

Agnieszka Sokołowska-Durkalec

Wrocław University of Economics
e-mail: Agnieszka.Sokolowska@ue.wroc.pl

METHODICAL DILEMMAS IN RESEARCH ON SMALL ENTERPRISE SOCIAL IRRESPONSIBILITY

DYLEMATY METODYCZNE W BADANIACH NAD SPOŁECZNĄ NIEODPOWIEDZIALNOŚCIĄ MAŁEGO PRZEDSIĘBIORSTWA

DOI: 10.15611/pn.2018.520.11

JEL Classification: M14; M1

Summary: The issue of social irresponsibility, especially of a small enterprise, is a category that has been still insufficiently identified both in its theory and in management practice. The aim of this epistemological article is to identify methodical dilemmas in research on social irresponsibility of a small enterprise. The article presents: a proposal of the notion definition, assumptions for the concept of the social irresponsibility of a small enterprise and selected methodical dilemmas related to the research issue and basic research assumptions, the research object, research methodology, the course of the research process and concluding. The key conclusion resulting from the considerations discussed in the article is a postulate on a need to include the analysis of socially irresponsible activities of a small enterprise to the assessment of its social responsibility state in order to objectify its measurement and description.

Keywords: social irresponsibility of enterprise, social responsibility of enterprise, small enterprise, methodical dilemmas.

Streszczenie: Problematyka społecznej nieodpowiedzialności, zwłaszcza małego przedsiębiorstwa, jest kategorią wciąż niedostatecznie rozpoznaną zarówno w teorii, jak i praktyce zarządzania. Celem artykułu o charakterze teoriopoznawczym jest identyfikacja dylematów metodycznych w badaniach nad społeczną nieodpowiedzialnością małego przedsiębiorstwa. Zaprezentowano w nim: propozycję zdefiniowania pojęcia, założenia dla koncepcji społecznej nieodpowiedzialności małego przedsiębiorstwa oraz wybrane dylematy metodyczne związane z problematyką badawczą i podstawowymi założeniami badawczymi, obiektem badań, metodyką badań, przebiegiem procesu badawczego i wnioskowaniem. Kluczowym wnioskiem z zamieszczonych w artykule rozważań jest postulat o potrzebie włączenia analizy społecznie nieodpowiedzialnych działań małego przedsiębiorstwa do oceny stanu jego społecznej odpowiedzialności celem zobiektywizowania jej pomiaru i opisu.

Słowa kluczowe: społeczna nieodpowiedzialność przedsiębiorstwa, społeczna odpowiedzialność przedsiębiorstwa, małe przedsiębiorstwo, dylematy metodyczne.

1. Introduction

Strengthening, developing and popularizing the assumptions and instruments of the social responsibility concept in both scientific research and organizational reality prompts reflection on the perspectives and directions of its further development. It seems that currently one of the most required trends is the methodological trend. Moreover, on an entity basis there is still a lack of comprehensive research regarding the specificity of the social responsibility of small enterprises.

Gaining an objective insight into the social responsibility of a small enterprise gives rise to many difficulties. The results of empirical research usually have a declarative character and constitute a set of statements/opinions of enterprise owners, often without the support of other stakeholders. Moreover, positive manifestations of socially responsible activities of enterprises are revealed, but abusive practices, dysfunctions and “dark” sides of their activities are overlooked.

Therefore, it is worth considering the possibilities of gaining more insight into irresponsible behaviors of small enterprise owners in economic, legal, ethical and philanthropic areas towards internal and external stakeholders to obtain a more complete and credible picture of social responsibility in this group of enterprise.

The aim of the article is to identify methodical dilemmas in research on the social irresponsibility of a small enterprise. The author, based on empirical experience, formulates a postulate on a need to develop and improve the research methodology regarding the social responsibility of a small enterprise from the perspective of social irresponsibility insight, taking into account difficulties arising from its objective measurement and description¹.

The study content is a presentation of arguments for research on the social irresponsibility of a small enterprise and a list of dilemmas related to, among others, research issues and basic research assumptions, the research object, the research methods selection, description of the research process key stages, concluding, etc., aimed at researching irresponsible activities of enterprises.

2. Social irresponsibility of an enterprise – an attempt to define the notion

Social irresponsibility of an enterprise is a quite rarely considered concept both in the national and foreign subject literature. Although its presence in the scientific discourse dates back to the 1970s, which is more than 40 years, the greatest impulse for deeper discussion falls on the present times [Riera, Iborra 2017].

¹ Implementation of complex and multidimensional research processes in the author’s scientific achievements regarding identification, evaluation and improvement directions of the social responsibility of a small enterprise with special emphasis on social responsibility management and also conditions and effects of implementing the social responsibility concept allows to identify significant shortcomings and needs in the following areas: theoretical, methodical and practical research subject matter in this group of enterprises (based on selected publications [Sokołowska 2013, 2016]).

The article by J.S. Armstrong, entitled *Social irresponsibility in management*, published in 1977 in the *Journal of Business Research*, is considered to be pioneering in this area of knowledge, in which the author considers the management's decision to take on a worse alternative to the generally accepted positive alternative as a socially irresponsible action. It is usually connected with benefits obtained by one of the parties, such as a chosen entity/decision maker/stakeholder at the expense of the whole enterprise management system and stakeholders co-existing in this system [Armstrong 1977].

Research trends related to the analysis of issues of social irresponsibility of an enterprise suggest various features around which definitions are built. From antithesis to formulate postulates of enterprise responsibility towards social groups [Armstrong 1977; Armstrong, Green 2013; Herzig, Moon 2013; Brammer, Pavelin 2005; Lange, Washburn 2012; Perks et al. 2013; Antonetti, Maklan 2016; Pearce, Manz 2011], through intentionally determined game with stakeholders [Lin-Hi, Müller 2013; Strike et al. 2006; Jones et al. 2009; Windsor 2013], to vertical and horizontal coexistence with the social responsibility conception [Keig et al. 2015; Cruz et al. 2014; Kotchen, Moon 2012].

Social irresponsibility of an enterprise is also considered as an enterprise activity, which results in potential damage caused to other entities and failure to comply with relevant legal and ethical standards. Social irresponsibility of an enterprise may arise in a situation when relations with stakeholders are based on fraud and manipulation, and also when owners or managers make decisions that are in opposition to their personal or firm values [Armstrong 1977; Armstrong, Green 2013; Lin-Hi, Müller 2013; Windsor 2013].

The article assumes that the social irresponsibility of an enterprise means lack or insufficient economic, legal, ethical and philanthropic commitment of an enterprise towards entities/internal and external stakeholders. It can be treated as a complementary conception to the social responsibility of an enterprise or a stage/phase in achieving its maturity.

3. Social irresponsibility of a small enterprise – conception outline

Social irresponsibility of a small enterprise may take form of incidental events within clear and identified areas: economic, legal, ethical and philanthropic or be part of – together with social responsibility – a comprehensive system in which an entrepreneur is the central figure. It is the owner of a small enterprise who decides on the direction and content of the enterprise's activities towards its stakeholders. What part of the "basket of responsibility" will consist of responsible and what of irresponsible activities depends on an entrepreneur's attitude (his knowledge, judgement of a phenomenon and behaviour) to a problem and – if he/she employs employees – radiation of his/her value system on the entire organization and its elements.

The social irresponsibility conception as an element of the social responsibility conception consists of assumptions and instruments. In the systemic approach to the issue, the owner of a small enterprise may present a harmful/negative, indifferent or active/positive attitude towards social issues in face of social responsibility manifestations (existing and intentionally no being identified activities within the following areas: economic, legal, ethical, philanthropic towards entities/internal and external stakeholders) or consciously manage social responsibility. Then, he/she fully consciously and intentionally influences the areas and entities, identifying them, and also plans, organizes, shapes and controls social responsibility and irresponsibility. It is, thanks to his/her proper analysis of a phenomenon and location in the situational context, i.e., internal and external conditions, possible to move along the continuum line from irresponsible, through neutral, to responsible actions (apparently, their grading may be important, especially when building a model of social responsibility maturity).

A number of factors conditioning the tendency to be an irresponsible or responsible small enterprise result not only from an individual personal-social sphere related mainly to an entrepreneur's person and his/her relations with business environment, but also to specific features of functioning of this group of enterprises. Here referring to: small, usually local range of activity, close contacts with key stakeholders, embedded in the local community, openness to changes, dynamism, special social relations within an organization, etc.

The study of the social irresponsibility of a small enterprise is a difficult task, particularly that there is still a lack of comprehensive research on social responsibility in this group of enterprises. A significant gap can be found in the methodological layer of the subject. Moving a step further to the analysis of irresponsibility, we enter a very rudimentary studied area, in addition full of many vague, often contradictory issues, arousing much controversy and inclining to formulate a list of dilemmas.

4. Dilemmas related to research issues and basic research assumptions

Social irresponsibility cannot be treated as a phenomenon with well-recognized borders. Is a highly diverse and controversial category, therefore its proper recognition requires clarification what is the research issue in essence? In addition, the rigour of research methodology requires a correct identification of basic research assumptions. Therefore, the most important problem areas in both cases include:

1. Fluidity of the boundaries between social irresponsibility and social responsibility – awareness of this state of affairs requires adopting a specific way of understanding the category along with its complexity and internal contradiction. Difficulties in defining the concept of the social irresponsibility of a small enterprise should be expected.

2. Non-existence of social responsibility and irresponsibility as finite physical entities, but being ideas/conception whose manifestations can be found (or not found) in the real world, in the real conditions of enterprise functioning. Thus, it is possible to assume existence of two different categories of beings: the very idea/concept and certain activities that are its manifestations, or an attempt of its implementation.

3. A possibility of a completely different subject of the study (depending on the ontological status): from something that does not exist physically (or what exists as a desired state), to a real phenomenon.

4. Legitimacy of considering social irresponsibility in the context of the acquits related to the social responsibility conception and its proper embedding in this conception.

5. Difficulties in analysing the essence and scope of irresponsibility of enterprises (mainly defining the object and subject of irresponsibility).

6. A need to highlight separateness of social irresponsibility of small enterprises in relation to other types of organizational and managerial activities.

7. A possibility of disproportion/asymmetry between areas (legal and ethical) and entities (the owner and employees) of social responsibility and irresponsibility.

8. Likelihood of not being able to observe most aspects of social irresponsibility in a broader situational context – relation to a enterprise's management system and impact of external factors.

9. Difficulties in achieving a full implementation of commitments in the areas: economic, legal, ethical and philanthropic towards all internal and external entities – that is why it is important to graduate social responsibility and irresponsibility (ultimately creating interdependent models of maturity as part of the social responsibility management system).

10. A need to choose existing diagnostic patterns and a choice of problematic aspects assessment methods, i.e. types of research processes (and/or their combinations) – normative, descriptive, explanatory and pragmatic [Nowak 2010; Babbie 2009] well-adapted to the ethical and social category.

The analysis of the social irresponsibility of an enterprise requires a solid methodical preparation and consideration of opinions of internal and external entities, with the awareness of many possible diagnostic errors resulting from anticipated reluctance of potential respondents (entrepreneurs/stakeholders) to reveal uncomfortable, discreditable acts, sometimes even minor imperfections.

5. Dilemmas related to research object, research methodology, course of the research process and concluding

A small enterprise is usually a “grateful” object of research due to its openness and flexibility. Rather not complicated business activities, a simple organizational structure, and also “simpler” – in comparison, for example, with large enterprises – realization of management functions within constitutive functions and processes,

allows for a more efficient and deeper analysis of small enterprise activities in many dimensions. However, when faced with a difficult to observe research subject and methodical challenges, dilemmas may appear that concern:

1. A precise definition of what is an organization that is called a small enterprise (it concerns specificity expressed in quantitative and qualitative features and its relation to social irresponsibility).

2. The fact that small enterprise activities are mostly dominated by the owner, thus the level and scope of socially irresponsible activities of an enterprise depends mainly on the level of awareness, knowledge, experience and character traits of a responsible or irresponsible entrepreneur, etc.

3. Controversy of social irresponsibility issues in relation to the specificity of a small enterprise.

4. Not always willing participation of entrepreneurs in many kinds of research initiatives that may be associated with interference in the internal affairs of an enterprise or a necessity to disclose inconvenient facts. However, it should be borne in mind that in the course of conducting empirical research, it appears that the level of social trust, honesty of a researcher, openness, willingness, development of a good relationship between the researcher and the researched, free time of an entrepreneur and many other elements determine the course and effect of the research.

5. Significant challenges for a researcher in the context of determining the size of an organization, which is, among others, a need to observe a possible relationship between the number of employees, turnover or obtained income and individual elements of the research process (research problem, selection of research methods and tools). Also the area of activity, industry and age of an organization can have a significant impact on the course of research.

6. Probability of problems in reaching to and obtaining reliable answers from stakeholders. One of the most effective methods seems to be including the owner of a small enterprise in this process.

7. A need to precisely determine the schedule of empirical research with a detailed description of its individual stages, which will be complex and – it should be expected – with a dynamic course.

8. A choice of direct research methods and structuring of research tools that should ensure communication with respondents by means of understandable content contained therein. It is necessary to describe complex scientific categories, through explanations in an understandable, accessible language. It should also be remembered to establish a precise and detailed plan of the course of direct research individual stages and arranging it with entrepreneurs (small business owners usually have limited time availability due to a large number of organizational roles and responsibilities).

9. Not restricting oneself to only one method and research tool – in the case of research on the social irresponsibility of a small enterprise, it is appreciated to combine quantitative and qualitative research.

10. An obligation of a researcher to comply with ethical standards in the research process, especially in the face of irresponsibility research, during which one touches on many sensitive topics related to ethics, abuse, balancing on the border of law, good and bad practices, etc.

11. A need to formulate cautious and balanced conclusions while being aware of a huge combination of interdependent factors affecting results of analyses.

12. A necessity of not generalising the conclusions of empirical research on the basis of limited analyses and observations (selective observation), which can only present a fragmented view of the state of social irresponsibility, etc.

The presented list of dilemmas is to initiate a discussion on development of a proper research methodology regarding the social irresponsibility of a small enterprise. Supplementing research in the field of the social responsibility, which usually relies heavily on declarations rather than facts, can improve “visual acuity” in an enterprise, including the less visible, invisible or even concealed.

6. Conclusions

The contemporary set of instruments, especially for formal management of the social responsibility (e.g. international management standards and social reports) have failed to work well, contributing to a facade and commercial treatment of the issues with a residual and appropriately veiled approach to social irresponsibility of an enterprise (mainly of a large enterprise). Therefore, not being a good example for small enterprise owners who want to imitate good practices. That is why there is a necessity to broaden the analysis spectrum with manifestations of irresponsibility in a small enterprise.

Management practice proves that within functioning of each enterprise one can find both manifestations of social responsibility and irresponsibility. In practice, it is impossible to completely eliminate negative phenomena accompanying an enterprise’s activity, therefore, treating social irresponsibility of an enterprise as the subject of research can facilitate identification of possible consequences of negative reactions and ways to counteract them.

Due to the limited scope of the study, it was impossible to present the entire complexity of the discussed issues. Undoubtedly, a challenge for further research is, among others, a multidimensional and in-depth analysis of irresponsible actions in the areas: economic, legal, ethical, philanthropic towards internal and external entities and determination of possible consequences for a social responsibility management system and also a small enterprise management system.

References

- Antonetti P., Maklan, S., 2016, *An extended moral of moral outrage at corporate social irresponsibility*, Journal of Business Ethics, vol. 135, no. 3, pp. 429–444.
- Armstrong J.S., 1977, *Social irresponsibility in management*, Journal of Business Research, vol. 5, no. 3, pp. 185–213.
- Armstrong J.S., Green K.C., 2013, *Effects of corporate social responsibility and irresponsibility policies*, Journal of Business Research, vol. 66, no. 10, pp. 1922–1927.
- Babbie E., 2009, *Podstawy badań społecznych*, Wydawnictwo Naukowe PWN, Warszawa.
- Brammer S., Pavelin S., 2005, *Corporate reputation and an insurance motivation for corporate social investment*, Journal of Corporate Citizenship, vol. 20, pp. 39–51.
- Cruz C., Lazarra-Kintana M., Garcés-Galdeano L., Berrone P., 2014, *Are family firms really more socially responsible?*, Entrepreneurship Theory and Practice, vol. 38, pp. 1295–1316.
- Herzig C., Moon J., 2013, *Discourses on corporate social irresponsibility in the financial sector*, Journal of Business Research, vol. 66, no. 10, pp. 1870–1880.
- Jones B., Bowd R., Tench R., 2009, *Corporate irresponsibility and corporate social responsibility: Competing realities*, Social Responsibility Journal, vol. 5, no. 3, pp. 300–310.
- Keig D.L., Brouthers L.E., Marshall V.B., 2015, *Formal and informal corruption environments and multinational enterprise social irresponsibility*, Journal of Management Studies, vol. 52, no. 1, pp. 89–116.
- Kotchen M., Moon, J.J., 2012, *Corporate social responsibility for irresponsibility*, The B.E. Journal of Economic Analysis & Policy, vol. 12, no. 1, Article 55, doi: 10.1515/1935-1682.3308.
- Lange D., Washburn N.T., 2012, *Understanding attributions of corporate social irresponsibility*, Academy of Management Review, vol. 37, no. 2, pp. 300–326.
- Lin-Hi N., Müller K., 2013, *The CSR bottom line: Preventing corporate social responsibility*, Journal of Business Research, vol. 66, no. 10, pp. 1928–1936.
- Nowak S., 2010, *Metodologia badań społecznych*, Wydawnictwo Naukowe PWN, Warszawa.
- Pearce C., Manz C., 2011, *Leadership centrality and corporate social irresponsibility (CSIR): The potential ameliorating effects of self and shared leadership on CSIR*, Journal of Business Ethics, vol. 102, no. 4, pp. 563–579.
- Perks J.K., Farache F., Shukla P., Berry A., 2013, *Communicating responsibility – practicing irresponsibility in CSR advertisements*, Journal of Business Research, vol. 66, no. 10, pp. 1881–1888.
- Riera M., Iborra M., 2017, *Corporate social irresponsibility: Review and conceptual boundaries*, European Journal of Management and Business Economics, vol. 26, no. 2, pp. 146–162.
- Sokołowska A., 2013, *Spoleczna odpowiedzialność małego przedsiębiorstwa. Identyfikacja – ocena – kierunki doskonalenia*, Monografie i Opracowania, nr 232, Wydawnictwo Uniwersytetu Ekonomicznego we Wrocławiu, Wrocław.
- Sokołowska A., 2016, *Uwarunkowania implementacji założeń koncepcji społecznej odpowiedzialności w małym przedsiębiorstwie*, Zarządzanie i Finanse, Journal of Management and Finance, vol. 14, no. 2, cz. 2, pp. 351–360.
- Strike V.M., Gao J., Bansal, P., 2006, *Being good while being bad: Social responsibility and the international diversification of US firms*, Journal of International Business Studies, vol. 37, no. 6, pp. 850–862.
- Windsor D., 2013, *Corporate social responsibility and irresponsibility: A positive theory approach*, Journal of Business Research, vol. 66, no. 10, pp. 1937–1944.