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GET WHAT YOU GIVE? AN EXAMINATION OF ENLIGHTENED SELF-INTEREST, PHILANTHROPIC INTENT, AND ENGAGEMENT IN PHILANTHROPY FOR SMALL FIRM OWNERS

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ABSTRACT

Prior researchers agree that small businesses are important community contributors due to their active engagement in broader social responsibility activities, such as philanthropy. Despite their purported importance to charitable giving and philanthropy, little is known about the factors that motivate small business owners' decisions to engage in philanthropic giving. We integrate enlightened self-interest theory and the theory of planned behavior to examine how enlightened self-interest influences intentions to engage in philanthropy during start-up, which in turn impacts current levels of engagement in philanthropic activities. Our results suggest that intentions to engage in philanthropy at start-up do partially mediate the relationship between enlightened self-interest and engagement in philanthropy behaviors; thus, suggesting that entrepreneurs' motivations grounded in enlightened self-interest influence intentions to engage in philanthropy and subsequent engagement in such activities.

INTRODUCTION

In his search for a contemporary definition of philanthropy, Sulek (2010) notes that evolution has occurred over time in how philanthropy is viewed so as to generate a modern definition focusing on “application of private means to public ends” (2010: 201). Salamon (1992) is generally credited with crafting a definition of philanthropy that has become synonymous with charitable giving, and this definition has been largely adopted by philanthropy scholars (Sulek, 2010). From a corporate and business-oriented perspective, philanthropy is traditionally recognized as “giving” via donation with the intent to generate social return on investment (Pepin, 2005; Stroup & Neubert, 1987). Based on the categorizations presented by Carroll (1979), philanthropy has generally been viewed as a broad form of discretionary social responsibility (Besser, 1998; Déniz & Suárez, 2005; Fitzgerald, Haynes, Schrank, & Danes, 2010; Post, 1996) for businesses, given it is not undertaken to comply with laws or regulations and has the potential to generate social returns through the betterment of communities.

Several scholars have examined corporate philanthropy, along with motivations, determinants, and outcomes associated with giving behaviors in the corporate context (e.g., Buchholtz, Amason, & Rutherford, 1999; Porter & Kramer, 2002; Saiia, Carroll, & Buchholtz, 2003; Seifert, Morris, & Bartkus, 2003; Seifert, Morris, & Bartkus, 2004; Wang, Choi, & Li, 2008). Ultimately, researchers argue that corporate philanthropy may heighten corporate reputation (Brammer & Millington, 2005) even if it does not improve the firm’s bottom line in the short-run (Wang et al., 2008), and that firms are aware of the benefits that may accrue to them by giving. Increasingly, researchers argue that firms undertake philanthropy to strategically improve both reputation and the bottom line (Godfrey, 2005; Ricks, 2005; Saiia et al., 2003) with values of managers holding an influential role in such practices (Buchholtz et al., 1999).

Buchholtz and colleagues (1999) argue that the firm’s upper echelon hold significant influence in setting the firm’s values towards corporate philanthropy, and scholars further contend that giving can be leveraged to gain visibility for the firm, satisfy stakeholders, increase brand awareness and image, and reach new market segments (Varadarajan & Menon, 1988). More recently, researchers have channeled research related to attitudes towards philanthropy via the Ajzen’s (1991) Theory of Planned Behavior (TPB) (e.g., Dennis, Buchholtz, & Butts, 2009; Smith & McSweeney, 2007; van der Linden, 2011). Given the closely held nature of small firms, and the flexibility afforded by concentrated upper echelon (Jenkins, 2006), managerial values and discretion are likewise expected to dictate participation in philanthropic endeavors to reach similar ends.

Scholars agree that small businesses play important roles in their communities (Fitzgerald et al., 2010; Lepoutre & Heene, 2006; Niehm, Swinney, & Miller, 2008) and in the limited studies available on small business philanthropy and social responsibility, small firms have been found to play crucial roles in their communities and beyond (Besser, 1998; Tietz & Parker, 2014; Madden, Scaife, & Crissman, 2006). Prior researchers suggest that small businesses support charitable organizations or philanthropy at higher levels than their larger corporate counterparts, with data suggesting that approximately 75% to 91% of U.S. small businesses participate in some sort of philanthropy (Cronk, 1988; Katz-Stone, 1998; Preston, 2008; Princeton, 2001). Research has also shown that small business owners tend to be more ethical and socially responsible than corporate managers (Bucar & Hisrich, 2001), and have a stronger connection with the local business community (Besser & Miller, 2004; Green, 1992; Solymossy & Masters, 2002). Since they have a personal stake in their businesses, they also tend to be more protective of company resources (Bucar & Hisrich, 2001), and more likely to base decisions upon their own social value system (Humphreys, Robin, Reidenbach, & Moak, 1993; Tietz & Parker, 2014). Because of the link with their local communities, small business owners can feel more compelled than large firm owners to balance economic gain with ethical responsibility (Solymossy & Hisrich, 1996), particularly if they believe the philanthropy meets a critical societal need (Nell, Winfree, & Sherk, 2008).

The limited research in this area, however, has generally overlooked the motivations for engaging in these types of activities, and little theory development has been integrated into the small business-social responsibility phenomenon. One exception is the work of Coombs, Shipp, and Christensen (2008), which contends that entrepreneurs engage in philanthropy due to psychosocial motives, including helping future generations, striving for transcending their own existence, and leaving a legacy. Like the corporate philanthropy literature, this view supports the influence of the upper echelon in dictating engagement in such behaviors (Hambrick & Mason, 1984).

In the corporate philanthropy literature, it is widely recognized that firms may be motivated by enlightened self-interest to strategically align their giving or social involvement (e.g., Keim, 1978; Matten & Crane, 2005; Varadarajan & Menon, 1988); thus, supporting the notion of impure altruism underlying corporate giving and social responsibility. Although indirectly, the same undertones support the arguments of Coombs et al. (2008). Research on small business philanthropy and social responsibility, is generally less prevalent. Even so, researchers in this area have explicitly identified enlightened self-interest as a motive for engaging in such behaviors (Besser & Miller, 2004; Jenkins, 2006). Underlying both the corporate philanthropy and small business literatures are the notion that values undergird intention to engage in such activities (e.g., Tietz & Parker, 2014). Given both the corporate philanthropy and small business social responsibility recognition of impurely altruistic, or strategic, motives for philanthropic engagement, we integrate enlightened self-interest theory and the theory of planned behavior to underpin motivations related to small firm engagement in philanthropy, and explore how they may be related to participation in these activities.

The remainder of our manuscript is organized as follows. In the subsequent section we integrate ESI and the theory of planned behavior to model philanthropic engagement, and offer hypotheses related to these phenomena. We then detail our sample, measures, and methods, followed by presentation of our findings. Finally, we address the academic and practical implications of our research, as well as the limitations that must be considered as we attempt to move forward with future research in this area.

THEORY AND HYPOTHESIS

Philanthropy falls under the umbrella of corporate social responsibility (Buchholtz et al., 1999; Post, 1996), and is considered largely discretionary for the firm. During the early 2000's, corporate philanthropy in the United States rose significantly (Wilhelm, 2006), and with this rise, scholarship related to corporate philanthropy has likewise grown. Scholars have argued that philanthropy runs against classic economic assumptions of the rational profit-maximizer (Friedman, 1962), since tangible performance benefits may not accrue in the short-term for socially responsible investments, including giving. However, researchers argue that improved image and long-term profitability, along with marketing benefits, make engagement in such activities worthwhile for firms, in addition to the "warm glow" the entrepreneur may obtain from undertaking philanthropy (Andreoni, 1989; Tietz & Parker, 2014). "Warm glow" is considered a personal form of altruism, which supports preservation of an individual's identity (Tietz & Parker, 2014).

Although corporate philanthropy has received a good deal of research attention from scholars, relatively few researchers have examined the antecedents, of why such giving takes place (Dennis et al., 2009). As late as 2007, scholars argued that no substantive theory-driven models existed to underpin the drivers of corporate philanthropy (Dennis et al., 2009) and that further attention should be given to this pursuit. Philanthropy has generally been viewed along a continuum from purely strategic to purely altruistic, with the strategic literature explaining engagement in philanthropy via enlightened self-interest or other impurely altruistic models (e.g., Young & Burlingame, 1996) and the purely altruistic camp placing philanthropy in a moral context (e.g., Shaw & Post, 1993). Scant corporate philanthropy literature has integrated theory to explain the drivers of managers' participation in such activities; however, the Theory of Planned Behavior (Ajzen, 1991) has gained some popularity (e.g., Dennis et al., 2009; Smith & McSweeney, 2007; van der Linden, 2011) in explaining this phenomenon.

Small business researchers argue that small firms are actively engaged in philanthropy (e.g., Fitzgerald et al., 2010; Jenkins, 2006; Niehm et al., 2008), yet very limited research in the entrepreneurship/small business realm has attempted to address antecedents that may motivate participation in philanthropic endeavors (for an exception see, Madden et al., 2006). Better understanding what drives small business owners to participate in philanthropy and other socially responsible activities is important in understanding the social impacts generated by small businesses. Like the corporate philanthropy literature, we examine the role of self-interest as an attitudinal variable that influences intentions to engage in philanthropy at start-up (Brammer & Millington, 2005; Buchholtz et al., 1999; Saiia et al., 2003; Varadarajan & Menon, 1988), which subsequently influences current engagement in philanthropic giving. One notable difference between the aforementioned studies from the corporate philanthropy literature and the present study is the prior studies assessed these relationships of corporate managers, whereas the present study will assess the same relationships of small business owners.

Attitudes, Intentions, and the Theory of Planned Behavior

Ajzen (1991) argues that intentions to engage in a given behavior significantly influence the likelihood that an individual subsequently enacts that behavior. The process in which this occurs is deliberate, and the intentions to engage in a particular behavior are influenced by attitudes, social norms, and perceived control over the behavior (Ajzen, 1991). The Theory of Planned Behavior has been successfully applied to studies in a variety of fields, including those examining entrepreneurship (Krueger, Reilly, & Carsrud, 2000) and volunteerism (e.g., Warburton & Terry, 2000). The nature of these relationships suggests that intentions fully mediate the relationship among attitudes, social norms, and perceived control and engaging in a specific behavior.

Attitudes have been included in both the Theory of Reasoned Action (TRA) (Ajzen & Fishbein, 1973) and the Theory of Planned Behavior (TPB) (Ajzen, 1991). Under these theories, attitudes towards a behavior are molded by expectations associated with performing the given behavior, which subsequently shapes intentions to engage in that behavior. Enlightened self-interest, by nature, indicates that the owner believes that contributing to societal betterment via means such as philanthropy and community oriented social responsibility (Besser & Miller, 2004) will improve business or provide personal benefit; thus, representing an attitude towards enacting philanthropic and socially responsible behaviors.

Besser and Miller (2004) argue that small business owners express interest in two distinct types of ESI – shared fate and public relations (Sinclair & Galaskiewicz, 1997). The shared-fate view stems from the belief that a high tide raises all ships; thus, contributing to the betterment of the community and society, provides a stronger economy to support the business (Besser & Miller, 2004). The public relations perspective argues that engaging in philanthropy and social responsibility, when generally known by others, is good marketing (Neihm et al., 2008; Varadarajan & Menon, 1988). Thus, attitudes related to “doing good” are impurely altruistic in that business owners believe enacting the behavior will yield benefit for the business.

Dennis et al. (2009) examined the role of economic attitude on intentions to engage in philanthropy, but did not determine statistical significance for attitudes on intent to participate in philanthropy. It is important to note, however, that their economic attitude measure did not account for the full range of benefits firms may garner from participating in socially responsible activities, since they addressed firm performance, strategy, and the bottom line. Although based in TPB, attitude is an important determinant of intentions, prior literature suggests that enlightened self-interest attitudes towards philanthropy may impact more than the bottom line. For example, the firm owner or manager may be seeking improved image or recognition (i.e., marketing) for participating in giving (Maignan & Ferrell, 2004). With a broader attitudinal measures, Smith and McSweeney (2007) and van der Linden (2011) found a significant effect for attitude on intentions to engage in philanthropic behavior. As such, we offer the following hypothesis:

Hypothesis 1: The enlightened self-interest of small business owners is positively associated with their intentions to engage in philanthropy at start-up.

Besser and Miller (2004) and Niehm et al. (2008) found that ESI was related to engaging in socially responsible activities within the community, although different rationales exhibited differing effects for participation in business social performance, depending on the risk involved with the socially responsible behavior (Besser & Miller, 2004). Although ESI applied to the small firm context is extremely limited, the small amount of corporate philanthropy literature tying TPB to philanthropy, likewise generally supports the relationship between attitudes (grounded in ESI) and engagement in philanthropy (e.g., Dennis et al., 2007; Smith & McSweeney, 2007).

The TPB model put forth by Ajzen (1991) suggests that intentions mediate the relationship between the antecedents to intent and engagement in the given behavior. Given this model, and the additional factors that are proposed to mediate this relationship, namely subjective norms and behavior control, we anticipate that the relationship between attitude towards the behavior (ESI) and current level of philanthropic engagement will be mediated by the intentions of the business owners to engage in such behaviors during start-up.

Hypothesis 2: A small business owner's intent to engage in philanthropic behavior at start-up mediates the relationship between their enlightened self-interest and engagement in philanthropy.

METHODS

Sample

Respondents were identified by students enrolled in entrepreneurship and management courses at a large southwestern university during the 2012-2103 academic year as part of an entrepreneur and manager interview project. Given that students served as the initial point of contact in this snowball sampling method of survey instrument deployment, the researchers were able to identify entrepreneurs meeting certain criteria set a priori (Heckathorn, 2011; Spreen, 1992). Snowball sampling is based on a convenience sample and has been used by a number of small business researchers (McGee, Peterson, Mueller, & Sequeira, 2009; Schindehutte, Morris, & Brennan, 2003), and serves as an appropriate means of data collection for this study since entrepreneurs engaged in philanthropy are not readily identifiable from the general population (Faugier & Sargeant, 1997). Despite the associated limitations, such techniques provide researchers the ability to reach a broader, more diverse population than would otherwise be possible (McGee et al., 2009).

As part of the entrepreneurship and management course assignments, students were required to identify business owners who were owners/founders of the business, currently engaged in the daily operations of the firm. Once the entrepreneurs were identified, a survey instrument was administered to and collected from each business owner. Via these techniques, a total of 345 surveys were obtained from the respondents. After removing duplicate and incomplete surveys, as well as non-employer firms, 196 responses remained for analysis in this study. Despite the use of a non-random sample, our sample displays many characteristics of small business owners across the U.S, as can be seen in Table 1.

Table 1
Sample Demographics Compared to SBA Demographics

	SBA 2012 (%)	Study Sample (%)
Age		
Under 35	15.9	40.2
35-49	33.2	31.8
50+	50.9	28.0
Gender		
Male	64	62.8
Female	36	37.2
Education		
HS or less	28.2	11.8
Some College	32.8	34.7
Bachelor's or higher	39.0	53.6
Race		
White	88.5	77.5
Non-White	11.5	22.5
Ethnicity		
Hispanic	10.3	10.4
Non-Hispanic	89.7	89.6

Source: US Small Business Administration, Office of Advocacy, from US Census Bureau, Survey of Income and Program Participation (SIPP) 2008 SIPP Wave 13 (2012 data)

In comparison to the SBA 2012 data, our sample has similar numbers of women, Hispanics, and respondents who have some college experience. However, our sample has a larger minority representation, higher education levels generally, and were younger, on average, than the SBA sample. This is likely due to the snowball sampling technique, through which students identified entrepreneurs. Students identified entrepreneurs who were more like themselves, ethnically diverse, younger, and more highly educated than average, which is not uncommon when such methods are employed (McGee et al., 2009). We believe this sample yields important insights, despite its differences from a nationally representative sample.

Since our data are cross-sectional, common method bias may serve as a concern for our data. Based on the recommendations of Podsakoff, Mackenzie, Lee & Podsakoff (2003), we took several measures during the data collection efforts to minimize such bias. In developing the survey instrument, the researchers carefully reviewed the survey instrument, and included two experts who were not involved with the project to review the survey ensuring language and items were clear and to the point (Podsakoff et al., 2003; Tourangeau, Rips, & Rasinski, 2000). In initiating the survey, respondents were ensured their privacy and anonymity would be protected and that results from the data would only be reported in aggregate form (Podsakoff et al., 2003). Further, as recommended by Podsakoff and colleagues (2003), we attempted to create psychological separation with regards to time for the variables of interest. The ESI variables dealt with motivation, the intention variables were at the start-up phase, and the philanthropy engagement variables address current participation in such activities. Further, we use statistical analysis to detect for such issues, the results of which are reported in the Results section.

Measures

Although our measures were informed by prior studies, they have not been previously considered as single constructs. Prior to utilizing our measures in the regression models, we conducted exploratory factor analysis to ensure the constructs loaded into single factors as expected. Exploratory factor analysis is generally used in situations where variables are relatively new to the literature, as are the ESI and philanthropy variables. We utilized principal components analysis (PCA) to examine these constructs, and since we are reviewing a small number of factors, PCA was deemed an appropriate method (Hair, Black, Babin, & Anderson, 2010). The results of EFA for our variables are described below.

Philanthropic engagement. We examine 10 items associated with philanthropic engagement, ranging from giving to medical organizations to supporting public or private schools. All philanthropic engagement options are provided in Appendix 1. A Principal Components Analysis indicates that philanthropic engagement is most parsimoniously viewed as a single measure, since all communalities exceeded 0.36 and the items loaded as 1 factor explaining 52.22% of the variance. Additionally, the Kaiser-Meyer-Olkin measure of sampling adequacy is 0.912, while the Bartlett's Test of Sphericity χ^2 is significant at the $p < 0.001$ level. Further, the internal reliability represented by Cronbach's alpha is 0.894, which is well within the commonly acceptable levels. These results suggest that we can reliably and more parsimoniously view philanthropic engagement as a single measure. As such, we sum the philanthropy items to obtain an aggregate measure.

ESI. We examine 9 items associated with enlightened self-interest, which indicates an underlying motivation for prioritizing "doing good" by the business. Respondents were asked to indicate to what extent each of the ESI items influenced their motivation to participate in social/environmental issues or philanthropic events/organizations, on a scale from 1 = no influence at all to 7 = extremely influential. Items included motivations, such as increasing the customer base to making important community contacts. A full description of the ESI items are provided in Appendix 1. A Principal Components Analysis indicates that ESI can be viewed as a single measure. All communalities exceeded 0.32 and the items loaded as a single factor explaining 56.6% of the variance. The Kaiser-Meyer-Olkin measure of sampling adequacy statistic of 0.890 and Bartlett's Test of Sphericity χ^2 significance at the $p < 0.001$ level, support this assertion. Cronbach's alpha for these measures is 0.901, which suggests these items are internally reliable. Given these results, we view ESI as a single measure, and sum the individual items to arrive at the aggregate measure.

Intentions to engage in philanthropy. We use a single item to represent intentions to engage in philanthropic activities at start-up by asking respondents, to indicate the extent to which the following statement correctly describes their business, “Philanthropy, or giving, has been an important part of my business since start-up.” Respondents rated the correctness of this statement on a 7-point Likert scale, where 1 = not at all, 4 = somewhat, and 7 = very much. The intentions to engage in philanthropy variable was used in its current form and was treated as a continuous variable in the analyses.

Controls. To contextualize our findings, we controlled for several business characteristics. Size of the firm, slack resources, and industry have all served as important considerations for the corporate philanthropy literature (e.g., Brammer & Millington, 2005; Buccholtz et al., 1999). Aligned with both the corporate philanthropy literature and entrepreneurship and small business research, we controlled for firm size via the number of employees, business age, legal organization form, and industry. Additionally, we controlled for gender of the small business owner, since gender has been found to serve as an important variable in the philanthropy and giving literatures (e.g., Nilsson, 2008).

RESULTS

Table 2 reports all Means, standard deviations, and correlations for the variables of interest. Multicollinearity analyses suggest that multicollinearity does not threaten our results, since all variance inflation factors were below 2, and the condition index was 6.121. Further, since our data are cross-sectional, we examine the data for common method bias using the Harman one-factor test (Podsakoff et al., 2003). Principal Components Analysis using Varimax rotation yeilds 7 factors with eigenvalues greater than one. The first factor only accounts for 25.68% of the variance; thus, no single factor appears to dominate the results. When considered with the multicollinearity analyses, our results appear suitable for proceeding with examining our hypotheses. Regression results of our hypothesis tests are shown in Table 3.

Table 2
Means, Standard Deviations, and Correlations

	Mean	S.D.	1	2	3	4	5	6	7	8	9	10
1. Phil. Eng.	26.81	14.12	-									
2. # of Empl.	8.73	16.31	0.13	-								
3. Bus. Age	6.21	9.31	0.02	0.15*	-							
4. Sole Prop.	0.39	0.49	0.06	-0.22*	0.10	-						
5. LLC	0.39	0.49	-0.05	0.13	-0.16*	-0.65*	-					
6. Retail	0.15	0.36	-0.09	-0.12	0.05	0.05	0.08	-				
7. Manuf.	0.01	0.10	-0.04	-0.03	-0.06	0.02	0.02	-0.04	-			
8. Service	0.36	0.48	-0.04	-0.09	-0.04	0.20*	-0.11	-0.31*	-0.08	-		
9. Male	0.61	0.49	-0.21*	0.15*	0.13	-0.07	-0.05	-0.08	0.08	-0.16*	-	
10. ESI	34.15	13.03	0.32*	-0.02	0.08	0.12	-0.17*	0.11	-0.10	-0.04	-0.09	-
11. Phil. Int.	4.08	2.07	0.50*	0.04	0.03	0.17*	-0.09	0.01	-0.08	0.08	-0.09	0.39*

N = 196, $^*p<0.05$

Table 3
Mediation Analysis Regression Results

	Model 1 DV = Phil. Intentions	Model 2 DV = Phil. Engagement	Model 3 DV = Phil. Engagement
No. of Employees	0.0108	0.1383*	0.1069^{T}
	(0.0089)	(0.0606)	(0.0551)
Business Age	-0.0028	0.0056	0.0138
	(0.0154)	(0.1044)	(0.0946)
Sole Proprietorship	0.7576^{T}	2.5989	0.3909
	(0.3857)	(2.6217)	(2.3994)
LLC	0.3402	0.7744	-0.2170
	(0.3805)	(2.5863)	(2.3994)
Retail	-0.1105	-6.6836*	-6.3616*
	(0.4242)	(2.8834)	(2.6125)
Manufacturing	-0.7677	-0.9195	1.3177
	(1.3843)	(9.4099)	(8.5312)
Service	0.2577	-3.4709	-4.2219*
	(0.3163)	(2.1502)	(1.9512)
Male	-0.1429	-6.5604**	-6.1439***
	(0.2950)	(2.0053)	(1.8177)
ESI	0.0605***	0.3325***	0.1562*
	(0.0109)	(0.0739)	(0.0723)
Philanthropy Intentions	-	-	2.9143***
			(0.4515)
F	4.6468***	4.8607***	9.4975***
R^2	0.1836	0.1904	0.3392

N = 196; ^{T}p<0.10, *p<0.05, **p<0.01, p<0.001

Table 4
Mediation Analysis Statistics for Total, Direct, and Indirect Effects

	Effect	**LLCI**	**ULCI**
Total effect of X on Y	0.3325***	0.1868	0.4782
	(0.0739)		
Direct effect of X on Y	0.1562*	0.0136	0.2988
	(0.0723)		
Indirect effect of X on Y	0.1763***	0.1084	0.2708
	(0.0404)		
Sobel Test	0.1763***		
	(0.0421)		

*p<0.05, **p<0.01, ***p<0.001

Although most control variables play a minimal role in the model, we do find that firm size, when proxied by the number of employees, exhibits a marginally positive direct effect associated with engaging in philanthropy (β = 0.1069, p<0.10). Industry does appear to be associated with lower engagement in philanthropy for businesses in both the retail (β = -6.36, p<0.05) and service (β = -4.22, p<0.05) industries. Additionally, gender exhibits a significant association with philanthropy engagement, such that men (β = -6.14, p<0.001) are associated with lower levels of engagement in philanthropic behaviors than women. Given the highly significant results related to gender, we further examine these effects in a post-hoc analysis in the subsequent section.

Post-hoc analysis

Interestingly, although gender is not significantly associated with intentions to engage in philanthropic activities at start-up, gender is significantly associated with the level of philanthropic engagement. Given this result, we examined differences between men and women for individual philanthropic activity items. Our results suggest that women are significantly more likely to engage in activities related to environmental organizations, medical research organizations, university giving, international poverty relief organizations, and community needs, such as library improvements and animal shelters. Although men reported giving more to religious organizations than women, the mean difference was not significant. Further, women did not report significant differences from men in terms of ESI level.

DISSCUSSION

Research in the small and family business realm suggests that small businesses are actively engaged in philanthropy and social responsibility. Despite this noted interest, scholars have primarily focused on demographic factors associated with engaging in these behaviors. Following trends in the corporate philanthropy literature, we work to examine small business owners' motivations for philanthropic engagement via TPB by integrating ESI for an attitudinal perspective. We believe in doing so that we provide several academic and practical contributions, as well as present several opportunities for future research based on our findings and the limitations of our study.

Academic Implications

Our research draws from the small business social responsibility and corporate philanthropy literatures to examine engagement in philanthropy as comprised of planned, purposeful behaviors influenced by the attitudes small business owners attach to participating in such activities. Prior small business research suggests that ESI is a driver of participation in small business social responsibility; however, the relationship among ESI, early intentions to engage in such behaviors, and actual participation in philanthropy has gone unexplored in this context. Besser and Miller (2004) thoroughly explore the role of the ESI perspective in small business social responsibility, and suggest that the shared fate rationale is a dominant view in undertaking social responsibility. We further develop this work to examine ESI comprised of several items, and find that both the shared fate and public relations rationale described by Besser and Miller, hold an important relationship with both initial intentions to engage in philanthropy and actually doing so currently. Although several researchers in small business allude to the importance of ESI in facilitating engagement in "doing good," relatively few have tested it explicitly as a motivational element in philanthropy engagement in any context.

Corporate philanthropy research has begun to explore the TPB (Ajzen, 1991) as an important tool in modeling firm behavior in this realm (e.g., Dennis et al., 2009; van der Linden, 2011). Both Smith and McSweeney (2007) and van der Linden (2011) find support for using the TPB in predicting charitable giving by the general public and engagement in corporate philanthropy, respectively. We use the traditional model with regards to the influence stated intentions hold with engagement in a behavior, and further examine ESI as an attitude influencing such intentions. We provide a model of mediation, in which intentions to engage in philanthropy mediate the relationship between ESI and philanthropic engagement, and find support for partial mediation. Although we hypothesized that full mediation would be present, the partial mediation finding indicates the importance of intentions in engaging in philanthropic behaviors. Partial mediation suggests that there may be other important linkages between ESI and philanthropic behavior that were not assessed in the present study, which provides opportunities for future research. Further, our results are an important step forward in examining TPB in the context of giving, as small business owners generally have less slack for giving behaviors, but have traditionally reported high levels of engagement. Understanding that doing good helps a business perform well in a healthy local economy heightens intentions to engage in such behaviors at start-up, which significantly influences current philanthropy engagement.

Although the significant differences between men and women in their giving preferences was unexpected, important research implications follow from this result. Our findings suggest that women, on average, report higher levels of engagement in giving, but report giving significantly more than men in the cases of environmental organizations, medical research organizations, universities, international poverty relief organizations, and local community needs. Prior research suggests that women, on average, exhibit greater sensitivity to (e.g., Williams, 2003) and participation in socially responsible behaviors and investing in general (e.g., Bear, Rahman, & Post, 2010; Nilsson, 2008). Our results draw important distinctions between men and women in their giving priorities, providing interesting future opportunities in better gauging motivational differences between men and women engaging in philanthropy and other forms of social responsibility. Interestingly, past research has shown that the small business environment can provide greater flexibility to show compassion for their employee's personal situations. Women tend to experience more work-family conflict than males counterparts (Martins, Eddleston, & Veiga, 2002), and research has shown that they feel more ethical freedom in small businesses (Batchelor, Harris, Gibson, & Simpson, 2011).

Practical Implications

In addition to the academic implications, we believe important practical implications arise from our results. With our original model in mind, we understand that ESI is a deliberative process formed through attitudes and intentions. Appealing to the win-win with small business owners appears to be imperative in shaping motivation to engage in giving behaviors. The ESI construct we use examines business owners' involvement in philanthropy based on keeping up with competitors, improving social status, and "warm glow" effects, such as setting a good example for family. This suggests that philanthropy representatives can be most effective by appealing to these elements of "doing well by doing good." We also understand that forming these attitudes early-on are important precursors to giving intent and subsequently, current levels of giving.

Further, our post-hoc analyses suggest that women report higher levels of giving for every item in philanthropy, but significantly more for local efforts (i.e., local efforts, universities) and those in which individuals exhibit extreme need or issues that exhibit some personal threat (environmental organizations, poverty relief, medical organizations). Such knowledge equips managers of philanthropic organizations and their representatives with the tools to target business owners who may find interest in particular areas of giving. There were no significant differences between men and women in giving to local schools, religious organizations, or children's organizations, although women also reported higher levels of giving, on average, to these entities.

Limitations and Future Research

Although we believe the implications from our study outweigh its limitations, our results are best considered with our study's limitations in mind. Our data is cross-sectional, and although our pre-data collection efforts and subsequent common method variance analyses suggest this is not a limiting factor in interpreting our results, it is an important consideration. To overcome such limitations, we attempted to create a psychological separation for the respondent by separating intentions (at the start-up phase of business) from the current level of engagement in philanthropy. Additionally, our data were drawn from a limited area of collection; thus generalizability is called into question. Although many of our basic demographic characteristics are similar to that reported by the United States Small Business Administration (2012), our sample diverges quite markedly with regards to age and race. We recommend that future research employs random sample panel data in an attempt to overcome the limitations associated with cross-sectional data in our own exploration.

With regards to our measures, it is important to understand the items we considered, as well as the many opportunities that remain to explore additional elements of ESI and philanthropy. We likewise understand the limitation of our TPB model to the attitudes-intentions relationship, but believe this assists in isolating the importance of the effects we find. Like other philanthropy and giving studies employing TPB, we recommend future researchers consider the impacts of norms and perceived behavioral control moving forward to see if these elements serve as antecedents to intentions and behaviors in the philanthropic giving context. In their revised TPB examination, Smith and McSweeney (2007) found that perceived behavioral control, injunctive and moral norms, and past behavior all significantly predicted intentions, which subsequently predict engaging in giving behaviors. Van der Linden (2011) did not test the intention-behavior link, but found moral norms, past behavior, perceived behavioral control, and attitude all significantly predicted intentions to donate. These appear to be important antecedents to philanthropy; thus, we suggest that future researchers simultaneously examine attitudes along with the other proposed intentions antecedents.

Although ESI is discussed as a precursor to engaging in a number of socially responsible behaviors (Keim, 1978; Besser & Miller, 2004; Niehm et al., 2008), it has rarely been formally tested as a measure in the small business literature. We propose a measure for ESI based on prior research, and find that it exhibits validity and reliability. Relatively new measures require extensive testing across contexts, and we encourage future researchers to both consider our ESI measures, as well as additional measures, or more specific measures as Besser and Miller (2004) suggest. Our results suggest that the public relations rationale, is in fact relevant, which runs counter to the findings of Besser and Miller (2004). We credit this to variance in both measures and contexts, and hope that our measure development extends the literature sufficiently to motivate additional research on the relationship between ESI and "doing good" in the small business context.

CONCLUSION

Small businesses are recognized as important supporters of philanthropy, but relatively little research has explored the drivers of small business owners' participation in giving as a form of social responsibility. The corporate philanthropy literature, although notably deficient in examining theory-driven motivations behind giving (Dennis et al., 2009), has led the way in such efforts. We borrow from the broader philanthropy and corporate philanthropy literatures by integrating ESI and TPB perspectives to theorize small business engagement in philanthropy, and hypothesize that ESI attitudes, influence intentions to engage in philanthropy at start-up, which subsequently drives current levels of engagement in philanthropy. Our results support our hypotheses, indicating that intentions partially mediates the relationship between ESI and engagement in philanthropy. Further, we find that men and women exhibit significantly different giving levels in general. Post-hoc analyses reveal that women report higher giving in some key areas. We believe our research both paves the way for future exploration of this phenomenon in the small business context, and provides philanthropy organizers, directors, and representatives insights into small business motivations for giving.

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Appendix 1 – Items for Philanthropy Engagement and Enlightened Self-Interest

Philanthropy Engagement	
Religious organizations	
Community or civic organizations	
Local children's organizations	
Public or private-school support related	
Environmental (WWF, Sierra Club, etc.)	
Medical research organizations	α = 0.894
Local food pantries and/or homeless shelters	
University giving	
International poverty relief organizations	
Local needs (library improvement, animal shelters, etc.)	

Enlightened Self-Interest	
Increasing my customer base	
Setting a good example for my family	
Improving the bottom line for my business	
Keeping in line with my biggest competitor's giving behaviors	
Improving the way I feel about how I do business	α = 0.901
Improving my social status in the community	
Fulfilling religious or moral obligation	
Making important community or political contacts	