

# FAMILY FIRMS, SOCIAL RESPONSIBILITY, AND NON-FAMILY MEMBER EMPLOYEES' IDENTIFICATION

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**Abstract** *The objective of this paper is to find the relationship between family firms' CSR engagement and their non-family member employees' organisational identification. Drawing upon the existing literature on social identity theory, corporate social responsibility and family firms, the author proposes that family firms engage actively in CSR programs in a balanced manner to increase non-family member employees' organisational identification. The findings of the research suggest that by developing and implementing balanced CSR programs, and actively getting engaged in CSR activities, family firms may help their non-family member employees better identify themselves with the firms. The article points out that due to unbalanced CSR resource allocation, family firms face the problem of inefficient CSR program implementation, and are suggested to switch alternatively to an improved scheme. Family firms may be advised to take corresponding steps to select right employees, communicate better with non-family member employees, use resources better and handle firms' succession problems efficiently. The paper extends employees' identification and CSR research into the family firm research domain and points out some drawbacks in family firms' CSR resource allocation while formerly were seldom noticed.*

**Keywords** *Social Responsibility, Family Firm, Social Identification, Organisational Identification*

## INTRODUCTION

Family firms differ from non-family ones in the way that they have family-centered non-economic goals (Chrisman et al., 2012). This phenomenon, i.e., blending economic considerations with the traditional roles of the family social unit, makes them different from non-family firms in their activities (Uhlener, Goor-Balk, and Masurel, 2004), such as those that involve corporate social responsibilities (hereinafter CSR). Research has been done to explore how CSR performance is associated with desired outcomes in terms of job performance and organisational identification (Carmeli, Gilat, and Waldman, 2007; Kim et al., 2010; Mozes, Josman, and Yaniv, 2011). However, little is known about family firms' CSR influence on non-family member employees' organisational identification since extant research always treats family firms' employees as a whole without distinguishing them as family and non-family member employees, perhaps for discussion and analysis convenience purposes. Also, relative to family member employees, non-family member employees may have difficulty identifying themselves with the firm (for example due to reasons such as perceived injustice (Barnett and Kellermanns, 2006)). This article proposes that by developing, implementing balanced CSR programs, and actively getting engaged in CSR activities, family firms may help their non-family member employees better identify themselves with the firms.

The purpose of this article is to find the relationship between family firms' CSR engagement and their non-family member employees' organisational identification. The article examines such relationship under social identity theory from which the concept of organisational identification derives. It first reviews various relevant definitions (organisational identification, corporate social responsibility, and the family firm) and their meanings in depth so that discussions of the subject can be moved on to the intended field of CSR influence on non-family member employees' identification. Next, the article explores this relationship by answering two questions respectively: (1) why would non-family member employees react differently than family employees? (2) why would non-family employees in family firms react differently than employees in non-family firms? The paper suggests that due to some major differences between family firms and non-family firms, family firms tend to opt for unbalanced allocation of firm resources among various stakeholders. Their decision-making process may reflect stronger family members' individual preferences and contingent personal relations with external stakeholders rather than a balanced consideration over the whole firm. This reality signals a lack of consideration on CSR's effect on family firms' internal stakeholder group (Jones, 2010), its non-family member employees, as well as an unbalanced weight between different external stakeholders representing specific and unique CSR opportunities. In the third part, the article discusses the connections between CSR-oriented firms

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with non-family member employees' identification. Finally, the article draws the conclusion and points out consequent implications for family firms.

This article contributes to the literature by (1) helping extend employees' identification and corporate social responsibility research to the family firm research domain; (2) proposing family firms' rectifying efforts on non-family member employees' attitudes and behaviours rather than on entire employee group as a whole so that CSR oriented measures can be more focused and directed; and (3) suggesting that although family firms out-perform their non-family peers generally in terms of CSR performance, these firms do have drawbacks in their CSR resource allocation.

## LITERATURE REVIEW ON IDENTIFICATION, CSR AND FAMILY FIRMS

Since this article discusses the linkage between CSR (its program development, policy making, and performance) and non-family member employees' identification with the family firms they are working in, some theories and concepts (definitions, development, and how they might contribute to the discussion of the subject) involved are to be reviewed first before moving to further exploration on how family firms' CSR engagement would increase non-family member employees' organisational identification.

### Organisational Identification

The concept of organisational identification derives from those of Social Identity Theory (SIT) and Self-Categorization Theory (SCT) when the latter two are translated into organisational context. It is defined as "a perception of oneness with a group of persons" (Ashforth and Mael, 1989). It is about "oneness" that exists when individuals find shared values with an organisation, buy-in organisational policies, and regard organisational goals as their own. As Edwards (2005) puts it, "the organisation's goals become the individual's goals, and those who identify strongly are more likely to be motivated to work hard to help achieve these goals."

Although researchers and management have long been predicting individual's behaviour in organisations (such as governmental institutions, commercial businesses, not-for-profit organisations etc.) via variables such as those subsumed in personality (Hall, Schneider, and Nygren, 1970), the more practicable link that can be established to prediction and control of individual-level behavioural activities is from organisational identification. If individuals identify themselves with the organisation, they will demonstrate some favourable inclinations to this organisation. Examples can be found in the relationship between customers and

businesses (Currás-Pérez, Bigné-Alcañiz, and Alvarado-Herrera, 2009), or employees and their employing companies (Carmeli *et al.*, 2007; Kim *et al.*, 2010; Van Dick *et al.*, 2006), or even employees and customers who receive services (Solnet, 2006). With higher customers' identification, companies will enjoy gradually expanding market share, long-term sustained profit, brand reputation etc. With higher employees' organisational identification, employers will gain from these employees' potential and long-term advantages such as higher performance (Long, 1978), organisational citizenship behaviours (Feather and Rauter, 2004; Van Dick *et al.*, 2006), low turnover rates (Van Dick *et al.*, 2004).

Based on the definition and discussion on the concept of organisational identification and its importance associated with prediction of employees' behaviours, researchers endeavour to find sources that can lead to or have an impact on employees' organisational identification, such as the external prestige and communication climate (Bartels *et al.*, 2007; Smidts, Pruyn, and van Riel, 2001), perceived organisational justice (Fuchs and Edwards, 2011), and perceived organisational performance (Carmeli *et al.*, 2007), and still some base their exploration on industry domain, for example agribusiness (Morgan *et al.*, 2004), to discuss the causality of organisational identification. Recent articles showing interest in linking CSR and related concepts to organisational identification (Currás-Pérez *et al.*, 2009; Evans, Davis, and Frink, 2011; Kim *et al.*, 2010; Mozes *et al.*, 2011) look from perspectives of external sources and relationship between organisations and their stakeholders into the sources of employees' organisational identification.

### Family Firms

Family firms occupy a considerable portion of the whole economy. As a special form of businesses, family firms present unique advantages over non-family firms on such areas as employee loyalty and commitment (Tagiuri and Davis, 1996), firm performance (Lee, 2006), overall agency cost (Chrisman, Chua, and Litz, 2004), long-term orientation (Vallejo, 2008), top management teams' commitment and trust (Ensley and Pearson, 2005). Such conspicuous superiority may be attributed to some essential factors inborn with their uniqueness, such as those associated with the kinship-ties (Barney, Clark, and Alvarez, 2003), and the intersection between family members, the family and the business (Habbershon, Williams, and MacMillan, 2003).

With the uniqueness and perspectives that set family firms apart from non-family firms and even from other family firms, researchers have different definitions and may not agree on a unified single definition (Chrisman *et al.*, 2012; Chrisman, Chua, and Sharma, 2005). However, based on

the essence of this form of business, there are some widely accepted definitions, one of which is defined as “a business governed and / or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families”(Chua, Chrisman, and Sharma, 1999). This definition clearly presents the economic and strategic (sustainable across generations of the family or families) purposes of family firms. An alternative similar interpretation proposed by recent researchers (Chrisman *et al.*, 2012) finds connections between family involvement and family-centered non-economic (FCNE) goals as the adoption of FCNE goals can serve as one source of differences between family and non-family firms. Such an understanding emphasizes that family firms have their specific FCNE goals such as CSR related ones. If viewing from the perspective of stakeholder theory, the family firms’ engagement of CSR as related to different groups of stakeholders can set the distinctive lines with non-family firms or even other family firms (Mitchell *et al.*, 2011) which means resource allocation of these family firms will be assigned in different ways, for example, towards specific stakeholders (Bingham *et al.*, 2011).

## Corporate Social Responsibility

Corporate social responsibility has long been a topic of interest for organisational scholars (Carroll, 1999; Davies and Crane, 2010). It started from the firm’s pursuit of financial benefits that resulted in management consideration of laws (Carroll, 1991). An early definition by Bowen (1953) suggests that CSR is restricted to businessmen’s consideration of their behavioural consequences beyond the profit-and-loss statements. A 1970s definition set forth by Keith Davis goes beyond the personal level to the firm’s level: “the firm’s consideration of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm” (Davis, 1973). To make the definition clearer and applicable, Carroll further defines CSR by presenting a multi-level framework indicating different meanings as corresponding to different firm-level behaviours of CSR, which includes economic, legal, ethical and philanthropic responsibilities (Carroll, 1979, 1991). Carroll’s contribution in this definition is mainly at the typology of CSR on a firm’s level that people would understand which level a firm’s behaviours achieve in terms of its CSR activities. However, these definitions are still confined as they focus on the meaning and classification of a firm’s social responsibility but don’t solve or even touch the compatibility between financial claims and various requests from society.

Then a breakthrough definition proposed by Drucker changed this. Drucker (1984) suggests that CSR is to “turn a social problem into economic opportunity and economic benefit, into productive capacity, into human competence, into well-paid jobs, and into wealth”. This definition actively combines social problems with the development of the business on the basis of fulfillment of the own economic purposes. The advantages of such a perspective, as similar to Porter’s strategic CSR idea (Porter and Kramer, 2002, 2007), lie in that when connected with a firm’s essence as an economic entity to make a profit for sustained development, CSR can be actively and progressively integrated into a firm’s operation, policy- and decision-making process, thus gaining legitimacy.

While the above ideas of CSR stress the merging of economic considerations and ethical considerations from a firm’s perspective, some researchers consider the negative influences brought by the society, and define CSR accordingly by arguing that “CSR involves taking actions which reduce the extent of externalized costs or avoid distributional conflicts”(Heal, 2005). This argument focuses on aspects that help businesses to avoid negative influences by adopting CSR activities.

Different from previous researchers who view CSR as a crossing or spanning phenomenon over all types of businesses, Portney defines CSR horizontally (Carroll defines CSR vertically from economic through ethical to philanthropic aspects) as going beyond what is required by statutes or regulations in the areas of environment, worker health and safety, and community investment (Portney, 2005), then expands CSR coverage from privately-owned firms to publicly-traded companies and also includes corporate governance into his 2005 definition (Portney, 2008). His definition sets a line between activities that companies can do to satisfy the standards of CSR and involves considerations of employees, but the major contribution is noticing different types of companies under the coverage of CSR so that future researchers can do comparative analysis between different types of firms (for example, family firms and non-family firms, small- and medium-sized family-owned firms and public-listed family firms) on issues of financial performance, employee turnover and retention.

For the purpose of discussion, this article adopts a broadly defined version saying that CSR refers to “the level of contribution a company makes towards the betterment of society” (Uhlener *et al.*, 2004), because it focuses on the level of contribution (rather than specific firm behaviours), and on the direction or purpose of the concerned behaviours, i.e., the betterment of society, which will arouse strong emotional feelings among employees who are sensitive to firms’ social responsibility.

## FAMILY FIRMS, CSR AND NON-FAMILY MEMBER EMPLOYEES' IDENTIFICATION

The article begins the following discussion with the findings noted in some recent researches on the domain of CSR and family firms. Dyer and Whetten (2006) argue that family firms do better in terms of CSR as compared with their non-family owned firms using S&P data. While the general assumption is that family firms perform better than non-family firms, there are also researchers who don't agree with this. Reasons may be that the findings could relate sensitively "both to the way in which family businesses are defined and to the nature of the sample" (Miller et al., 2007), the use of univariate framework in comparison (Paul and Marc, 1997) or the employing of unidimensional variables across different groups (i.e. family member employees and non-family member employees). Thus it is necessary to investigate family firms' CSR engagement, and also not to treat CSR's impact on employees' organisational identification in a unidimensional way. Also, Carmeli *et al.* (2007) propose that perceived high firm's CSR performance engender higher degree of organisational identification. Put these two recent researches together, and this article tries to find relationships between family firms' CSR engagement and their non-family member employees' organisational identification, i.e. if active and balanced CSR engagement could do good to improve non-family member employees' organisational identification.

### Organisational Identification and Non-family Member Employees

In order to clarify the link between a family firm's CSR engagement and its non-family member employees' organisational identification, this article will first address the issue of non-family member employees' identification with the family firms, i.e. the problem of why non-family member employees cannot identify themselves with the family firms as easily as those family member employees can. So the question now is directed to the difference between non-family member employees and family member employees under the same family firm context.

To deal with this question, a clear distinction between family firms and non-family firms should be made because the essence of family firms is the source that causes the difference. As previously discussed, family firms are distinct from non-family firms mainly because of the involvement of family members who share the kinship as a natural tie that can act as one of the important determinants of self-categorization and group identification. With the existence of such blood ties, family member employees form a distinct

group inside the family firms. As a consequence, non-family member employees are left to the non-family member group. The process of such development and separation will reduce the possibility and ease of non-family member employees' identification with the family firms. This phenomenon may cause problems such as low level of organisational commitment, perceived injustice as compared with family member employees (Barnett and Kellermanns, 2006), promotion and succession issues (Cabrera-Suárez, De Saá-Pérez, and García-Almeida, 2001) from the perspective of non-family member employees. Since the survival of family firms largely depends on groups of stakeholders, family firms could not ignore their non-family member employees and their influences because the group of non-family member employees is presented as one of the most important stakeholders, and their presence and support are crucial for family firms' survival.

To summarize, due to differences between family firms and non-family firms, non-family member employees are treated differently from family member employees which results in non-family member employees' organisational identification problems.

### CSR and Family Firms

The concept of CSR has been accepted by academia as well as practitioners. Researchers explore the meaning of CSR from different angles, for example, by linking it to corporate financial performance, by associating it with firm-level strategies, or by connecting it to specific types of businesses such as family firms. Practitioners across industries have been thinking about integrating CSR programs into their daily operations and strategy development. In view of this prevalence, it seems that CSR can be adopted and implemented across all types of companies with the same impact. However, some empirical studies show and prove that family firms do perform differently as compared to non-family ones (Dyer and Whetten, 2006). Thus, in order to understand CSR's position in family firms as compared to non-family firms, it is necessary to take a look at how family firms are engaged in CSR activities.

Based on previous sections, it is understandable that family firms run differently from non-family firms as they have family members' involvement concerning issues such as decision making, strategy development, employment-related decision, and succession arrangements. Thus family firms' CSR engagement may largely be decided or determined by family members' preferences and historical relationships with specific stakeholders who have close ties with family members rather than based on strategic perspectives and future development requirements at the firm level. The

following part will be devoted to the discussion of this phenomenon as unbalanced CSR resource allocation. The notion here is not that unbalanced CSR resource allocation is absolutely unique to family firms as non-family firms may also allocate CSR resources unwisely, but that an alternative way of evaluating the performance level of family firms so that some hidden aspects of family firms performance in terms of CSR can be taken into account.

**Unbalanced CSR resource allocation:** Are family firms performing better than non-family firms? Many researchers have answered this question positively in terms of financial factors (Granata and Chirico, 2010), overall performance (Robertson, 2007; Sharma, 2004), commitment (Cyert and March, 1963), risk aversion (Gómez-Mejía et al., 2007), entrepreneurial orientation (Short et al., 2009). Research also indicates that family firms perform better in terms of their social responsibility than non-family firms (Dyer and Whetten, 2006). However, relevant research has focused extensively on large rather than small-and medium-sized companies and may not reflect all situations. For example, when performance is concerned, some researchers (Miller et al., 2007) suggest that findings could relate sensitively “both to the way in which family businesses are defined and to the nature of the sample”. When CSR is taken into consideration, research results may not be generalized for large companies (Davies and Crane, 2010; Nielsen and Thomsen, 2009a, 2009b).

Since the concept of stakeholders and community (Lépineux, 2005) may vary according to individual firms and under different circumstances, family firms may be conspicuous in some aspects of their CSR activities while not that satisfactory in some other aspects. The reasons, as some scholars suggest, are a few moderator variables that “determine why some family businesses are more socially responsible than others, including gender and bonding and community cohesiveness” (Uhlener et al., 2004). For example, a family firm’s supplier may view its client as an excellent CSR performer only because the supplier has a family-related connection with the firm and has developed a long and stable relationship. The local community may view the family firm as a good CSR performer because the founder of the family firm feels strongly that as an individual person he or she is part of the community and thus has decided to invest or donate more locally. As what some scholars have found, under certain situations family firms are less likely to behave in a socially responsible manner (Morck and Yeung, 2004), and even when they are involved in such programs, research shows that “the higher the level of family or founder involvement within a family firm, the greater the level of CSP toward specific stakeholders” (Bingham et al., 2011), which means family firms engage themselves in an unbalanced state of CSR activities. To put it another way,

how a family firm behaves is a function of variable(s) that is/ are associated with individual preferences. This may be attributed to family firms’ decision-making process which is different from non-family firms since family firms are controlled by controlling family or families with FCNE goals while non-family firms are more likely to concern just financial issues or prioritize economic issues so the latter may tend to resort to a more balanced CSR orientation and policy implementation to achieve maximized profits. Possible reasons for this unbalanceness are also summarized to be the lack of owner / manager understanding of CSR, lack of time, and problems of control (Davies and Crane, 2010).

**Balanced CSR:** Unbalanced CSR may hurt employees’ feelings and consequently reduce their organisational identification as the underdeveloped and low-efficient aspects of the entire CSR program or policy may be perceived as firms’ incapability, which could reduce firms’ prestige, or as firms’ underdeveloped ethical intention of socially admired behaviours, which could deviate from what firms and employees both accept as core values. On the contrary, balanced CSR will increase employees’ organisational identification for the above reasons. Besides, it may affect family firms and their employees in two broad ways.

First, since CSR programs are connected directly with stakeholders, non-family member employees as internal stakeholders would benefit from a balanced CSR policy, which may make up the perceived injustice or treatment, for example, in HR practice, between family member employees, and non-family member employees. This is especially so when family firms are different from non-family firms in terms of FCNE, because family concerns are paralleled with business concerns thus family member employees may be prioritized in treatment such as economic rewards, promotion and succession.

Second, CSR orientation may result in some consequences that will bring benefits to the firms (for example, enhancing corporate reputation and image, increasing customer trust, cohesion with local community, etc.). These consequences also benefit firms’ non-family member employees. They may gain from appreciation and praises more feeling of approval to trade off the perceived low treatment such as the low level of payment (Carrasco-Hernandez and Sánchez-Marín, 2007) and low perceived justice or unfairness due to high level of family influence (Barnett and Kellermanns, 2006).

To summarize, in terms of CSR engagement and implementation, the unbalanced development and presence of family firms incur organisational identification problems of different forms. The discussion of this section also answers the question of the difference between non-family member employees in family firms and employees in non-family firms as (1) non-family member employees in family firms

are more likely to face unbalanced CSR engagement than employees in non-family firms; and (2) non-family member employees in family firms are more likely than employees in non-family firms to experience perceived injustice and thus lower level of identification (Barnett and Kellermanns, 2006). These differences justify family firms' resorting to balanced CSR resource allocation and active engagement.

### CSR and Non-family Member Employees' Identification

Introducing and implementing active and balanced CSR programs, as some researchers observed, can lead to different behaviours, emotions and cognitions, and "employees develop an attitude of identification with the organisation" (Rodrigo and Arenas, 2008). The reason for this solution being successful is CSR can act as a facilitator in establishing strengthened relationships which guarantees minimizing conflicts and maximizing loyalty from stakeholders including employees (Ali et al., 2010).

The adoption of CSR by family firms can increase employees' identification for three main reasons. First, firms' CSR engagement will enhance the overall reputation among the (external) stakeholders. The enhanced reputation can serve as a unique value that family firms own and family firms are believed to more cherish the reputation than non-family firms. The reputation thus will set the family firms different from other similar firms. As a consequence, the enhanced firms' reputation will help non-family member employees more easily identify themselves with the firms because non-family member employees can obtain self-esteem which results from a comparison between family firms they are working in and other firms that do not own reputation of the same level due to firms' active CSR engagement.

Second, when firms' CSR are integrated with their specific strategies, the strategic CSR implementation will increase firms' competitive advantages and overall performance. When the increased performance is perceived by non-family member employees, it will lead to increased organisational identification (Carmeli et al., 2007). This can be explained in two parts. When the performance is measured in financial ways, the increased performance will set the firms apart and thus distinguishes firms from other similar firms, which helps non-family member employees better categorize themselves for a membership feeling, i.e. they will feel more easily to identify themselves with the family firms they are working in. When the performance is measured in firms' CSR engagement and development, the increased performance will lead to non-family member employees' perception of family firms' ideals and values. These positive social values, once identified by non-family member employees, will see increased organisational identification.

Third, active engagement in CSR programs demonstrates firms' good intention to be good corporate citizens. This embedded value may be shared by non-family member employees who have positive views on good citizenship. And when these non-family member employees share the same value with the firms they are working in at a higher level or in a higher degree, they are more likely to define themselves with the same attributes that define the same family firms, which means a higher level of organisational identification (Morgan et al., 2004).

As research results (Rodrigo and Arenas, 2008) reveal, CSR program engagement will improve employees' perception of the firm they work in and help them develop an attitude of identification with the firm in four aspects.

First and most important, non-family employees will feel congruent with the firm, i.e., they agree with the firm's values, policies and strategies. This kind of "oneness" thus helps to mitigate the perceived discrepancies between family member employees and non-family member employees. Non-family member employees may incorporate their personal career values into family firms', they may treat family firms' issues as their own, and they will feel as if they were family members without blood ties but with common goals.

Second, during the implementation process of CSR programs, the firm demonstrates and enhances its corporate citizenship. Non-family employees, when perceive this enhancement, are likely to "incorporate corporate citizenship into his or her own work responsibilities", because working for a such a firm is associated with feelings of identification (Evans et al., 2011). It is reasonable to estimate that when family firms are engaged in more balanced CSR activities, non-family member employees' organisational identification will be fortified.

Third, non-family member employees are not members of the controlling family (or families). A work style that they view themselves as owner(s) of the family means non-family member employees become more identified with the family firm they've been working with. This will also create a more harmonious relationship between family member employees and non-family member employees so that some inter-group conflicts may be reduced. Such identification will exist even in the absence of family membership (Sen and Bhattacharya, 2001).

Fourth, the achieved job satisfaction in the process of fulfillment of personal ideas, values and a sense of belonging will in turn increase non-family member employees' intention and willingness to stay with the firm. They will treat family firms as their destination of realizing their personal values.

## CONCLUSION

The article points out that due to unbalanced CSR resource allocation, family firms face the problem of inefficient CSR program implementation, and are suggested to switch alternatively to an improved scheme. Then based on the review of previous literature and above discussion, this article suggests that CSR engagement, when undertaken by family firms actively and in a balanced manner, will increase non-family member employees' organisational identification. This improvement is (largely) due to CSR's positive influence and effects on engaging firm's reputation, shared value with employees, and the family firm's perceived performance. Non-family employees' identification, especially in small- and medium-sized firms is an important factor for firm's development and survival when these employees buy in firm's CSR policy and identify themselves with the firm (Davies and Crane, 2010). Family firms' active engagement in CSR activities can effectively help non-family employees identify themselves, communicate better with the firm management team, and facilitate firm's CSR strategies. Also, such identification is among important employee-level variables that are associated with employees' behaviours (Evans *et al.*, 2011), so enhanced organisational identification with family firms will lead to positively desired employees' behaviours (especially those non-family member employees') such as high commitment, loyalty, low turnover and etc.

This article contributes to the extant literature in family business by suggesting that family firms' CSR engagement is limited although in general some empirical studies show that family firms perform better than non-family firms in terms of CSR. It contributes to the study and understanding of (mutual) influences and interaction between CSR and organisational identification by extending relevant findings to the domain of family business. Practitioners can learn from above discussion how to help non-family member employees identify themselves more with family firms they are working with. These are important for family businesses' long-term development, prosperity and stability.

## IMPLICATIONS

For family firms' practical implication, here are some suggestions. First, as the article has implied, different employees may respond in opposite ways to firm's CSR programs, with some highly engaged in while still some totally indifferent to the good deeds involvement, firms could take pre-cautious steps to select the right employees by considering three key areas: (1) determining and prioritizing criteria; (2) attracting appropriate applicants; and (3) overcoming remuneration deficits (Davies and Crane,

2010). Second, firms should continuously communicate its goals and CSR engagement issues with those non-family employees, because such intra-organisational behaviour will augment identification benefits (Smidts *et al.*, 2001). Third, since many family firms are resource-constraint (Spence and Rutherford, 2001), they could engage more or prioritize on local community's social issues. Such activities may increase the firms' corporate image value among and create congruence with the locally-recruited employees as research findings suggest that employees' favourable attitudes lead to enhanced organisational identifications and positive responses (Jones, 2010). Also, some locally engaged activities such as employer-sponsored volunteerism have a motivational influence on employees' intention to comply with the firm's internal standards (Houghton, Gabel, and Williams, 2009). Fourth, as CSR initiatives represent individuals' values and thus firm's social responsibility is more personal rather than corporate (Hemingway and MacLagan, 2004), family firms may put more emphasis on issues of family firm's succession problems as the next generation family firm leader's personal preference on CSR may largely influence the path and the public-wide acceptability (or public image/ reputation) of the firm.

## LIMITATIONS

This article is not without limitations. First, it focuses on the overall family firms as the object of the study while family firms in the actual world may vary in their structure, type (or business ownership consisting of controlling owners, sibling partnerships, and cousin consortium, or parental and familial (Ensley and Pearson, 2005)), cultural background, industry and etc., which can pose some influences on family firms' CSR behaviours. Second, it treats non-family member employees as a whole without exploring impacts of CSR on CSR sensitive and non-sensitive (or less-sensitive) non-family member employees, thus specific non-family member employees' identification is not clear. Third, it does not consider personal characteristics as mediating factors with non-family member employees' identification while different personal characteristics were found to be related to identification (Hall *et al.*, 1970).

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