Borough School District Dillingham City School District Southwest Region School District Bristol Bay
Calista	Kusilvak Census Area Bethel Census Area	Lower Yukon School District Kashunamiut School District Saint Mary's School District Yupiit School District Lower Kuskokwim School District Kuspuk School District
Chugach*	Kenai Peninsula Borough Valdez- Cordova Census Area	Kenai Peninsula School District Chugach School District Cordova City School District Valdez City School District
Cook Inlet*	Matanuska-Susitna Borough Kenai Peninsula Borough Anchorage Municipality	Matanuska-Susitna Borough School District Kenai Peninsula School District Anchorage School District
Doyon	Yukon-Koyukuk Census Borough Fairbanks North Star Borough Southeast Fairbanks Census Area	Yukon-Koyukuk School District Galena City School District Iditarod Area School District Tanana City School District Nenana City School District Fairbanks North Star Borough School District Yukon Flats School District Alaska Gateway School District Delta/Greely School District
Koniag	Kodiak Island Borough	Kodiak Island Borough School District
Nana	Northwest Arctic	Northwest Arctic Borough School District

Sealaska	Haines Borough Hoonah-Angoon Census Area Juneau City and Borough Ketchikan Gateway Borough Petersburg Borough Prince of Wales-Hyder Census Area Sitka City and Borough Skagway Municipality Wrangell City and Borough Yakutat City and Borough	Chatham School District Haines Borough School District Hoonah City School District Pelican City School District Juneau Borough School District Ketchikan Gateway Borough School District Petersburg Borough School District Kake City School District Southeast Island School District Klawock City School District Craig City School District Hydaburg City School District Annette Island School District Mount Edgecumbe Sitka School District Skagway School District Wrangell Public School District Yakutat School District
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\*Ahtna Corporation and Chugach Corporation both contain communities within the Valdez- Cordova Census Borough. Chugach Corporation and Cook Inlet Corporation both contain communities within the Kenai Peninsula Borough.

For the first variable, we collected unemployment rates for 2017 for each borough/census area and averaged these for each native corporation based on the region/communities they cover. The data were collected from publicly available data on the Alaska Department of Labor website.

For the second variable, we collected district level graduation rates and Performance Evaluation for Alaska Schools (PEAKS) scores for Alaska Native students. These data are publicly available on the Alaska Department of Education and Early Development Data Center website and were taken from the Report Card to the Public database for the 2016-2017 school year. This was the first year PEAKS was administered to Alaska students and serves as a baseline for measuring future progress.

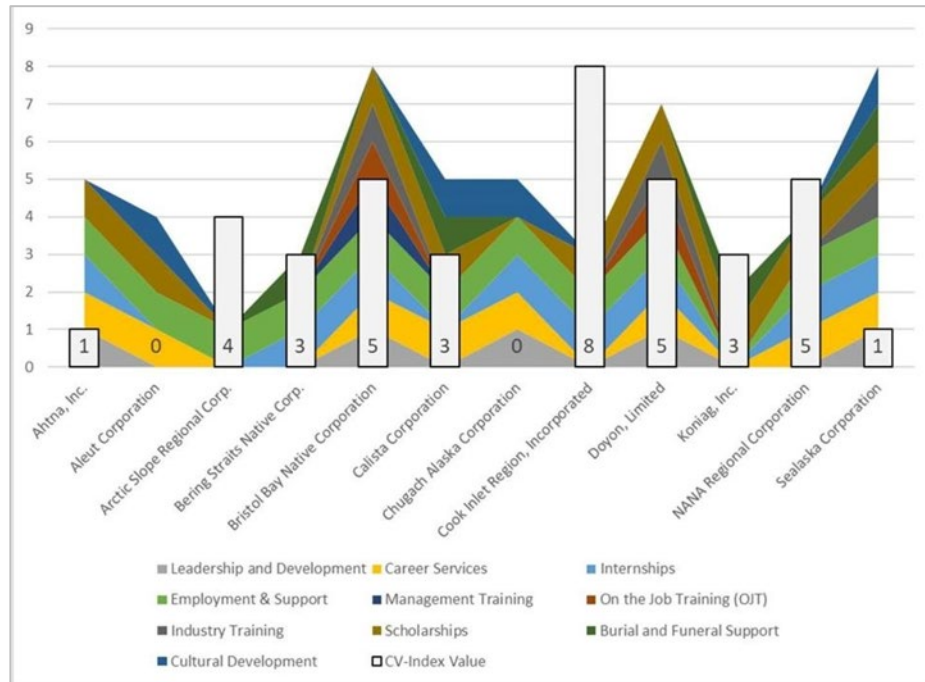
After collecting this data, we then ran analytical comparisons of graduation rates and PEAKS scores, employment rates, and corporate grants to determine if a correlation exists. The results of this analysis show whether social responsibility investments by Alaska Native Corporations contribute to economic performance and entrepreneurial opportunities for Alaska Native peoples within these communities.

**Empirical Results, Findings, Analysis, and Discussion**

*Culture Value & Ethics (HI)*

We hypothesized that Alaska Native Corporations’ defined cultural values and ethics influence corporate social responsibility. This is reflected in the corporation’s direct investment into the community. The below figure depicts the number of community programs compared to the regional corporations Cultural Value-Index (CV-Index) score.

**FIGURE 6  
COMMUNITY PROGRAMS TO CV-INDEX VALUES**



At face value there appears to be no correlation between the CV-Index and community program support. For example, Sealaska has a cultural value index score of one. This ranks Sealaska Corporation tenth out of twelve on the CV-Index scale; yet it has a broad array of community investment thereby implying a presence of corporate social responsibility. Cook Inlet Regional Corporation (CIRC) demonstrates the opposite of Sealaska Corporation. CIRC has a CVIndex score of eight, is ranked one out of twelve on the CV-Index, but appears to have less community programs than other regional corporations implying less corporate social responsibility.

The data to support hypothesis two is inconclusive; no correlation between cultural values being included in mission, values, and codes of ethics when using Donker’s CV-Index methodology is present. This finding does not render Donker’s methodology invalid. This is not valid for a number of reasons: the assessment of corporate social responsibility was made based on ad hoc information readily made available by Alaska Native Corporations, the analysis does not factor in any funds contributed to other Alaska Native non-profit foundation such as Alaska Native Tribal Health Consortium, social investments made through native corporation foundations is separately analyzed, and detailed giving data from the Alaska Native Regional Corporations was not readily available. Repeating this study in collaboration with the Alaska Native Corporations may render different findings. Recommendation for further research is outlined in the conclusion.

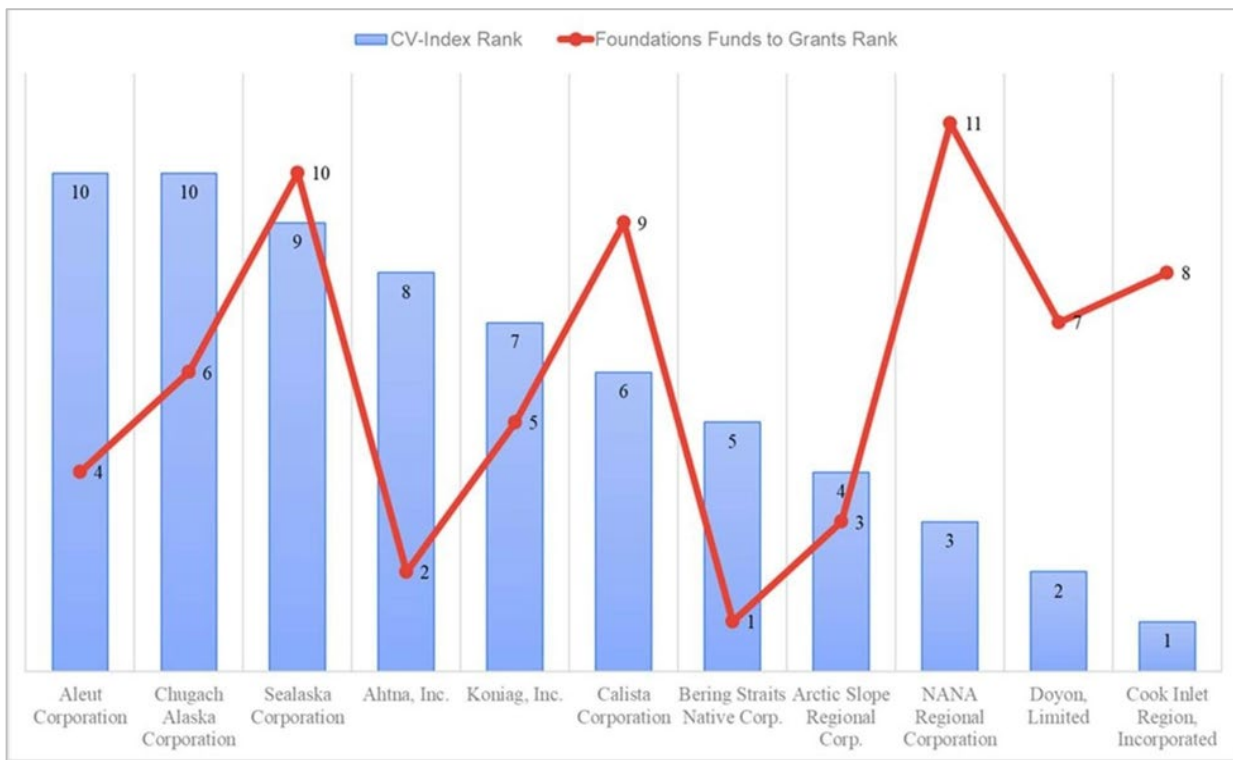
*Alaska Native Cultures With Defined Cultural Values & Ethics Have Increased Social Investment (H2)*

We hypothesized that Alaska Native Corporations with defined cultural values and ethics contribute a higher percentage of earnings to social investment. This is reflected in firm investments in social development programs and businesses in Alaska Native communities. Regional Alaska Native Corporations are not publicly traded companies; therefore, their earnings levels are private. We therefore analyzed the percentage of financial contribution levels of each regional corporation’s non-profit foundation to grants provided to the community. Bristol Bay Native Corporation’s foundation, Bristol Bay

Health Corporation was identified as an outlier for the purposes of this hypothesis therefore was removed from the dataset<sup>2</sup>.

No correlation was identified between cultural values and social investment. The below table demonstrates this. The blue bars are reflective of the CV-Index ranking of each regional corporation. The smaller the number, the more cultural values were included in the mission, vision, and ethics statements. The red dots are reflective of the respective regional corporations' foundations' rankings of contributions to community grants. The smaller the number, the higher the contributions of grants to the community. Two of the eleven corporations listed have a difference of one between CV-Index and Foundation Fund ranking. Two others have a difference of two, two of four, one of three, two have a difference of four, one of five, one of seven, and one of eight. No discernible pattern exists.

**FIGURE 7**  
**CV-INDEX CONTRIBUTED GRANTS OVERLAPPED RANKINGS**

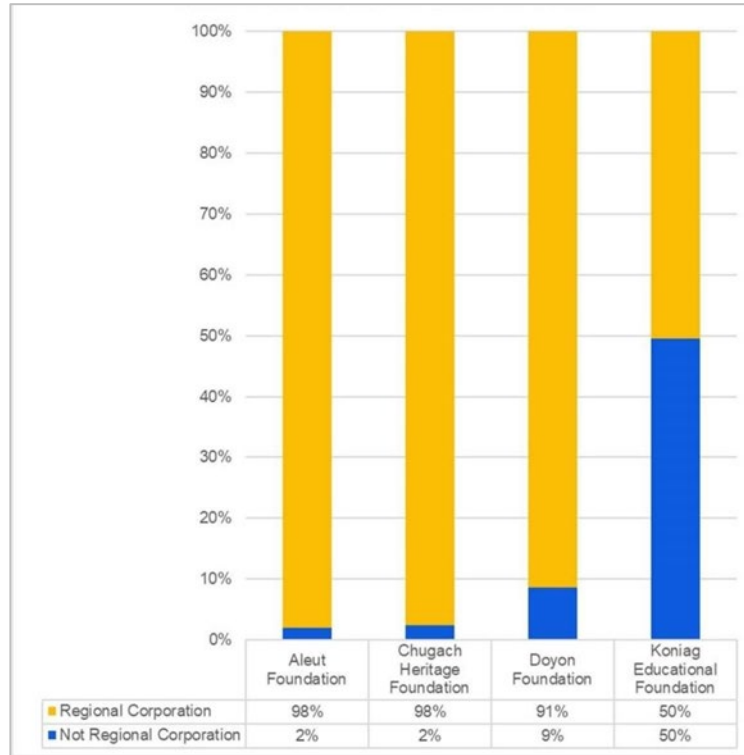


Aleut Regional Corporation and Chugach Alaska Corporation have the highest contribution of regional corporation support; however, both have a zero value on the cultural index. Doyon, Limited is ranked number two on the cultural index and has over 90% contribution of its foundation directly from its regional corporation. Koniag is ranked seventh, in the 50 percentile range of the cultural index and receives fifty percent of its foundations funds from its regional corporation. Both Doyon and Koniag data demonstrate a correlation may exist; however, Aleut and Chugach demonstrate the hypothesis is false.

Of the eight corporations that filed 990 forms, seven received 51% or greater of their contributions from government grants. Only one has an overwhelming portion of funds coming from Related Organizations, Bering Straits Foundation.

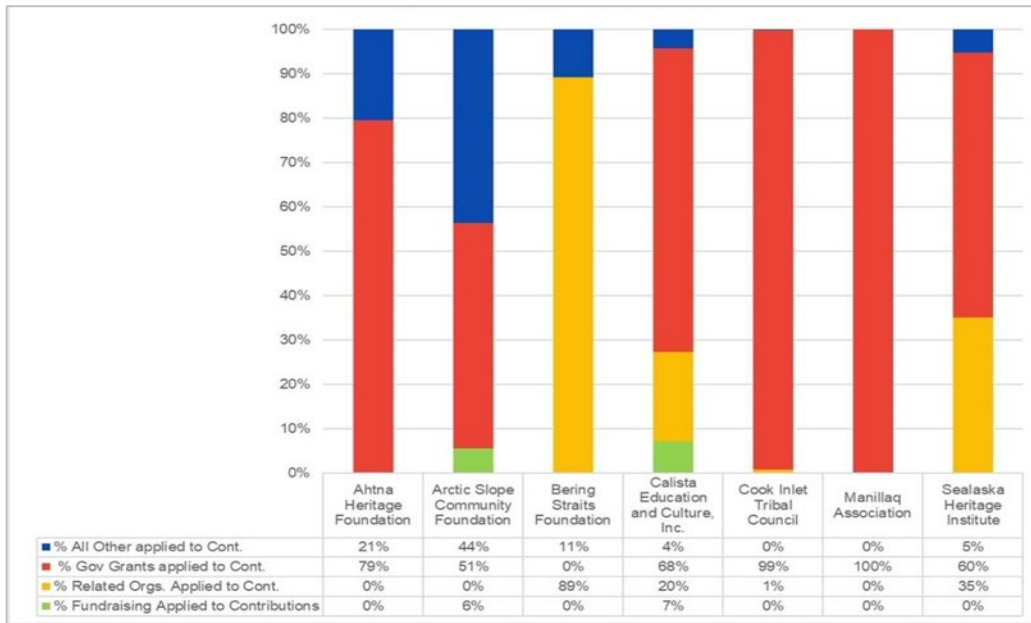


**FIGURE 8  
CONTRIBUTION BREAKDOWN OF 990-PF FORMS**



The data to support hypothesis two is inconclusive; there appears to be no correlation between cultural values being included in mission, values, and codes of ethics when using Donker’s CV-Index methodology. This finding does not render Donker’s methodology invalid. This is for a number of reasons: the funding was analyzed from a foundation standpoint rather than a publicly traded corporation; should this research be repeated in collaboration with the Alaska Native Corporations, using actual earnings data of the Alaska Native Regional Corporations may prove more accurate. Only the 2017 990 data was analyzed and factors outside of incoming contributions to outgoing grants were not analyzed. Analyzing utilization of expenses may have demonstrated how internal funds are used; however, gaps in contributor information for 990 forms limit comparative value. Without insider information it is not feasible to determine how and how much social investment is processed by the corporation rather than by the foundation given the tax benefits for for-profit corporations compared to nonprofit corporations. Recommendation for further research is outlined in the conclusion.

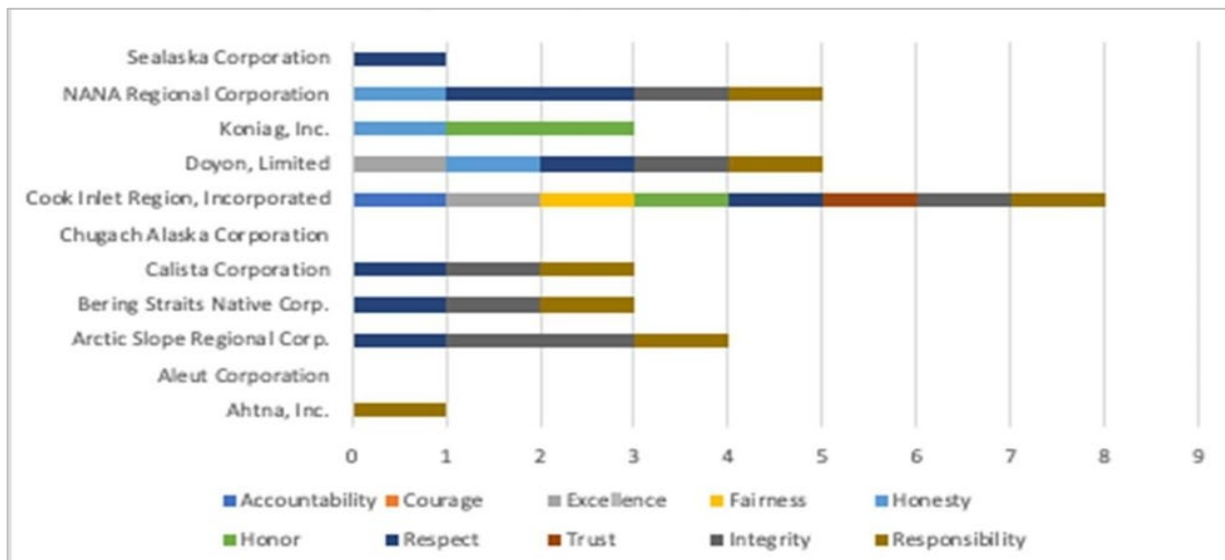
**FIGURE 9  
CONTRIBUTION BREAKDOWN OF 990 FORMS**



*Gender Impacts on Corporate Social Responsibility (H3)*

We hypothesized that Alaska Native Corporations' diverse board of directors have an influence on its corporate social responsibility. Like hypothesis one, this will be reflected by the corporation's direct investment into the community. The below table depicts the corporations compared to values.

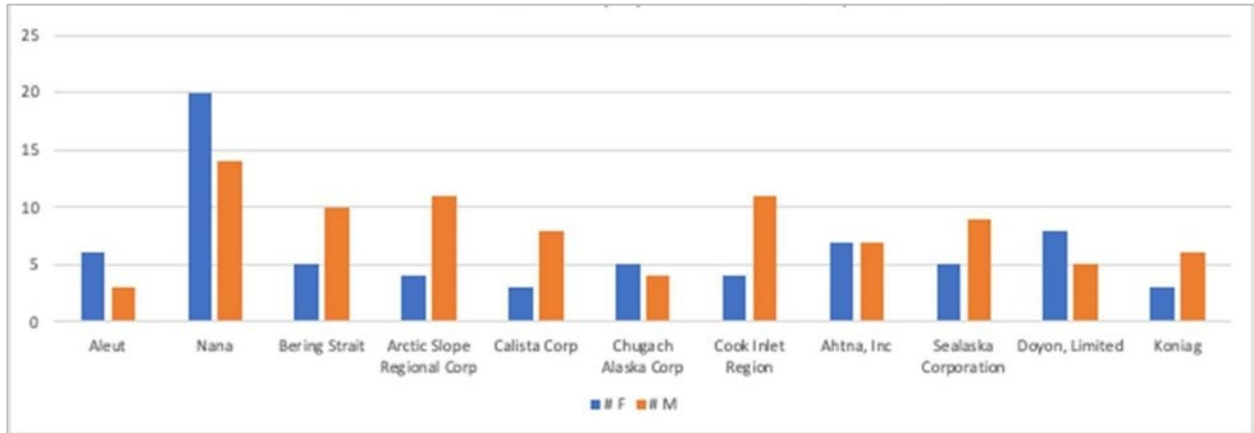
**FIGURE 10  
REGIONAL CORPORATIONS BY VALUES**



We can observe that the values that are most often reflected are responsibility and respect. We will also be analyzing the amount of money that is given to Alaska Native programs and businesses, based on the diversity of the board of directors.

Here is the board of director makeup by corporation:

**FIGURE 11  
BOARD OF DIRECTOR BY ALASKA NATIVE CORPORATION**



An initial observation that can be made from comparing the above to the diversity of the board of directors is that there appears to be no correlation between board of directors gender makeup and the community program support from the corporations. As an example, Aleut Corporation and Chugach Alaska Corporations mission/vision statements contain none of the major values of Alaska Native Corporations. Both of these corporations have a female dominant board of directors. We cannot accurately determine that due to these two corporations not following the common values in their mission and vision statements, that they are not demonstrating corporate social responsibility. Because of this outlier, we are going to now look at the financial piece of this hypothesis.

We will start with Aleut Corporation and Chugach Alaska for this piece. While Alaska Native cultural values are not reflected in their mission and vision statements, we want to determine whether that has an effect on the board's choice to invest in their communities, based on gender.

These female dominant corporations invested the following, based on their 990 data:

**FIGURE 12  
DESCRIPTOR 4**

Regional Corporation	# of Male Board Members	# of Female Board Members	Grant Amount
Ahtna, Inc.	7	7	\$ 166,000.00
Aleut Corporation	3	6	\$ 830,988.00
ASRC	11	4	\$ 1,412,166.00
Bering Straits Native Corp.	10	5	\$ 292,850.00
Chugach Alaska Corporation	4	5	\$ 731,751.00
Cook Inlet Region, Inc.	11	4	\$ 10,738,397.00
Doyon, Limited	5	8	\$ 805,109.00
Koniag, Inc.	6	3	\$ 541,157.00
NANA	14	20	\$ 1,356,828.00
Sealaska Corporation	9	5	\$ 325,768.00

Aleut Corporation invested \$830,988 into community programs through grants and Chugach Alaska Corporation invested \$731,751 in communities. Based on the above, we can determine that the corporations investing the largest amount of money in grants to programs that benefit Alaska Native communities are male dominant. These two corporations are Cook Inlet Regional Corporation and the Arctic Slope Regional Corporation (ASRC). It is important to note that both of these corporations have exactly 11 male members and only four female members, making their board of directors the most male dominated among the corporations in our study.

The data to support hypothesis three is impartial to the large outlier of the two male dominant boards. We can determine that there is no true correlation between the board of directors' diversity having an impact on financial investment into communities. This is the case for several reasons: the analysis does not factor in any funds contributed to other Alaska Native non-profits such as Alaska Native Tribal Health Consortium, social investments made through Native Corporation foundations are separately analyzed, and detailed giving data from the Alaska Native Regional Corporations was not readily available to our team. As hypothesis one found, repeating this study in collaboration with the Alaska Native Corporations may render different findings when we are studying social investment.

*Gender Impacts on Social Investment (H4)*

Gender diversity impacts the social investment activities of Alaska Native Corporations. The main points that we will be analyzing for this hypothesis are:

- o Diversity impact on purpose of spend

- o Diversity impact on amount of spend

**FIGURE 13  
DESCRIPTOR 5**

<b>Regional Corporation</b>	<b># of Male Board Members</b>	<b># of Female Board Members</b>	<b>Grant Amount</b>
Ahtna, Inc.	7	7	\$ 166,000.00
Aleut Corporation	3	6	\$ 830,988.00
ASRC	11	4	\$ 1,412,166.00
Bering Straits Native Corp.	10	5	\$ 292,850.00
Chugach Alaska Corporation	4	5	\$ 731,751.00
Cook Inlet Region, Inc.	11	4	\$ 10,738,397.00
Doyon. Limited	5	8	\$ 805,109.00
Koniag, Inc.	6	3	\$ 541,157.00
NANA	14	20	\$ 1,356,828.00
Sealaska Corporation	9	5	\$ 325,768.00
<b>Grand Total</b>	<b>3</b>	<b>3</b>	<b>\$ 17,201,014.00</b>

Based on this comparison, we cannot yet determine if there is a correlation of giving between the difference in board members made up of primarily males or females. We want to look at how the gender makeup differs by the purpose of the money being given as grants. For example, are the corporations with more females on their board putting more money into health initiatives or are corporations with a male dominant board? We want to narrow down and look into education, community welfare, and career advancement now. Education and community welfare carry the largest amount of grants from corporations based on the 990 documents that we looked at. Here, we can see the breakdown of purpose of grant money by regional corporations:

**FIGURE 14  
DESCRIPTOR 6**

<b>Purpose by Corporation</b>	<b>Grant Amount</b>
<b>Career Development</b>	<b>\$ 651,228.00</b>
Aleut Corporation	\$ 133,030.00
Cook Inlet Region, Inc.	\$ 518,198.00
<b>Childcare</b>	<b>\$ 2,702,967.00</b>
Cook Inlet Region, Inc.	\$ 2,702,967.00
<b>Community Welfare</b>	<b>\$ 6,867,248.00</b>
ASRC	\$ 113,680.00
Cook Inlet Region, Inc.	\$ 6,100,875.00
NANA	\$ 562,693.00
<b>Cultural Support</b>	<b>\$ 713,199.00</b>
Aleut Corporation	\$ 89,438.00
ASRC	\$ 333,745.00
Chugach Alaska Corporation	\$ 5,000.00
Cook Inlet Region, Inc.	\$ 72,020.00
NANA	\$ 207,546.00
Sealaska Corporation	\$ 5,450.00
<b>Education</b>	<b>\$ 5,393,418.00</b>
Athna, Inc.	\$ 166,000.00
Aleut Corporation	\$ 608,520.00
ASRC	\$ 655,507.00
Bering Straits Native Corp.	\$ 292,850.00
Chugach Alaska Corporation	\$ 726,751.00
Cook Inlet Region, Inc.	\$ 1,277,206.00
Doyon, Limited	\$ 805,109.00
Koniag Inc.	\$ 541,157.00
Sealaska Corporation	\$ 320,318.00
<b>Health</b>	<b>\$ 331,859.00</b>
ASRC	\$ 39,234.00
NANA	\$ 292,625.00
<b>Housing Assistance</b>	<b>\$ 67,131.00</b>
Cook Inlet Region, Inc.	\$ 67,131.00
<b>Recreation</b>	<b>\$ 270,000.00</b>
ASRC	\$ 270,000.00
<b>Hunting</b>	<b>\$ 203,964.00</b>
NANA	\$ 203,964.00

Next, we narrowed further to determine what the board makeup looks like for these three grant money purpose categories. Regional corporations that have female dominant boards have been highlighted. It is apparent that Aleut Corporation, NANA, Chugach Alaska Corporation and Doyon, Limited are all female dominant. Ahtna Inc. has seven males and seven females on its board. The rest of the mentioned Alaska Native Corporations are male dominant.

**FIGURE 15  
DESCRIPTOR 7**

<b>Purpose by Corporation</b>	<b>Grant Amount</b>	<b># of Male Members</b>	<b># of Feale Members</b>
<b>Career Development</b>	<b>\$ 651,228.00</b>		
Aleut Corporation	\$ 133,030.00	3	6
Cook Inlet Region, Inc.	\$ 518,198.00	11	4
<b>Community Welfare</b>	<b>\$ 6,867,248.00</b>		
ASRC	\$ 113,680.00	11	4
Cook Inlet Region, Inc.	\$ 6,100,875.00	11	4
NANA	\$ 652,693.00	14	20
<b>Education</b>	<b>\$ 5,393,418.00</b>		
Athna, Inc.	\$ 166,000.00	7	7
Aleut Corporation	\$ 608,520.00	3	6
ASRC	\$ 655,507.00	11	4
Bering Straits Native Corp.	\$ 292,850.00	10	5
Chugach Alaska Corporation	\$ 726,751.00	4	5
Cook Inlet Region, Inc.	\$ 1,277,206.00	11	4
Doyon, Limited	\$ 805,109.00	5	8
Koniag Inc.	\$ 541,157.00	6	3
Sealaska Corporation	\$ 320,318.00	9	5

Understanding where the board of directors stand when it comes to the purpose of spend is dependent on the sum of money that is going to said purposes. The board can decide where the money goes, and based on what we've seen in the 990 data, most of the money that they are able to distribute goes to community welfare. We categorized the following as being community welfare due to their purpose for doing greater good in the community:

- Food Banks
- Home Fire Campaigns
- Street Outreach
- TANF Benefits (largest investment)
- Supportive Services
- General Assistance
- Tobacco Grant Prevention

Cook Inlet Corporation gave over \$6 million to community welfare programs, with over \$4 million going to TANF benefits.

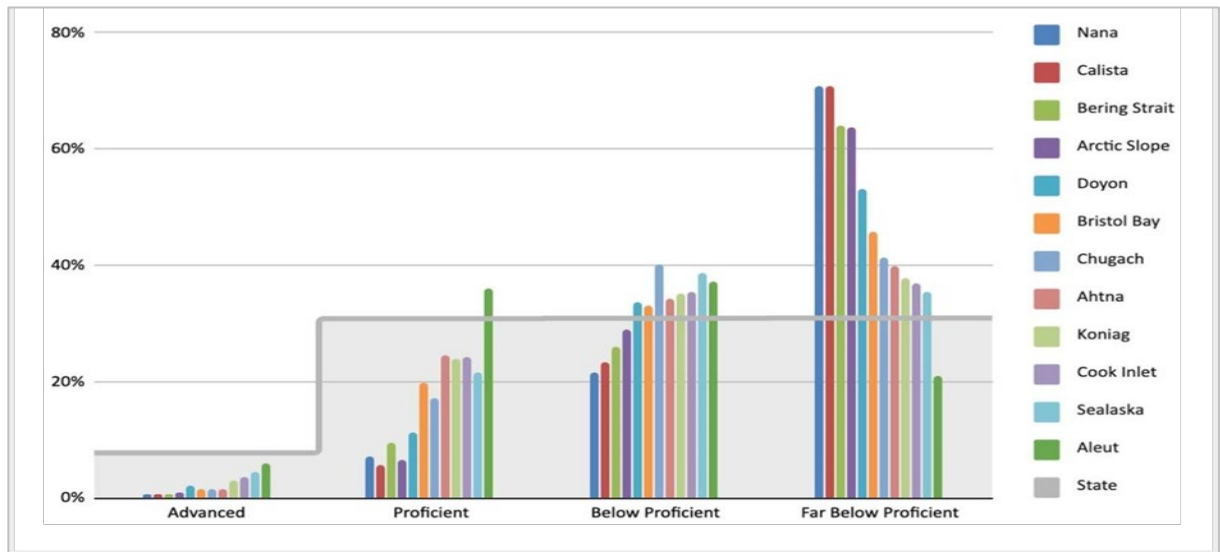
We can conclude here that there are more male dominant boards that are interested in giving out grants to causes in the categories of career development, community welfare, and education. This begins to support our third hypothesis by coming to the conclusion that there is a difference in the level of corporate social responsibility output among regional corporations depending on board makeup.

*Social Investment Leads to Increased Entrepreneurial Opportunities (H5)*

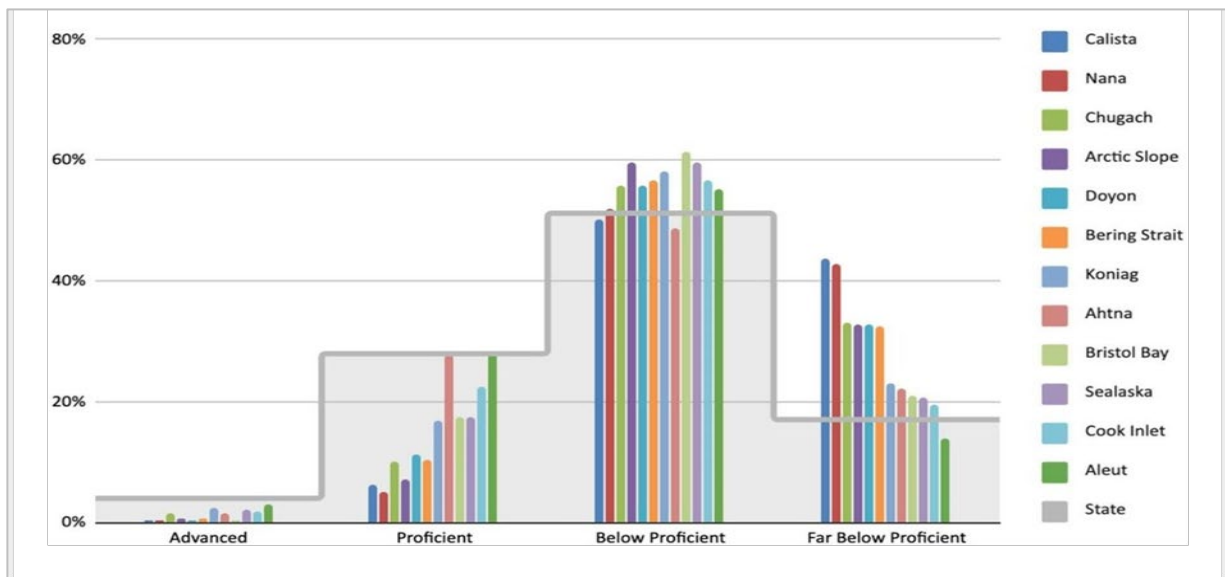
We hypothesized that social investment leads to the increased social and economic stability of Alaska Native Communities. This is reflected in increased graduation rates and labor participation. PEAKS assesses Alaska students on comprehension and performance of English and Math. It assesses students in grades three through ten, providing a broad-spectrum overview of student performance. The following two charts depict the PEAKS scores for Alaska Native students within each native corporation region and compares those scores with the state average. The first chart shows scores in English Language Arts, and the second chart shows scores in Math. These charts show that in nearly all regions, a larger percentage of Alaska Native students perform below proficient or far below proficient than the state average in both

English Language Arts and Math. Those corporate regions with the largest percentage of students performing far below proficient are Calista, Nana, Arctic Slope, Bering Strait, and Doyon. The data shows that, on average, Alaska Native students are not performing as well as the average Alaska student. This supports the conclusion by OECD that often the educational attainment of indigenous people is behind the non-indigenous population (OECD, 2018). It also lends support to the perspective posited by Anders & Anders (1987), namely that Alaska Native Corporations sometimes need to turn to outside consultants for help rather than bringing in shareholders due to the lack of education and skills held by internal employees. It is this lack of education among Alaska Natives that is hurting the development of Alaska Native Corporations (Anders & Anders, 1987).

**FIGURE 16**  
**ALASKA NATIVE ENGLISH PEAKS SCORES**



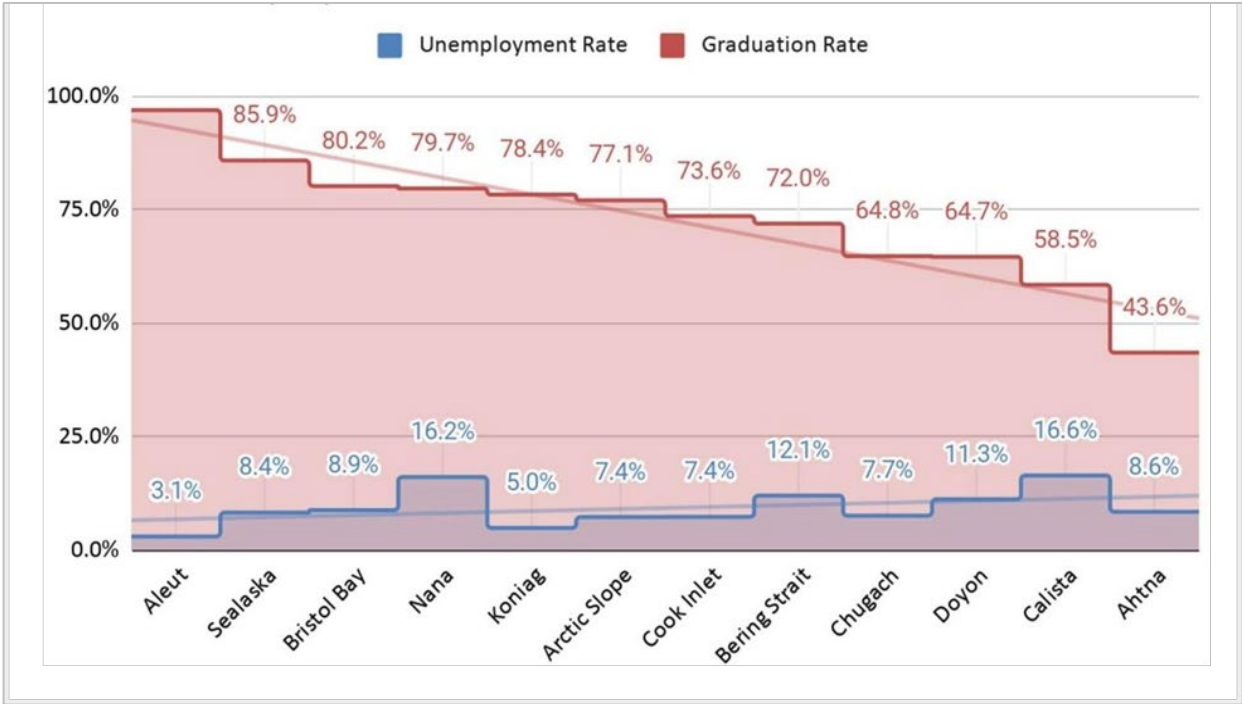
**FIGURE 17**  
**ALASKA NATIVE MATH PEAKS SCORES**





We next compared the graduation rates of Alaska Native students with the overall unemployment rate of each region served by Alaska Native Corporations. The following chart shows the relationship between graduation rates and unemployment rates in each region. It should be noted that while graduation rates are specific to Alaska Native students, unemployment rates are aggregate for the entire region and include all ethnicities; ethnic specific data was unavailable for each region. It is evident that the general trend for each corporate region is as the student graduation rate decreases, the unemployment rate increases, indicating decreased economic activity within that region and supporting our assumption that graduation rates are an indicator of economic activity. What is unclear is whether unemployment drives graduation rates, or if graduation rates drive unemployment. Those regions with the highest rates of unemployment (greater than 10%) are Calista Corporation, NANA Regional Corporation, Bering Strait Regional Corporation, and Doyon, Limited.

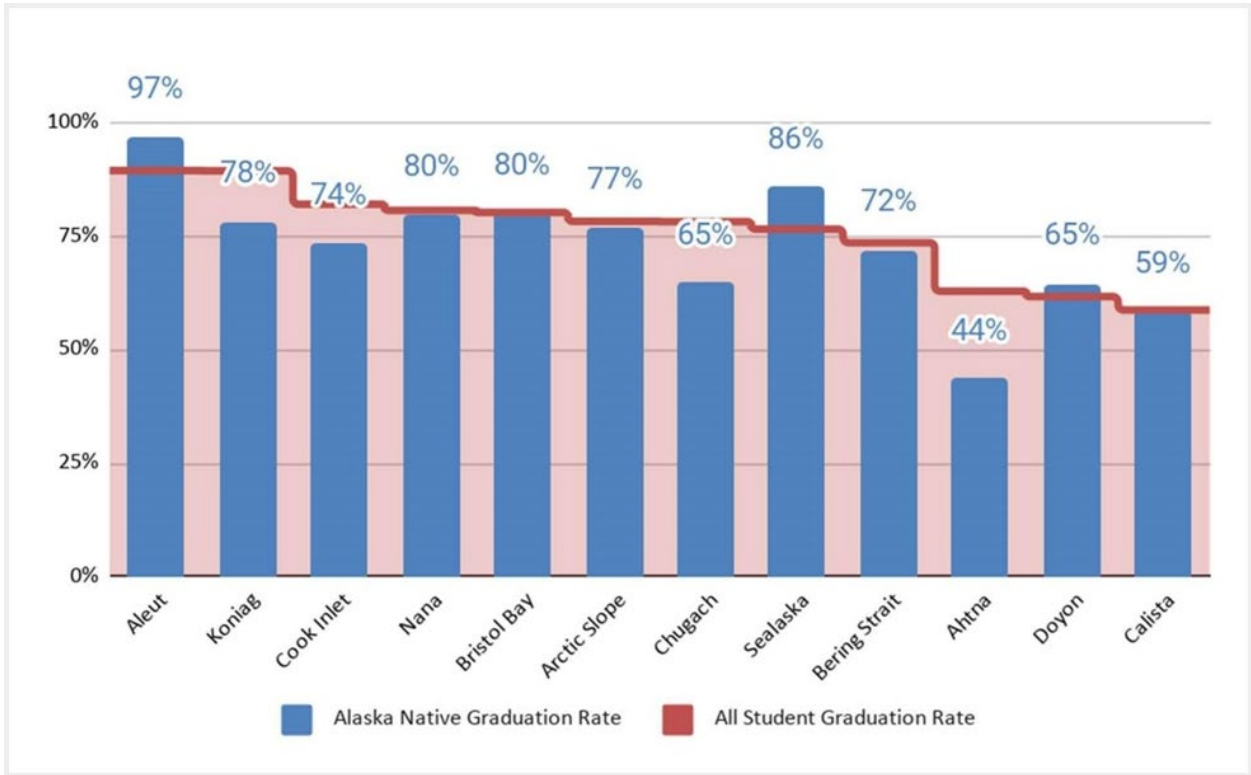
**FIGURE 18**  
**UNEMPLOYMENT RATE VS. ALASKA NATIVE GRADUATION RATE**



It is also worth noting that graduation rates for all students follow a similar pattern in each region, with Alaska Native rates tending to be lower than the group average for all students in most regions. Again, this data supports the conclusions by Anders and Anders as well as OECD, and reinforces the findings of McFarland and Stark, showing the national graduation rates of American Indians/Alaska Natives are the lowest of any reported group (McFarland, Cui, & Stark, 2016). Furthermore, it lends support to the Bureau of Labor Statistics data stating professional education and experience levels of Alaska Natives are lower than non-indigenous people in Alaska. This makes the current Alaska Native leadership pool very limited (BLS, 2019).

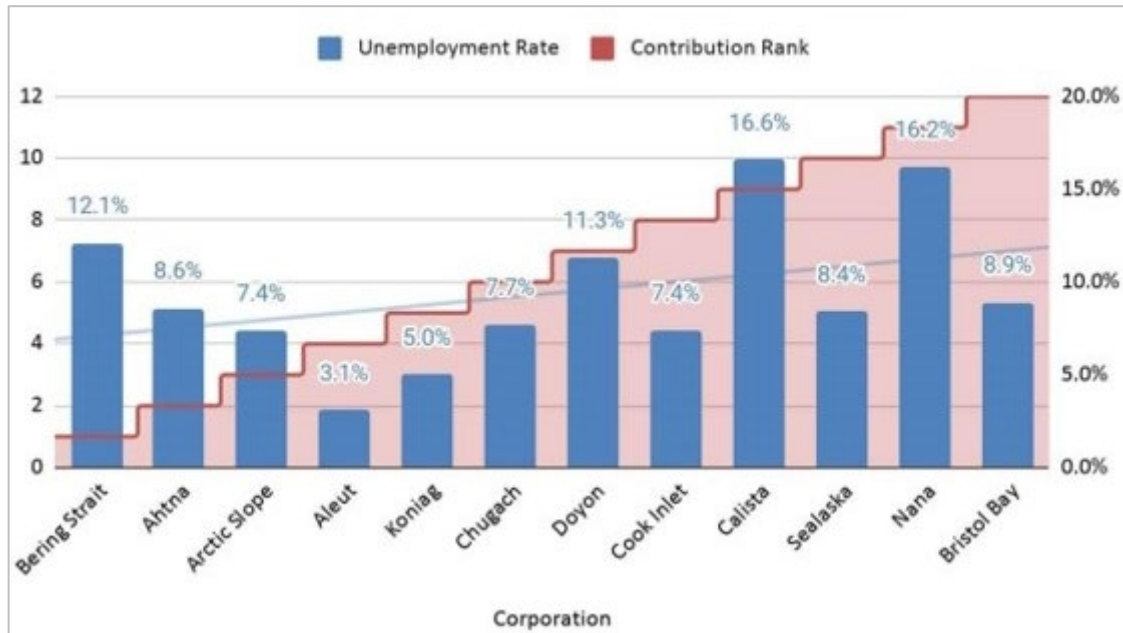


**FIGURE 19**  
**ALASKA NATIVE VS. ALL STUDENT GRADUATION RATES**



Curry posed the question, do Alaska Native Corporations with development subsidiaries with purpose-driven social missions have enhanced labor participation rates? To answer this question, we compared each corporation’s 990 contribution/grant ratio rank with the unemployment rate for their associated communities. The following chart depicts this relationship. Corporations are sorted by contribution rank, with the highest contribution percentages on the left of the chart, and the lowest on the right. Community unemployment and Alaska Native graduation rates are then graphed. The chart shows that a trend does appear, with unemployment rates tending to be higher in those communities with the worst contribution ranking. This appears to support the conclusion by Bardy, et. al. (2011) that positive spillover effects do occur when investments are made in Alaska Native communities (Bardy, et. al., 2011).

**FIGURE 20  
UNEMPLOYMENT RATE VS. CONTRIBUTION RANK**

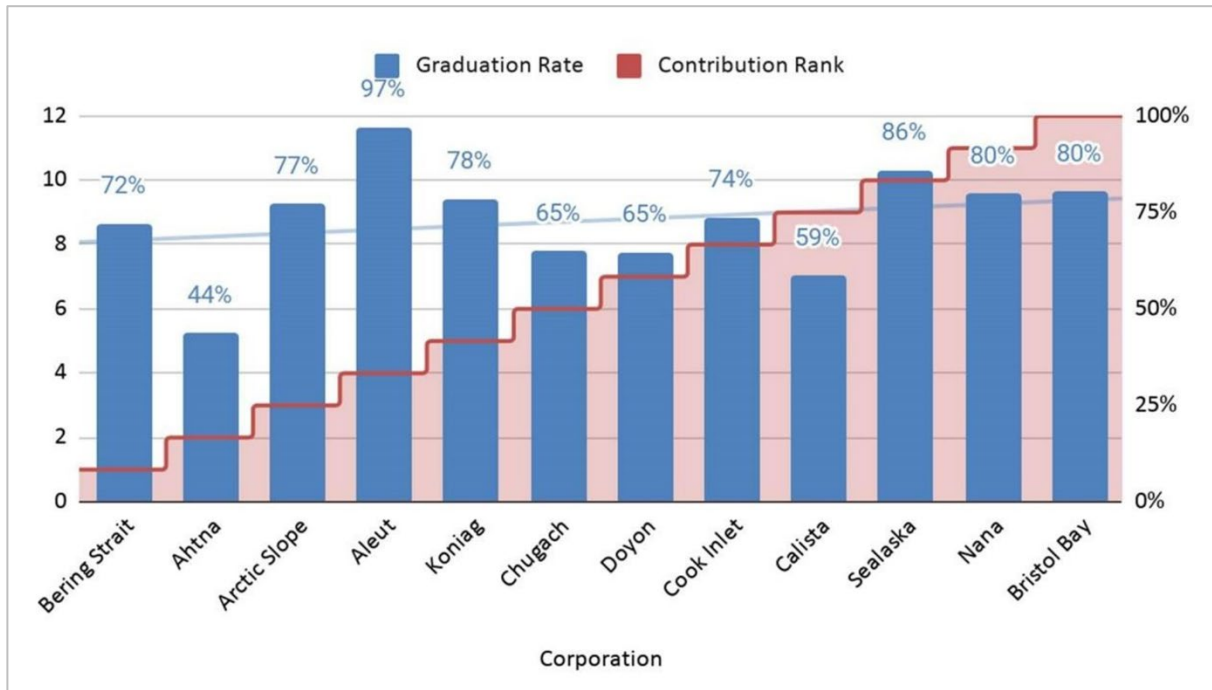


There does not appear to be a distinctive correlation with graduation rates. To explore this further, we compared contribution rank with PEAKS performance scores. There was very little correlation between student PEAKS scores and contribution rank. More information is needed on the amount of investment in each service to determine why unemployment remains high in these communities. One strategy for this may be to compare student performance and graduation rates with the percentage of investments that go towards educational development.

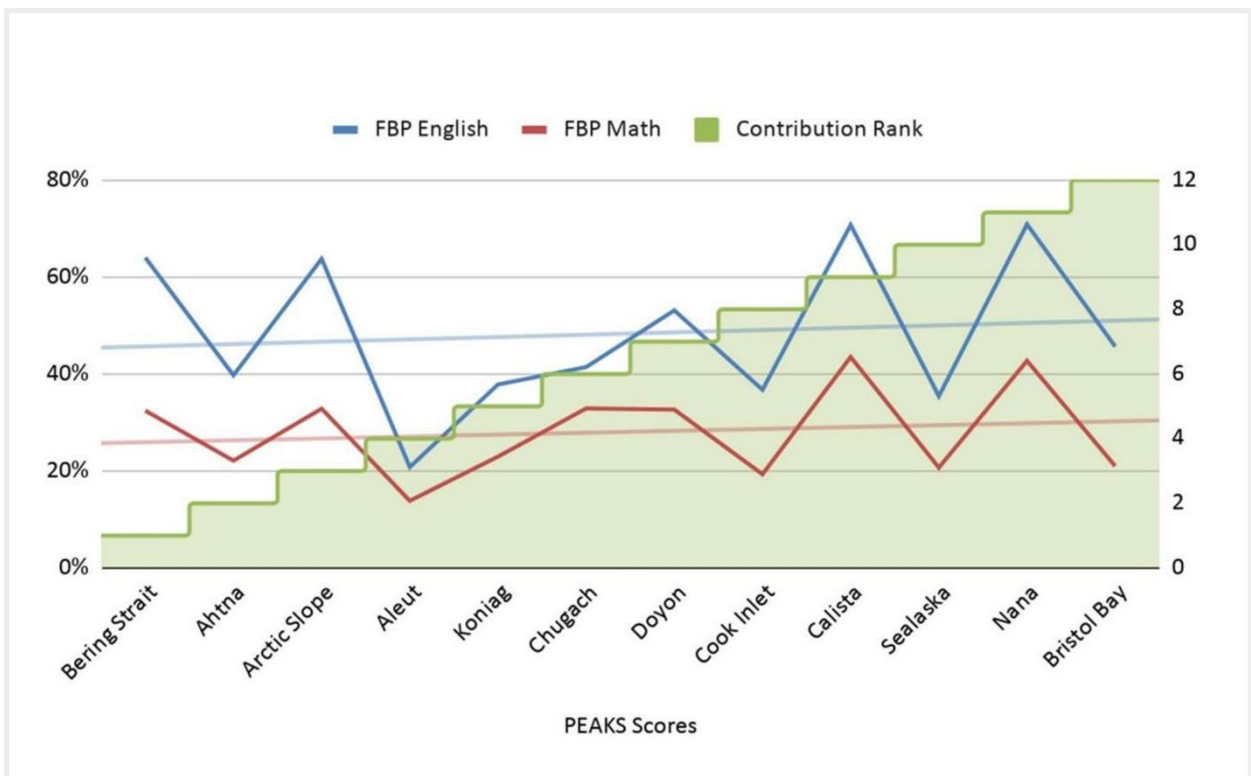
Bardy, et. al. (2011) identified that training and education are paramount for new technologies and ideas to fully develop into entrepreneurial possibilities (Bardy, et. al., 2011). They also concluded that social investments lead to a more stable community with educated human capital, new ideas and greater entrepreneurial potential. In order for this to occur, the correct framework and coordination must be in place prior to determining the most effective method to interpret, then plan for, encouraging indigenous employment and economic development (Bardy, et. al., 2011). The lack of correlation between educational performance and graduation rates of Alaska Native students may suggest a disconnect between the social responsibility investment strategy of Alaska Native Corporations and the resulting economic performance of Alaska Native communities. Corporate strategies to invest socially in Alaska Native communities may be treating the symptoms without addressing the root of the problem.

This data may indicate that most of the corporate social responsibility investments focus on employment assistance and do not emphasize educational development. More specific investments in Alaska Native education at the secondary and post-secondary levels could have positive impacts on the economic performance of Alaska Native communities.

**FIGURE 21**  
**GRADUATION RATE VS. CONTRIBUTION RANK**



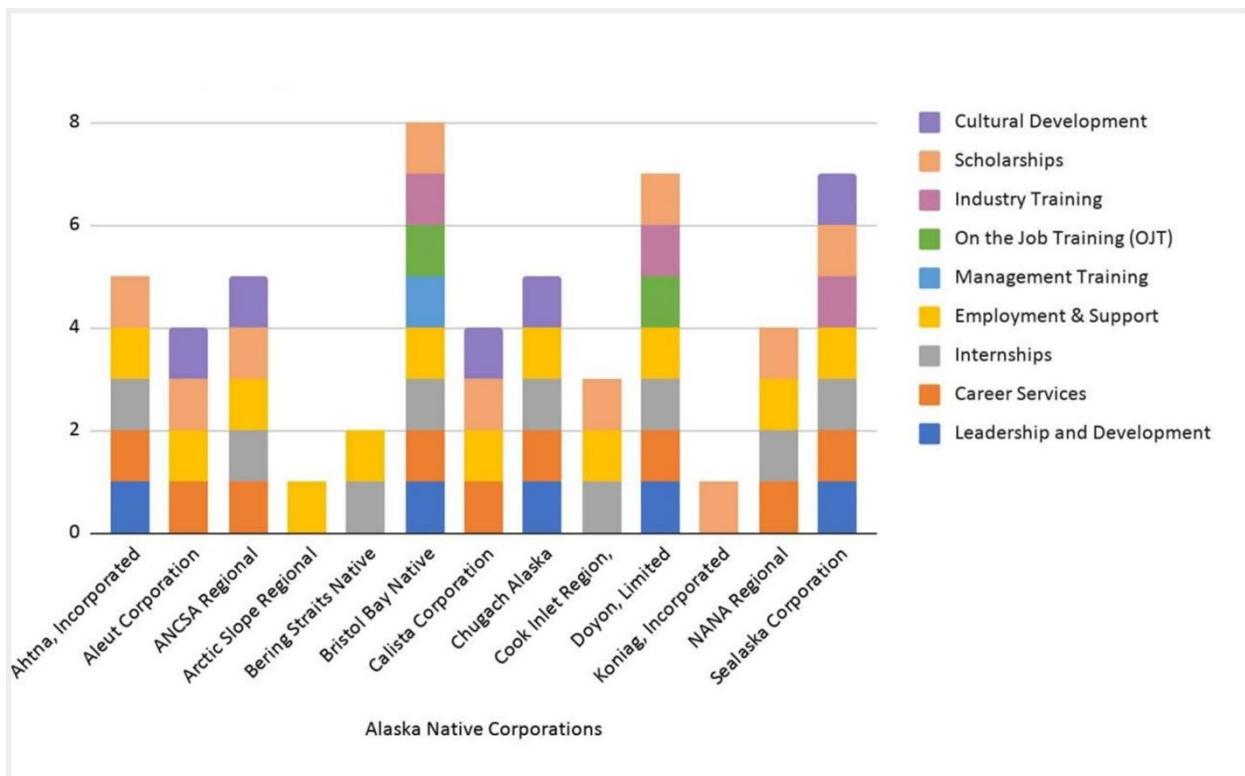
**FIGURE 22**  
**ALASKA NATIVE PEAKS SCORES VS. CONTRIBUTION RANK**



*Alaska Native Corps With Corporate Social Responsibility Have Increased Entrepreneurial Opportunities (H6)*

We hypothesized that Alaska Native Corporations who contribute to social corporate responsibility activities increase entrepreneurial opportunities in the community and financial performance of the firm. The majority of native corporations in Alaska are committed to making investments that support and benefit their communities. All but one of the native corporations analyzed have programs established to provide employment benefits and employment support to their members and communities. The programs and benefits in which we see the least amount of support from Alaska Native Corporations are in the areas of providing management training and on the job training.

**FIGURE 23  
COMMUNITY PROGRAMS AND BENEFITS**



Our analysis of hypothesis five showed that there is a correlation between contribution rank, as defined within this paper, and unemployment rates; higher percentages of Alaska Native Corporation contributions generally correlate with lower unemployment. Additionally, we found that unemployment rates correlate with Alaska Native high school student graduation rates; higher graduation rates are found in communities with lower unemployment rates. We also found that contribution ranking does not appear to correlate with high school graduation rates. Analysis of PEAKS scores for Alaska Native students supports the conclusion that Alaska Native students are not performing as well as the average Alaskan student.

We were unable to obtain financial data of Alaska Native Corporations for the purpose of correlating firm performance with social responsibility. This data suggests that corporate social responsibility investments by Alaska Native Corporations may provide economic stimulation to Alaska communities, but entrepreneurial opportunities for Alaska Native peoples may be lacking as indicated by low student performance.

## CONCLUSION

This research paper was intended to answer the question: “How can Alaska Native Corporations enhance entrepreneurial opportunities within their communities?” and thereafter eventually discuss areas for future research. Our literature review identified several avenues for research; unfortunately, our studies proved inconclusive, albeit identifies significant gaps that can be addressed through further research. Our original hypothesis was that there is a positive correlation between economic community development and corporate financial performance when Alaska Native cultural values are integrated into Alaska Native Corporations, gender diversity is promoted in leadership roles within the corporation and in entrepreneurial businesses within Alaska Native communities, and efforts are made to promote social well-being, economic, and educational development. At face value, scholarly research appears to support this hypothesis; however, when applied to Alaska Native Corporations the findings were inconclusive.

The CV-Index may have provided different results if Newhouse and Chapman’s integration of native values into organizational culture were applied to Alaska Native Corporations when integrating them into the organization; thereby potentially addressing the disconnect between native values and organizational actions.

The studies in the review that have the most scientific value for furthering research are:

- (1) those assessing gender differences and the effect of gender diverse boardrooms on corporate financials, and the amount of community support that is given to shareholders in return;
- (2) those assessing financial ratios then examining whether the corporate social responsibility strategies focus on adding value and long-term social and economic benefits.

Entrepreneurial attitude of a community can change based on influential thoughts, feelings, and intentions towards innovation, achievement, self-esteem, and personal control factors (Lindsay, 2005). The importance of Alaska Natives completing high school is foundational for career exploration and influences consideration of post-secondary education to meet professional goals. Those who are able to complete higher education are more likely to become active members of society and business leaders. Skills learned during educational endeavors can assist individuals in starting their own businesses or help support businesses in their own communities (Keith, Stastny, & Brunt, 2016). As stated by OECD, the education of individuals must be considered the key issue that is creating a barrier for indigenous people. Starting with the indigenous youth, concentrating efforts to support and develop educational goals will be important for ensuring they are getting the skills they need to maintain and lead a sustainable quality of life (OECD, 2018). Because of the lack of correlation between graduation rates and corporate social responsibility investments of Alaska Native corporations, investments may not be creating as much entrepreneurial opportunity as could be achieved.

Robinson (2016) stated that because of the disconnect between Alaska Native culture and the business-motivated organizational culture of the corporation, Alaska Native Corporations do not appear to be focusing on what matters most to its typical Alaska Native shareholders, which are their values and cultures (Robinson, 2016). Traditional Alaska Native culture places a strong emphasis on connections with the land and maintaining a subsistence lifestyle, which can seem to run counter to organizational ideas of business. As concluded by Bardy, et. al., (2011), training and education are paramount for new technologies and ideas to fully develop into entrepreneurial possibilities, which may require members of society to “unlearn” old ideas and beliefs about education (Bardy, et. al., 2011). We presented several examples in our literature review of corporations that have successfully integrated traditional indigenous cultural values into their organizations. Our research suggests that improving educational investments in Alaska Native students for secondary and post-secondary and integrating Alaska Native cultural values may improve the entrepreneurial opportunities of Alaska Natives.

### Further Research and Directions

Our literature review demonstrated research on Alaska Native people and the Alaska Native Corporations. We identified supposed conflicts between traditional Alaska Native cultural values and westernized corporate business practices and challenges of aligning the two as they are defined, by aged,

but still relevant research observations of Anders & Anders (1987). Our research implies a confirmation of these supposed conflicts. Our research also identified a lack of data for Alaska Natives in comparison to other aboriginal natives creating barriers to apply scholarly research to Alaska Native structure. This structure of Alaska Native Corporations as for-profit corporations requires researchers to work collaboratively with the corporations to address research gaps.

Gathering data will require joint efforts with Alaska Native Corporation leaders, employees, and shareholders. A dynamic understanding of corporate social responsibility to Alaska Native shareholders is needed to make a determination of how those corporations are creating entrepreneurial opportunities. Questions we anticipated being able to answer and/or investigate, but were not able to due to this disconnect include:

- (1) entrepreneurship can be measured by examining the percentage of individuals who work for themselves compared to those that work for other people;
- (2) whether an entrepreneurial spirit exists by examining the number of self-employed Alaska Natives compared to those who worked for someone else;
- (3) Any correlations between remoteness and smallness of the population base of aboriginal communities, successful economic development, and financial accessibility;
- (4) Inclusion of Donker's (2008) MTB value calculation; and
- (5) Ismail's asset correlation with board gender.

Robinson's statement that the for-profit structure of Alaska Native Corporations does not appear to be focusing on what matters most to its typical Native shareholders is a viable statement when data that is available is utilized; however, repeating this research in partnership with Alaska Native Corporations may result in different findings, such as, as opined by Curry, that they could be community capitalists. Alaska Native Corporations must ensure their shareholders have a future in Alaska, but to do this they must align their goals with those that are shared with Alaska Native people. Evidence does not demonstrate this is the case. Unlike research performed by scholars, the data is not available in the same capacity.

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