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FAMILY, BUSINESS, AND OWNERSHIP: INFLUENCE OF FAMILY BUSINESSES ON CORPORATE SOCIAL RESPONSIBILITY

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ABSTRACT

The social responsibility of family businesses is little studied, especially in developing economies. This study aims to determine the level of influence of the company, family, and ownership and the ability of the family business to behave responsibly towards their stakeholders. We used a sample of 171 enterprises in the State of Sinaloa, Mexico. The results show that the company, family, and ownership system positively and significantly influence CSR. However, it is the level of professionalism of the business that determines the extent of the responsible behavior of the family business. We show the implications for business, academic, and government sectors.

Keywords: *Family business, Corporate Social Responsibility.*

1. Introduction

The importance of family businesses in Mexico is evident from its economic contribution to the country and employment generation (40%), contribution to GDP (40-50%), and the number of businesses (70-90 %) (Malfavón, 2012). By its nature, the Family Business (FB) develops intangible resources that are provided through a different strength that does not occur in non-family businesses because they generate a mirrored internal capital by building bonds of trust and solidarity among its members (Contreras and Ruiz, 2013), especially when they have a nuclear family structure.

The complexity and heterogeneity require of the family business further study, specifically for this work from the perspective of socially responsible behavior. While several studies have focused on analyzing Corporate Social Responsibility (CSR) in the family business, most of these studies have been developed in a very different context to Mexico. On the other hand, one of the main positions that have been generated about the family business is that the company is an extension of the family and consequently family values and beliefs are transmitted and permeate the culture of the organization. In this regard, it is important to assess whether the family is the factor that produces the greatest impact on CSR.

The purpose of this study is to analyze the impact of the three factors of the family business (company, family, and ownership) with regards to socially responsible behavior. In other words, we intend to determine the level of influence of the company, family, and ownership on the ability of the family business to behave responsibly towards their stakeholders.

This paper is organized into four sections. In the first section, we introduce the research and study objective. In the second section, the theoretical foundation of family businesses and corporate social responsibility is explained. In the third section, we describe the methodology and measurement variables. The results and discussion are shown in the fourth and fifth sections, respectively. The paper ends with the conclusions developed from the results.

2. Literature review

2.1 Conceptualization of the Family Business

One of the main difficulties when addressing the issue of family businesses lies in the multiplicity of ways of conceptualizing this research subject. Wortman (1994) presents twenty different concepts; Cabrera and García (1998) refer to 24 concepts; Casillas, Diaz, and Vázquez (2005) and Pérez, Basco, García Gimenéz, and Sánchez (2007) identified more than 40 different concepts; Belauteguigoitia (2012) summarizes eleven concepts; Soto (2013) concentrates the conceptual study of family business by nine authors; and Ojeda, Ruiz, and Mexicano (2013) have 57 different concepts in a more comprehensive study.

In general, family business concepts can be concentrated into three groups (ownership, management, and continuity) and two subgroups (ownership-management and ownership-continuity) (Table 1) (Soto, 2015).

According to Erdener (2009), the level of approach to the study of the family business should be societal and draws on the Mexican business model, whose main contribution is the shared vision of culture and leadership (Martínez and Dorfman, 1998; Lanoue, 1999; Athanassiou, Crittendon, Kelley and Márquez, 2002). Soto (2013) recognizes that small and medium-sized family enterprises and large industrial family consortia find their influence within strong family traits.

In general, it may be said that the study of the family business is developing, despite the ample evidence of their study (Cisneros, 2015) and that the main levels on which we have worked are the individual, interpersonal, organizational, and societal.

Table 1. Key factors in the concepts of family business

Level	Subject	Author	Theoretical Framework	Principal authors of reference
Individual	Founders	Ramírez y Fonseca (2010)	Social capital	Coleman (1988), Nahapiet y Ghoshal (1998)
		De la Garza *et al.* (2011)	Family values, culture Continuity	Koiranen (2002), Tapies (2009), Dyer (1988), Pérez, García-Tenorio, Giménez y Sánchez (2007) Gallo (2008)
	Non familiar employees	Hoshino (2005)	Theory of the Growth of Firm	Penrose (1959)
		De Clerq *et al.* (2007)	Organizational Commitment	Meyer y Allen (1991), Brown y Leight (1996)
Interpersonal	Interaction	Athanassiou *et al.* (2002)	Family Influence	Hollander y Bukowitz (1990), Ward y Aronoff (1994) y Mc Crea (1997)
		Bastar (2008)	Situational Leadership Approaches Organizational Culture	Hersey y Blanchard (1972) Smircich (1983), Sypher *et al.* (1985)
	Succession	Davis (1968)	Entrepreneur to executive succession	Cole (1949)
		Hoshino (2004)	Limitations of human resources for succession of administration	Morikawa (1996)
		Navarrete (2008)	Family influence on Corporate Succession	Lansberg y Astrachan (1994)
		Flores *et al* (2008, 2010)	Family Succession Plan Succession Planning	Rothwell (2004) Garman y Tyles (2004)
		Navarrete (2009)	Family Influence on Succession	Olson (1998), Lansberg y Astrachan (1994)
Organizational	Management practices	Rendón (2004)	Culture, Corporate Culture, Organizational Culture	Varela (2003), Meek (1998), Malinowski (1984). Radcliffe (1986)
		Rendón (2009)	Organizational Culture	Boissin (2000), Allouche (1998)
		Hernández *et al.* (2006)	Culture, Organizational Culture	Pariente (1996) Gallo (1998)
		Belaustegigoitia *et al* (2007)	Organizational Climate Organizational commitment, entrepreneurial orientation	Brown y Leight (1996), Cook y Wall (1980). Lumpkin y Dess (1996), Gnyawali y Foger (1994), Low y Mac Millan (1989)
		Castrillo y San Martín (2007)	Agency Theory Corporate Governance	Jensen y Meckin (1976), Shleifer y Vishny (1997), Fernández y Gómez-Ansón (1999), La Porta (2000), Azofra y Santamaría (2002)
		Ayup *et al.* (2008a)	Geowth Theory of the Firm, Resource.Based View	Penrose (1959) Barney (1991)

		Ayup *et al.* (2008b)	Agency Theory Organizational Culture Bran image	Jensen y Meckin (1976) Deninson (1990), Pariente (2001), Aaker (1997)
		De la Garza *et al* (2008)	Resource.Based View, Corporate Governance	Barney (1991) Demsetz y Lehn (1985)
		Esparza *et al* (2009a)	Resource.Based View	Wernelfelt (1984), Grant (1996), Wade y Hulland (2004), Barney (1991)
		Esparza *et al* (2009b)	Agency Theory Contingency Theory Theory of hierarchy of preference	Jensen y Meckin (1976) Otley (1980), Tiessen y Waterhaouse (1983), Chenhall (2003) Myers y Majluf (1984), Hamilton y Fox (1998), Mishra y McConaughy (1999)
		Esparza *et al* (2010)	Theory of hierarchy of preference Financial Structure	Myers y Majluf (1994), Mishra y McConaughy (1999) Agrawal y Nagarajan (1990)
		Esparza *et al* (2011)	Culture of family business and strategic management	Poza *et al* (2004), Cameron y Quinn (1999)
		Mejía y Cisneros (2010)	Middle-manager role Innovation	Quinn (1985) Bartlett y Ghoshal (1993)
	Resources management	Trevinyo *et al* (2007)	Intellectual capital Intellectual capital in family business	Bontis (1999) Aronoff (2001), Trevinyo-Rodríguez (2007), Trevinyo-Rodríguez y Tápies (2006)
		Avendaño *et al* (2009)	Intellectual capital Intellectual capital in family business	James y Kaye (1999), Ginebra (1999), Goldwasser (1986), Habbershon y Williams (1999)
		De la Garza *et al* (2010)	Resource-based perspective, Corporate Governance, Organizational Efficiency	Wernelfelt (1984), Barney (1991), Demsetz (1985), Lehn (1985), Lee (2006)
		Sandoval *et al* (2010)	Knowledge management, type of family	Boisot (1995), Gimeno (2009)

Source: Soto (2013).

2.2 The family business and social responsibility

Recent studies have addressed the family business about various issues of Administrative Sciences (Dyer, 2006), but have also focused on social responsibility (Deniz & Cabrera, 2005; Dyer & Whetten, 2006; Soto, 2015). Although there have been few published studies regarding the family business and social responsibility, academic opinions are polarized in relation to concluding whether family businesses and small businesses actually implement social responsibility actions (Dyer and Whetten, 2006). Mörk and Yeung (2004) sustain that family businesses are more concerned with protecting their interests in the best way possible rather than supporting philanthropic causes or social activities, or the fact that this type of company does not normally provide true information to government authorities, or are involved in corrupt practices just to protect their interests (Dyer and Whetten, 2006). On the other hand, Godfrey (2005) claims that family businesses have powerful incentives to conduct socially responsible practices because they enable them to maintain a good image with customers, an excellent reputation with its suppliers and in times of crisis they represent a protection for both the company and the family.

The work of López, Maldonado and Pinzón (2015), and Soto (2015) offer two reviews about how this subject has been approached in the study of family business. For López, Maldonado & Finch (2015) there are two basic viewpoints, which have been used to analyze the actions of social responsibility of family businesses. The first view denies the existence of CSR actions, due to issues attributable to actions of the family, workers, or the infrastructure generated. It is considered that the family impedes the realization of socially responsible practices as they are based on specifically manifested behaviors in these businesses, such as nepotism, put family interests above the interests of the company, overspend the profits of the business rather than reinvest, have difficulties adapting to the requirements and needs of the market, and are inadequately prepared for succession by the older generation to maintain power (Landsberg, 1988; Handler and Kram, 1988; Danco, 1992; Gallo and Mele, 1998; Neubauer and Lank, 1998). Therefore, the kind of behavior described above follows a protectionist edict of the specific interests of the family that trumps social responsibility actions (Dyer and Whetten, 2006). Consequently, this approach assumes that the dynamics of the family business is amoral and is influenced by the control that the family has over the business, affecting employees, suppliers, and customers, while at the same time making it difficult to maintain a solid position in the market, and obtaining social benefits (Rosenblatt, Mike, Anderson & Johnson, 1985; Schulze, Lubatkin, Dino & Buchholtz, 2001).

It is considered that the workers hinder the generation of social responsibility actions due to the low commitment expressed towards the family business, which represents a limiting factor when distributing work within the company (Whereas, Lubatkin, Ling & Schulze, 2002 cited by Lopez Maldonado & Finch, 2015), on the other hand, the same minimum living standards are not guaranteed for workers who do not belong to the company, family members are quickly promoted, or they increase their responsibilities, have high compensation, and that does not happen with workers who do not belong to the company (Beehr *et al.*, 1997; Poza, Alfred & Maheshwari, 1997; Astrachan and Kolenko, 1994; Reid & Adams, 2001; Cromie & Sullivan, 1999).

For Mörk & Yeung (2004), countries with its economy based on a high percentage of family-run companies, have low rates of variables of social progress, such as economic development, physical infrastructure, health systems, quality policies, and government programs. They claim that they have very weak infrastructure regarding medical and educational services, among others, and it is usually difficult to show social responsibility practices.

The second perspective argues that family businesses generate social responsibility actions based on elements such as product quality, respect and protection for employees, community involvement, continuity, integrity, improved reputation in business, long-term negotiations, respect for tradition and family values, to name a few (Donnelly, 1964; Ward, 1987; Leach, 1993; Poza, 1995; Neubauer & Lank, 1998; Miller, Le Breton-Miller, 2003). Other studies show that these businesses are commonly located near hospitals, churches, parks or schools and often contribute resources to these organizations (Ward, 1987, Landsberg, 1999; Graafland, 2002; Gnan and Montemerlo, 2002). Gersick (2002) states that philanthropic and volunteer activities of family businesses are frequent and in some cases are benefiting social, personal or financial rewards. Graafland (2002) argues that while it is not common that family businesses build foundations, it is common to support causes and activities that are aligned with the values prevailing in the family that owns the company. This perspective considers that family businesses engage in social responsibility that involve social benefit and not only have economic implications (Chua *et al.*, 1999). It is believed that family businesses generate more social responsibility actions that those whose owners do not belong to a family (Whetten and Mackey, 2005; Godfrey, 2005). Other studies claim that the image, reputation, and other factors are variables that clearly describe social responsibility in family businesses (Whetten & Mackey, 2005; Dutton, Dukerich & Arquail, 1994; Whetten & Godfrey, 1998; Gioia, Schultz, & Corley, 2000; Hatch & Schultz, 2000; Davies, Chun, Vinhan da Silva & Roper, 2001; Wartick, 2002).

Soto (2015) reviews older documents such as Bowen (1953) and affirms that Berle (1931), Barnard (1938) and Drucker (1954) already recognized the company as a constitutive element of social structure and holder of a proactive role in community development. Ojeda, Maldonado & Lopez (2015) and Ojeda, Lopez & Valdez (2015) refer to these same approaches in the work of Clark (1916), Sheldon (1924), Kreps (1940) and Simon (1945). From these studies Soto (2015) sets out three possible scenarios. The first refers to moral influence, i.e., the company must do good because it is the right way to behave (Rawls, 1971; Donaldson, 1982). The second scenario focuses on the need to evaluate or punish the company by the stakeholders in the legal, economic, and social fields, and proposes two criteria, its proactive capacity in social initiatives and its ability to prevent their actions from harming society (Godfrey, 2005). The third and final proposed a positive relationship between the company and superior financial performance (Margolis & Walsh, 2003).

Among the various theories and evolution of the concept of social responsibility (Ojeda, Lopez & Valdez, 2015) highlights the perspective of the stakeholders, the resource-based perspective of socio-emotional wealth, agency theory perspective, the theory of *stewardship*, institutional theory and social exchange theory (Soto, 2015) (Table 2).

Table 2. Theories for addressing social responsibility in the family business.

Perspective	Author (es)	Analysis
Stakeholders	Bowen (1953)	The management of the company seeks balanced relations with its customers, employees, suppliers, shareholders, owners, community, and the environment.
	Flören y Wijers (1993), Donckles (1998)	Family businesses show different behaviors are shown in relationship to its employees and clients; family businesses have more personal relationships with customers; direct contact is more common, and greater consideration is observed in making long-term decisions and the way in which they affect customers and employees.
	Mitchell, Agle y Wood (1997)	Identify and classify stakeholders about their relevance, considering the characteristics of power, legitimacy, and urgency. Key stakeholders must be integrated, into organizational activities, categorizing them according to their legitimacy and urgency.
	Uhlaner, Van Goor-Balk y Masurel (2004)	Claim that the commitment and the company's relationship with its various stakeholders, varies depending on each group, and establishes moderating factors such as the profile of the entrepreneur, the company, and the characteristics of the community, highlighting the relationship between the family business and the interest group. They emphasize that the most common socially responsible behaviors be those related to ethics, legal expectation, economic benefit, community, philanthropic commitment, and social entrepreneurship. They conclude that employees, customers, and suppliers are the most important groups of interest to the family business.
	Déniz y Suárez (2005)	The authors argue that social responsibility in family businesses cannot be considered homogeneous and does not depend on the size of the company, but is more related to family values, generational evolution, the level of family control, the involvement of household members, integration of non-related senior executives, and the level of professionalism of the company.

	Bingham, Dyer, Smith y Adams (2011)	Relate the identity of the enterprise with its level of corporate social performance, and classified into two: individual and collective. Show a positive relationship between the degree of involvement of the family and the founder with the frequency and social initiatives undertaken by the company.
	Neubaum, Dibrell y Craig (2012)	They claim that family businesses have a competitive advantage over non-family businesses because the first empathize with and meet the demands of external natural interest groups and employees.
Based on resources	Penrose (1959), Wernelfelt (1984), Itamy (1987), Hamel y Prahalad (1990), Barney (1991)	Value social responsibility as a strategic resource and, therefore, as a source of competitive advantage in the family business.
	Adams, Tachain y Shore (1996)	Study ethical behavior and show that, while family businesses are not subject to draft codes of ethics, they do promote ethical behavior among its employees through informal communication methods.
	Graafland, Ven van de y Stoffele (2002)	They recognize that the development of formal tools for the dissemination of ethical behavior represents a strategic resource for the family business
	Dyer y Whetten (2006)	Confirm the existence of a positive relationship between the family business and social responsibility, which is based on the dimensions of identity, image, reputation, and identification with the company.
	Niehme, Swinney y Miller (2008)	Establish that the family business is likely to have socially responsible behavior depending on the involvement of the family and its relationship with the community, highlighting the role of social capital in this relationship.
	Sharma y Sharma (2011)	Argue that factors such as family involvement, subjective norms and perceived behavioral control strategies influence the proactive socially responsible family business.
Socio-emotional wealth	Berrone, Cruz y Gómez-Mejía (2012)	The owner family is motivated and committed to the conservation of socioemotional well-being, which it is called the effective endowment of family owners.
	Gómez-Mejía *et al.* (2007)	Analyze the management decision-making process, business strategy, corporate governance, relations with stakeholders, and entrepreneurship. Show that from emotional richness it is possible to explain many of the decisions of the family business and identify contingent factors and moderators of these behaviors, such as the stage of the household, company size, the level of risk, and the presence of non-family shareholders.
	Dou, Zhang y Su (2014)	Family ownership and the duration of family control positively influence charitable giving, while when such power is fragile, donations also become brittle.
Agency	Jensen y Meckling (1976)	The transfer of power or control of the company facilitates the achievement of the mission, however, because the incentives may differ between the current and future recipient of control of the company, decisions are not necessarily made for the benefit of the first.
	Mörk y Yeung (2003)	Argues that family businesses behave in a less socially responsible way because of the adverse effects of managers privileging the interests of the family group.
Sterwaedship	Donaldson y Davis (1991)	Seek good performance and organizational objectives are prioritized over personal through cooperative work, contributing to the benefit of the organization
	Craig y Dibrell (2006)	Show that family businesses are more willing to provide policies related to the environment and that they originate and develop from the very process of innovation, in addition to the fact that family businesses are more efficient when it comes to reaping the financial returns generated by these projects

	Sorenson, Goodpaster, Hedberg y Yu (2009); O´Boyle, Rutherford y Pollack (2010)	The authors claim that a high family involvement may be associated with a high level of ethical approach and that the latter can predict the financial performance of the company.
	Campopiano, De Massis y Chirico (2014)	Based on the theory of social capital and reputation to investigate how family involvement influences philanthropy, the authors show that the participation of owners and the organizational structure have a decisive impact on the philanthropic behavior of the company.
Institutional	DiMaggio (1988)	Recognizes the role of those who control the company and their motivation in decision-making, which can be driven by economic and/or social interests to select or execute certain projects, showing that family businesses that are under family control are more prone to yield to environmental pressures due to the socio-emotional reward received by the family.
	Berrone *et al* (2010)	Show that companies controlled by a family group protect their socio-emotional wealth and tend to have a better environmental performance, this behavior is maintained regardless of whether the CEO is a member of the family or not.
	Long y Mathews (2011)	Study the social cohesion of the family business and identify its main effects, show unique characteristics in relation to generational continuity, the pursuit of non-economic objectives and interpersonal ties involving behavioral frameworks that explain the differences between family businesses and those that are not.

Source: Prepared with information from Soto (2015)

The relationship between the family business and socially responsible practices is an issue of broad importance because through an understanding of this relationship it may be possible to identify detonator elements within organizations.

Based on the above, the following research hypotheses are proposed:

H1: The company, family, and ownership factors positively and significantly influence CSR.

H2: The family system has the greatest influence on company CSR factors and ownership.

H3: The company, family, and ownership factors have a significant and positive impact on the governance of the family business.

H4: The company, family, and ownership factors positively and significantly influence human rights in the family business.

H5: The company, family, and ownership factors positively and significantly influence labor practices in the family business.

H6: The company, family, and ownership factors positively and significantly influence environmental awareness of the family business.

H7: The company, family, and ownership factors positively and significantly influence the fair operating practices of the family business.

H8: The company, family and ownership factors positively and significantly influence the responsibility of the family business with consumers.

H9: The company, family, and ownership factors have a significant positive influence on the commitment of the family business with the community.

3. Method

This work is approached from a quantitative perspective, with a cross-sectional non-experimental design with an explanatory scope. The sample is composed of 171 companies of the municipality of Ahome in Sinaloa State, Mexico.

Women direct 25.15% of the businesses studied, and men run 74.85%. We found an average age of 46.8 years with a standard deviation of 14.13 years. Regarding education, 41% of leaders had a bachelor's degree, and at least 30% finished high school, and 22% primary and secondary. In Table 3 we can see the characteristics of the sample about the sector, the number of employees, and proportion of family members working in the company about the total employed persons.

Table 3. Descriptive statistics of the sample

Variables	Categories	%
Sector	Commercial	37.43
	Services	50.87
	Manufacture	3.51
	Primary	8.19
Employees	≤10	83.7
	11-50	11.7
	51-100	2.3
	> 110	2.3
Family in the company (%)	≤30	20.86
	31-60	30.06
	> 60	49.08

Source: Prepared based on results of SPSS.

The owners of these companies were questioned about the seven dimensions of social responsibility according to ISO 26000. Data were collected through a questionnaire using a Likert scale. Specifically, the governance dimension was measured through the Mitofsky (2004) survey, and for dimensions of human rights, environment, labor practices, fair operating practices, the issue of consumers and active participation and development of the community we used the Cruz, Rositas & García (2013). The Belaustegigoitia diagnosis (2012) for the size of the company, family, and ownership was used for the family business.

The measurement of the variables is presented in Table 4, where the size of each and their definitions are specified.

Table 4. Operationalization of variables

Variable	Dimensions	Definition
Level of Corporate Social Responsibility (CSR)	• Social responsibility performance of the company	The degree to which the company implements a responsible philosophy with the various stakeholders in the economic, social and environmental arenas.
Human Rights (HR)	• Discrimination • Equal opportunities • Forced labor	Respect for human rights and recognition of their importance and universality.
Labor Practices (LP)	• Safe working conditions • Quality in the work environment	Includes the policies and practices related to working carried out by an employee in an organization.
Environment (ENV)	• Environmental conservation • Decreased consumption of resources	Respect for and promotion of environmental care in business management.
Fair Operating Practices (FOP)	• Code of ethics • Sanctioning corrupt practices • Communication of CSR actions	Ethical conduct that applies a company in all transactions carried out with its stakeholders.
Consumer Issues (CI)	• Consideration of client opinion • Improving products and responsible marketing	The responsibility of the company with its customers to meet their needs without risk to them, providing accurate information on the goods and services offered.
Active participation and community development (PCD)	• Participation in Community programs • Support community infrastructure	Company commitment to maintaining a relationship of respect and community support.
Governance	• Transparency • Respect for internal stakeholders • Respect for external stakeholders	Decision-making system that the business implements to ensure the achievement of objectives.
Company dimension	• Strategic Planning • Structure and Decision-Making • Human Resource Management	Organizational characteristics that define level of professionalism.
Family	• Mutual commitment to business and family • Succession plan • Family relationships	Degree of influence of household members in the organization
Ownership dimension	• Enterprise value • Retirement plan	Clarity in a stock scheme that allows the continuity of the family business in harmony.

Source: Prepared based on Cruz, Rositas and García (2013), ISO (2010), see Mitofsky (2004) and Belaustegigoitia (2014).

To determine the reliability of the survey's internal consistency Cronbach's alpha was used, obtaining 0.917 in all the variables. In Table 5, the coefficients for each are shown. Data were analyzed in SPSS version 19.

Table 5. Cronbach's Alpha Coefficients per Variable

Variables	Cronbach Alpha
Governance	.663
Human rights	.608
Labor practices	.634
Environment	.831
Fair Operating Practices	.746
Consumers	.755
Active participation and Development	.871
Business	.786
Family	.719
Ownership	.922
Total	.941

Source: Prepared based on results of SPSS

4. Results

The descriptive analysis of the data (Table 6) shows that the average of CSR has one of the lowest levels, together with the active participation variable and community development. This means that companies put less emphasis on supporting civil society and are not considered to have a high level of corporate social responsibility. On the other hand, the results highlight the three variables with a higher value on average: governance, human rights, and labor practices. In this regard, companies have great respect for human rights through equal opportunities, no-discrimination, and unforced work. Similarly, the responsibility for working practices is very high since they respect labor laws and internal policies are directed staff to report corruption. Finally, for companies, governance is a key feature for managing the organization.

Table 6. Descriptive statistics of the variables

Variables	n	Minimum value	Maximum value	Average	Std. Dev.
Corporate social responsibility	171	1.00	5.00	2.6392	1.420004
Governance	171	1.78	5.00	4.1412	.58359
Human rights	171	1.25	5.00	4.4960	.63463
Labor Practices	171	1.67	5.00	4.2957	.78047
Environment	171	1.00	5.00	3.3648	1.20205
Fair Operating Practices	171	1.00	5.00	3.5015	1.01079
Consumer issues	171	1.33	5.00	4.1016	.97237
Active participation and community development	171	1.00	5.00	2.6250	1.29596
Business	171	1.40	5.00	3.1539	.86721
Family	171	1.00	5.00	3.4750	.83184
Ownership	171	1.00	5.00	2.6140	1.20764

Source: own elaboration.

Table 7 shows the correlation indexes. When analyzing the CSR variable, the data demonstrate that human rights have an average positive and significant correlation with labor practices and consumer affairs; with the variable business a family relationship is positive and meaningful, although the relationship is weak. The variable labor practice is weakly correlated to the dimensions of CSR as well as those of the family company. The environment is the variable that is correlated with a greater number of variables, both positively and significantly, especially with fair operating practices and the company. Fair operating practices are positively and significantly correlated with the company and consumer affairs. On the other hand, the strongest relationship that consumer affairs and active participation and community development are variable with family. The level of CSR is positively and meaningfully correlated to all the variables.

Table 7. Correlation Matrix

	CSR	GOB	DH	PL	MA	PJO	ACO	PDC	EMP	FAM	PRO
RSE	1										
GOB	.359***	1									
DH	.134*	.592***	1								
PL	.157**	.288***	.488***	1							
MA	.535***	.516***	.311***	.197***	1						
PJO	.564***	.532***	.402***	.212***	.610***	1					
ACO	.485***	.571***	.552***	.300***	.485***	.585***	1				
PDC	.612***	.282***	-.008	-.050	.462***	.382***	.279***	1			
EMP	.537***	.454***	.177**	.066	.505***	.624***	.419***	.535***	1		
FAM	.460***	.408***	.272***	.319***	.461***	.437***	.542***	.326***	.503***	1	
PRO	.525***	.315***	.041	.084	.435***	.462***	.293***	.440***	.648***	.555***	1

*** The correlation is significant at 1% ** The correlation is significant at 5% * The correlation is significant to 10%. Source: Own elaboration based on SPSS results.

Eight regression models were analyzed (Table 8). The first involves the influence of each variable of the family business in the level of corporate social responsibility. In the following models, the effect of the variables company, family, and ownership are shown, but in each of the dimensions that make corporate social responsibility. For each of the models, the coefficients of the variables, their level of significance, the statistics F and R^2 are shown. Overall, the variables company, family, ownership explains more of the third section of Social Responsibility of Businesses (36.4%). Factors of the family businesses have the greatest influence on fair operating practices and consumer affairs, as they explain 41% of the variation in ethical behavior with stakeholders and 33% of the responsibility to consumers according to the determination coefficients.

Table 8. Regression results

#Model	Dimension	Constant	Business	Family	Ownership	F	R^2
1	Social responsibility	-0.679	0.483***	0.311**	0.273***	31.874***	.364
2	Governance	2.813***	0.246***	0.183***	-0.032	18.714***	.252
3	Human rights	3.587***	0.132*	0.243***	-0.134**	6.839***	.109
4	Labor Practices	3.342***	-0.073	0.385***	-0.059	7.435***	.118
5	Environment	0.471	0.447***	0.362***	0.086	25.727***	.316
6	Fair operating practices	0.852***	0.608***	0.186**	0.033	38.719***	.410
7	Consumer issues	1.468***	0.307***	0.575***	-0.127*	28.041***	.335
8	Active participation and community development	0.046	0.633***	0.047	0.160	24.123***	.302

*** Significant at 1% ** Significance at 5% * significant at 10% Source: Own elaboration based on results of SPSS.

According to the first model, the company, family, and ownership ownership CSR positively and significantly. This implies the degree of professionalization of the family business managing family relationships within the company and clarity of ownership of the organization are factors that determine the extent to which the company behaves responsibly towards their stakeholders. Therefore, the first hypothesis is accepted.

If the impact of each of the systems of the family business on CSR is analyzed, the company factor has the greatest influence. That is, the organizational structure, decision-making process, policies for managing human resources and strategic planning of family businesses determine the extent to which the family company behaves responsibly. These results agree with those found by Déniz and Suárez (2005), who concluded that the social responsibility of the family business depends on the level of professionalism. However, this result is different from the hypothesis as it was expected that the family system has a greater influence on responsible behavior by the influence of family values in decision making of the organization, in order to protect the image and reputation of the family and, therefore, of the company itself, as this is an extension of the family (Graafland, 2002; Whetten & Godfrey, 1998). Therefore, the second hypothesis is rejected.

The third hypothesis proposes is that the company, the family, and ownership influence the governance of the family business. The results show that a quarter (25.2%) of the variation in governance is due to the influence of the company, family, and ownership. However, the latter proves to be negative and not significant in the model. Therefore, the third hypothesis is accepted partially because clarity in the stock ownership scheme and retirement planning has a negative influence on the transparency of decision-making.

Regarding human rights, both the company, the family, as well as ownership, significantly determines the respect that the family business has for human rights. However, it explains only 10.9% of the variation. Also, the influence of ownership rights system on human rights is negative, so the fourth hypothesis is partially accepted. These results support the view of Beehr, Drexler, & Faulkner (1997), Poza, Alfred & Maherhwari (1997) and Reid & Adams (2001), who found differences in job opportunities between non-family workers and family workers, being beneficial to the latter. This is related to the fifth hypothesis, which states the influence of family enterprise factors on labor practices. The results show that not only ownership but also the company has a negative impact on the working practices of the family business, although it should be clear that it is not significant. Therefore, hypothesis five is partially accepted as only the family influences positively and significantly on labor practices.

Policies aimed at protecting the environment are included in the strategic planning, the structure, and the system of implementing decisions and the influence and involvement of the family in the organization of 31.6% of family businesses. Ownership turns out to be insignificant in the model proposed in the sixth hypothesis. Therefore, the hypothesis is accepted partially. These findings are similar to those found by Craig and Dibrell (2006) who showed a greater willingness by family businesses to implement policies for environmental care.

As regards the ethical conduct of the family business in transactions with its stakeholders, three factors account for 41% of the variation in the fair practices variable. However, ownership is once again insignificant in the model. Therefore, hypothesis seven is partially accepted. In this case, the company has a strong influence on ethical behavior and the level of professionalization of the family business structure, allowing decisions based on policies that ensure good behavior. According to Adams, Tachain, and Shore (1996), family businesses drive ethical behavior, even if informally.

The eighth hypothesis holds that business, family, and ownership influence respect for consumers. The results show that the three factors of family businesses account for a third (33.5%) of ethical behavior with consumers significantly. However, ownership shows a negative effect on consumers. Therefore, the hypothesis is accepted in part. Finally, regarding the commitment to the community, the professionalism of the company is the only variable that influences positively and significantly on the family business relationship with the community, leaving out the effect of family and ownership. Therefore, the ninth hypothesis is accepted partially. These results are different from what was proposed by Graafland (2002) and Gnan and Montemerlo (2002) who argue that the family business itself be involved in the community and voluntary activity performed for the benefit of society.

From these results, it is possible to propose the following model (Figure 1) to explain the relationships of social responsibility on the size of the family business.

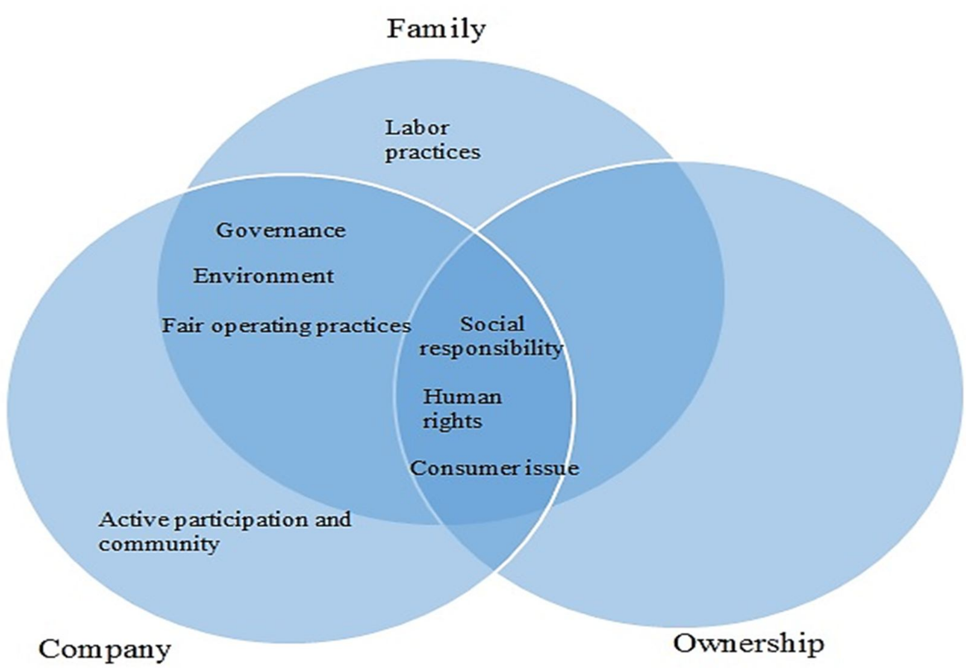

Figure 1. Ven diagram of the dimensions of social responsibility and family business
Source: own elaboration.

5. Conclusions

The objective of this research was to analyze the impact of the three factors of the family business (company, family, and ownership) in socially responsible behavior. It was found that strategic planning, structure, decision-making, human resource management (business system), the mutual commitment between business and family (family system) and the clarity of the stock scheme of the company (ownership) determine the level of social responsibility of the family business.

While the concept of social responsibility is clearly identified by the three areas of family business, when we fragment the concept and analyze it from their seven dimensions it clearly identifies the company system that produces a greater influence on the behavior responsible for the family business compared the family system. Ownership exerts little influence, perhaps because the existence of unfamiliar shareholders is more focused on the economic benefits and therefore the decision is not so much influenced by values, beliefs, and the culture of the family.

These findings have several implications. For the academic community, we contribute to the knowledge of social responsibility and family business in developing countries, since literature is extensive in first world countries. For the business sector we can identify the factors that influence responsible behavior to emphasize its development policy to guide the responsible rejoining the family business conduct. For the government sector, it is important that public policies encourage organizations to develop socially responsible behaviors.

This work is confined to a single municipality in the state of Sinaloa, so the results should be taken with that restriction, it would be important to replicate the study in several states to establish firmer conclusions.

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